



BYLAWS

ARTICLE I - NAME AND LOCATION

Section 1 - NAME AND INCORPORATION - The name of this Association shall be the North American Association of Floor Covering Distributors (NAFCD), an Illinois not for Profit Corporation under IRC section 501(c)(6).

Section 2 - OFFICE - The principal office and place of business of the Association shall be located in the State of Illinois, or such other places as may be designated by the board of directors.

ARTICLE II - PURPOSES

Section 1 - PURPOSES - The purposes for which this corporation has been organized are as follows:

1.a. To foster trade and commerce in the interest of those having a business, financial or professional interest as wholesale distributors, manufacturers, or manufacturer agents of floor coverings and allied products; to foster sound business principles in all phases of the floor covering industry; to promote understanding and cooperation among distributors, manufacturers and retailers of floor covering materials and related products; to collect and disseminate pertinent industry data; to provide educational, research and training programs to improve and enhance high standards of efficiency in the floor covering industry.

2.b. To do all such lawful acts and things incidental to or connected with the foregoing purposes or in advancement thereof.

ARTICLE III - MEMBERSHIP

Section 1 - QUALIFICATIONS FOR MEMBERSHIP

Section 1.a. Distributor Membership - Eligibility: any distributor who is substantially engaged in the wholesale distribution of floor covering materials and related products. In addition to the above, in order to qualify as a distributor member, a distributor must:

1.a.1. Be recognized as a distributor of such products by representative manufacturers and by a sufficient number of retail dealers in its trading area as determined by the Board of Directors.

1.a.2. Maintain a full time sales organization actively and continuously engaged in calling upon and selling its products for resale.

1.a.3. Maintain adequately staffed and equipped office, warehouse and shipping facilities, which shall be regularly open to dealers. No exclusively office-only distributor will be eligible.

1.a.4. Normally purchase floor covering materials and/or other related products by recognized bulk quantities, and maintain a warehouse stock of such products large enough to serve its trade adequately.

1.a.5. Provide invoicing and credit services in connection with its sales.

Section 1.b. Distributor Membership – Rights & Obligations: Distributor members in good standing shall have the following rights and privileges of membership.

1.b.1. The right to vote

1.b.2. The right to proxy as determined in these bylaws and in accordance with policy and procedure set by the Board of Directors

1.b.3. The right to hold office

1.b.4. The right to attend meetings of the membership

1.b.5. The right to resign membership, subject to fulfillment of all obligations of membership

1.b.6. The right to notice and hearing if subject to expulsion

1.b.7. The obligation to pay any dues and assessments determined by the Board of Directors

1.b.8. The obligation to serve on such committees and/or task forces as appointed by the Board of Directors or President

1.b.9. The right to join any established Special Interest Groups as established by the Board of Directors

1.b.10. The right to use the limited license as described in Article IX, Section 1

Section 1.c. Distributor membership -- non-assignable; Membership in the Association is exclusive to the corporate member and may not be transferred by assignment or otherwise.

Section 2.a. Manufacturer Membership - Eligibility: any manufacturer, national or international, who is substantially engaged in the manufacturing of floor covering materials and related products. In addition to the above, in order to qualify as a manufacturer member, a manufacturer must:

2.a.1. be recognized as going to market with recognized flooring or related products that are distributed through a majority of distributors as determined by the Board of Directors.

Section 2.b. Manufacturer Membership – Rights & Obligations: Manufacturer members in good standing shall have the following rights and privileges of membership.

2.b.1. The right to vote

2.b.2. The right to proxy as determined in these bylaws and in accordance with policy and procedure set by the Board of Directors

2.b.3. The right to hold office

2.b.4. The right to attend meetings of the membership

2.b.5. The right to resign membership, subject to fulfillment of all obligations of membership

2.b.6. The right to notice and hearing if subject to expulsion

2.b.7. The obligation to pay any dues and assessments determined by the Board of Directors

2.b.8. The obligation to serve on such committees and/or task forces as appointed by the Board of Directors or President

2.b.9. The right to join any established Special Interest Groups as established by the Board of Directors

2.b.10. The right to use the limited license as described in Article IX, Section 1

Section 2.c. Manufacturer Membership -- non-assignable; Membership in the Association is exclusive to the corporate member and may not be transferred by assignment or otherwise.

Section 3.a. Manufacturer Agent Membership - Eligibility: any manufacturer agents, national or international, who are substantially engaged in the representation of manufacturers, i.e., manufacturing floor covering materials and related products. In addition to the above, in order to qualify as a manufacturer agent member, a manufacturer agent member must:

3.a.1. Be as the agent for a manufacturer of flooring or related products that go to market with a majority of their products through floor covering distributors as determined by the Board of Directors.

Section 3.b. Manufacturer Agent Membership – Rights & Obligations: Manufacturer Agent members in good standing shall have the following rights and privileges of membership.

3.b.1. The right to vote

3.b.2. The right to proxy as determined in these bylaws and in accordance with policy and procedure set by the Board of Directors

3.b.3. The right to hold office

3.b.4. The right to attend meetings of the membership

3.b.5. The right to resign membership, subject to fulfillment of all obligations of membership

3.b.6. The right to notice and hearing if subject to expulsion

3.b.7. The obligation to pay any dues and assessments determined by the Board of Directors

3.b.8. The obligation to serve on such committees and/or task forces as appointed by the Board of Directors or President

3.b.9. The right to join any established Special Interest Groups as established by the Board of Directors

3.b.10. The right to use the limited license as described in Article IX, Section 1

Section 3.c. Distributor membership -- non-assignable; Membership in the Association is exclusive to the corporate member and may not be transferred by assignment or otherwise.

Section 4.a. Allied Membership - Eligibility: any person, firm or corporation who furnishes services or supplies other than floor covering and/or related products to wholesale distributors and/or manufacturers for use in their own business and/or for resale may become an Allied Member.

Section 4.b. Allied Membership – Rights & Obligations: Allied Members in good standing shall have the following rights and privileges of membership.

4.b.1. The right to attend meetings of the membership

4.b.2. The right to resign membership, subject to fulfillment of all obligations of membership

4.b.3. The right to notice and hearing if subject to expulsion

4.b.4. The obligation to pay any dues and assessments determined by the Board of Directors

4.b.5. The obligation to serve on such committees and/or task forces as appointed by the Board of Directors or President

4.b.6. The right to join any established Special Interest Groups as established by the Board of Directors

4.b.7. The right to use the limited license as described in Article IX, Section 1

4.b.8. Allied Members may not vote or use a proxy

4.b.9. Allied members may not hold office

Section 4.c. Allied Membership -- non-assignable; Membership in the Association is exclusive to the corporate member and may not be transferred by assignment or otherwise.

Section 5.a. Honorary Membership - Eligibility: those individuals no longer active in the industry who, during their involvement with the Association, performed some noteworthy act or distinguished service to the Association and who is elected by unanimous vote of the Board of Directors may be recognized as an Honorary Member.

Section 5.b. Honorary Membership – Rights & Obligations: Honorary Members in good standing shall have the following rights and privileges of membership.

5.b.1. The right to attend meetings of the membership

5.b.2. The right to resign membership, subject to fulfillment of all obligations of membership

5.b.3. The right to notice and hearing if subject to expulsion

5.b.4. The obligation to pay any dues and assessments determined by the Board of Directors

5.b.5. The obligation to serve on such committees and/or task forces as appointed by the Board of Directors or President

5.b.6. The right to join any established Special Interest Groups as established by the Board of Directors

5.b.7. The right to use the limited license as described in Article IX, Section 1

5.b.8. Honorary Members may not vote or use a proxy

5.b.9. Honorary members may not hold office

Section 5.c. Honorary Membership -- non-assignable; Membership in the Association is exclusive to the corporate member and may not be transferred by assignment or otherwise.

Section 6 – APPLICATION FOR MEMBERSHIP

6.a. Application and Approval

6.a.1. Application for membership shall be made in writing on a form provided by the corporation.

6.a.2. Such application shall be considered by the Board of Directors utilizing the criteria established in Article III and

6.a.3. when favorably passed, by two-thirds vote of the Board,

6.a.4. the applicant shall become a member upon the payment of annual dues.

6.a.5. The Board of Directors may delegate this process in part or whole to and/or staff will review and approve membership.

6.b. Termination of Membership

6.b.1 Honorary Member - Membership in the Association may terminate by death in the case of an honorary member.

6.b.2 Other Member Categories – Membership in the Association may terminate by death, resignation or expulsion in the case of a distributor, manufacturer, manufacturer agent or allied member.

6.b.3 Upon termination of membership, all rights, privileges and interests of such member in and to the Association cease. A member may resign at any time upon giving written notice of intention to resign to the Association, but such resignation shall not become effective until fulfillment of all obligations of such member. The resignation or expulsion of any member shall not affect such member's indebtedness to the Association, if any, be reason of any unpaid dues or other obligations.

6.b.4. Expulsion – Any member may be expelled upon a two-thirds vote of the Board of Directors for cause after notice and opportunity for a hearing.

6.b.5. Membership Non-assignable – Membership in the Association is exclusive to the corporate member and may not be transferred by assignment or otherwise.

Section 7 – MEMBERSHIP MEETINGS AND QUORUM

7.1. The annual membership meeting of the corporation shall be held upon proper notice at such time and place as set by the Board of Directors.

7.2. **Quorum** – the presence at any membership meeting, including proxies, of not less than 20% of the membership shall constitute a quorum, and shall be necessary to conduct the business of the corporation.

However, a majority present may adjourn the meeting for a period of not more than four weeks from the date scheduled by the bylaws and the Secretary shall cause a notice of the rescheduled date of the meeting to be sent to those members who were not present at the meeting originally called. A quorum as therein before set forth shall be required at any adjourned meeting.

Section 8 – SPECIAL MEETINGS

8.1. Special Meetings: Special meetings of the corporation may be called by the Directors.

8.2. Notice: The Secretary shall cause a notice of such meetings to be communicated to all members, at their addresses as they appear in the membership roll book, at least ten days, but not more than fifty days, before the scheduled date of such meeting. Such notice shall state the date, time, place and purpose of the meeting and by whom called.

8.3. Agenda: No other business but that specified in the notice may be transacted at such special meeting.

Section 9 – FIXING RECORD DATE – For the purpose of determining the members entitled to notice of, or to vote at any meeting of members or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining the members entitled to receive any distribution or any allotment of any rights, or for the purpose of any other action, the Board shall fix, in advance, a date as the record date for any such determination of members. Such date shall not be more than fifty or less than ten days before any such meeting nor more than fifty days prior to any action.

Section 10 – ACTION BY MEMBERS WITHOUT A MEETING -- Whenever members are required or permitted to take any action by vote, such action may be taken without a meeting by written consent, setting forth the action so taken, signed by all the members entitled to vote thereon.

Section 11 – PROXIES – Every member entitled to vote at a meeting of members or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy must be signed by the member or his/her attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.

Section 12 – ORDER OF BUSINESS — The order of business at all meetings of members will be as follows:

1. Roll Call
2. Approval of minutes of the preceding meeting
3. Reports of committees and/or task forces
4. Reports of officers
5. Old and unfinished business
6. New business
7. Adjournment

The order of business may be altered or suspended at any meeting at the discretion of the President or the committee chair in direction of that meeting.

12.2 Parliamentary Authority - All NAFCD meetings shall be governed by parliamentary law as set forth in the most recent edition of Robert's Rules of Order when not inconsistent with law or these bylaws.

Section 13 – MEMBERSHIP DUES – The Board of Directors shall have power to determine the amount of annual dues and assessments, and the manner in which the same shall be assessed and collected.

Section 14 – ELECTRONIC WRITINGS - Wherever in these bylaws a communication or other writing is permitted or required, the writing may be made in electronic format including but not limited to writings by e-mail or facsimile format, to the extent permitted by the General Not For Profit Corporation Act of Illinois.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. MANAGEMENT OF THE CORPORATION – The Corporation shall be managed by a Board of Directors elected by the Membership. A Director may hold office as an officer of the Corporation concurrently with his/her Directorship term. The Board shall have full authority to interpret and implement all the provisions of these Bylaws. All such interpretations shall be by a minimum of two-thirds of the directors of the Board then in office and shall be final and conclusive. The Board may delegate various duties to the Executive Vice President; however, such assignment shall at all times be consistent with the purposes and objectives of the Association as set forth in these Bylaws.

Section 2. COMPOSITION – At each Annual Meeting of the Association, a Board of Directors of not less than ten (10) and no greater than fifteen (15) directors elected at large shall be elected by a majority vote of the members present. The directors shall serve three (3) year staggered terms. Annually, one-third (1/3) of the Board of Directors would normally complete their term of board service. No Director who has served a full three-year elected term to the Board of Directors shall be eligible for re-election as an at-large director to the Board unless he/she has remained off of the Board for a period of one full year.

Section 3. ELECTION AND TERM

3.1. Election – At each Annual Meeting of the Association, a Board of Directors of not less than ten (10) and no greater than fifteen (15) directors, inclusive of the five (5) officers (President, Vice President, Secretary/Treasurer, and Immediate Past President), shall be elected by a majority vote of the members present. The Executive Director serves as an ex-officio member, without vote.

3.2 Term – The directors shall serve three (3) year staggered terms. Annually, one-third (1/3) of the Board of Directors would normally complete their term of board service. Typically, a Director who has served a full three-year elected term on the Board of Directors shall not be eligible for re-election as an at-large director to the Board unless he/she has remained off of the Board for a period of one full year. However, an exception to this standard may be made if the Nominating Committee identifies a compelling reason for such exception and if the Director agrees to the exception. Such exception, if made, may not materially impact the preference for one-third (1/3) of the directors to turn over each year. No member of the Board may serve as a member thereof more than six (6) consecutive years except the President and Past President, but only in accordance with Article VI hereof.

Section 4. EFFECTIVE DATE – All directors shall take office 30 days following the Annual vote by the members. Terms expire 30 days after the succeeding year's vote by members except in the case of special interim appointments.

Section 5. APPOINTED DIRECTOR – An at-large director may, from time to time as the board sees fit, be appointed by the President with the approval of the Board of Directors. The at-large appointed director may be reappointed to serve for a second, one-year term of office, if circumstances warrant and the board approves. In no event shall more than two such appointed directors serve simultaneously on the NAFCD Board of Directors. The at-large appointed director may not hold office. Such appointment does not qualify one for remaining off the Board for a period of one full year. An appointed director does not count towards calculation of quorum or voting requirements.

Section 6. DIRECTORSHIP VACANCIES - Directorship vacancies occurring in the Board for any reason may be filled by a vote of the majority of the Directors and shall hold office for the unexpired term of their predecessor.

Section 7. DIRECTOR RESIGNATION – A Director may resign at any time by giving written notice to the Board, the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect, upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

Section 8. CORPORATE AFFILIATION – A Director that changes company affiliation will be brought before the Board for consideration and voted upon by the Board as to serving their remaining unexpired term. The director must obtain a majority vote to serve their remaining unexpired term. In the event that changes in company affiliation result in multiple directors from the same company the Board of Directors will review their directorship.

Section 9. QUORUM OF DIRECTORS - Unless otherwise provided in the Certificate of Incorporation, a majority of the Board shall constitute a quorum for the transaction of business or any specified item of business.

Section 10. ACT OF THE BOARD - Unless otherwise required by law, the vote of a majority of the Directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board. Each director present shall have one vote.

Section 11. NOTICE OF MEETINGS OF THE BOARD, ADJOURNMENT

11.1. Regular meetings of the Board may be held without notice at such time and place as it shall from time to time determine.

11.2. Special meetings of the Board shall be held upon notice to the directors and may be called by the President upon five days notice to each Director either personally or by mail, electronic communication including but not limited to fax and e-mail, or overnight private delivery.

11.3. Special meetings shall be called by the President or Secretary in a like manner on written request of two Directors. Notice of a meeting need not be given to any Director who submits a waiver of notice whether before or after the meeting or who attends the meeting without protesting prior thereto or at its commencements, the lack of notice to him/her.

11.4. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given to all Directors who were absent at the time of the adjournment and unless such time and place are announced at the meeting to the other Directors.

Section 12. PLACE AND TIME OF BOARD MEETINGS - The Board may hold its meetings at the office of the Corporation or at such other places, either within or without the state, and times as the board may from time to time determine.

Section 13. CHAIRMAN - At all meetings of the Board, the President, or in his/her absence, the Vice President or a Chairperson chosen by the Board shall preside.

Section 14. APPOINTMENT OF COMMITTEES AND TASK FORCES - The Board of Directors, or the President, with the approval of the Board of Directors, may create such committees and/or Task Forces with power and responsibility as deemed appropriate to accomplish a specific assigned project. The President of the Association shall be an ex-officio member of such committees/task forces.

Section 15. ESTABLISHMENT OF SPECIALTY SECTIONS - Specials Interest Groups (SIGs): Any group of any class of members who desire to form a Specialty Section (SIG), or sub-group of members within the NAFCD shall petition the Association Board of Directors by making application in accordance with such procedures as the Board of Directors may establish from time to time. Membership shall be open to those members of the Association who meet the criteria for the Specialty Section membership. The Specialty Section shall carry out programs and activities of interest to its members in accordance with such policies and procedures as the Board of Directors may establish from time to time. Membership in a Specialty Section shall be available on a nondiscriminatory and non mandatory basis to those members meeting the requirements for Specialty Section membership. The Section and its general activities must be approved by the Board of Directors. In no case will such groups pursue any programs contrary to the policies, programs or Bylaws of the Association.

ARTICLE VI - OFFICERS

Section 1. OFFICERS, ELECTION, TERM – At each Annual Meeting of the Association, five (5) officers (President, Vice President, Secretary/Treasurer, and Immediate Past President) shall be elected by a majority vote of the members present. The officers shall have such duties, powers and functions as hereinafter provided, and shall constitute the Executive Committee.

Section 2. ELECTION AND TERM

2.a. All officers shall take office **30 days following the annual vote by the members**. Following their election, their term will expire **30 days after the succeeding year’s vote by members**, except in the case of special interim appointments.

2.b. Each officer shall hold office for a one-year term.

2.c. To be elected as an officer of NAFCD, an individual must hold a senior management position in a distributorship. An officer who moves from a distributor to a manufacturer or other member category would not be eligible to continue as an officer, and replacement officers must be appointed or elected from the current or previous board of directors.

Section 3 REMOVAL, RESIGNATION

3.a. Any officer elected or appointed by the Board may be removed by the Board with or without cause. In the event of the death, resignation or removal of an officer, the Board in its discretion may elect or appoint a successor from the current board of directors to fill the unexpired term.

3.b. An Officer that changes company affiliation will be reviewed and voted upon by the board as to serving the remainder of the unexpired term in office. The Officer must obtain a majority vote to serve the remaining unexpired term.

Section 4. PRESIDENT

4.a. Eligibility The President shall hold a senior management position in a distributorship to be eligible for nomination, election to the office and service as an officer of the corporation.

4.b. Responsibilities The President shall:

4.b.1. serve as Chief Executive Officer of the corporation

4.b.2. preside at all meetings of the members and of the Board;

4.b.3. have responsibility for the general management of the affairs of the corporation

4.b.4. see that all orders and resolutions of the Board are carried into effect.

4.b.5. serve as Chairman of the executive committee

4.b.6. report any changes in company affiliation to the board to ensure continued eligibility to serve in the office

4.b.7. resign the position should there be any change in corporate affiliation such that s/he no longer works for a distributor in order to facilitate replacement by the board.

4.b.8. upon completion of term as president, succeed to position of Immediate Past President

4.b.9. The President may invite a guest to attend meetings of the board; such guest may not vote, hold office or be included in the count towards quorum or required voting majority.

Section 5 - VICE PRESIDENT

5.a. Eligibility – The Vice President shall hold a senior management position in a distributorship to be eligible for nomination, election to the office and service as an officer of the corporation.

5.b. Responsibilities – During the absence or disability of the President, the Vice President shall have all the powers and functions of the President, and shall:

- 5.b.1. serve as Chief Executive Officer of the corporation
- 5.b.2. preside at all meetings of the members and of the Board;
- 5.b.3. have responsibility for the general management of the affairs of the corporation
- 5.b.4. see that all orders and resolutions of the Board are carried into effect.
- 5.b.5. serve on the executive committee
- 5.b.6. report any changes in company affiliation to the board to ensure continued eligibility to serve in the office
- 5.b.7. resign the position should there be any change in corporate affiliation such that s/he no longer works for a distributor in order to facilitate replacement by the board.
- 5.b.8. upon completion of term as Vice President, succeed to position of President
- 5.b.9. The Vice President shall perform such other duties as the Board shall prescribe.

Section 6. TREASURER

6.a. Eligibility – The Treasurer shall hold a senior management position in a distributorship to be eligible for nomination, election to the office and service as an officer of the corporation.

6.b. Responsibilities – The Treasurer shall:

- 6.b.1. have responsibility for all the funds and securities of the corporation
- 6.b.2. deposit said funds in the name of the corporation in such bank or trust company as the Directors may elect
- 6.b.3. when duly authorized by the Board of Directors, execute all contracts in the name of the corporation
- 6.b.4. when countersigned by the president, he/she shall also sign checks, drafts, notes and orders for payment of money,
- 6.b.5. at all reasonable times exhibit his/her books and accounts to any Director or member of the corporation upon application at the office of the corporation during ordinary business hours
- 6.b.6. at the end of each corporate year, have an audit of the accounts of the corporation made by a certified public accountant appointed by the Board
- 6.b.7. shall cause to have published to the membership a summary of the results of the annual audit upon completion at the end of the fiscal year
- 6.b.8. present the current financial condition of the Association at each annual meeting.
- 6.b.9. serve on the Executive Committee
- 6.b.10. supervise the EVP in the execution of any delegated duties of the Treasurer report any changes in company affiliation to the board to ensure continued eligibility to serve in the office
- 6.b.11. resign the position should there be any change in corporate affiliation such that s/he no longer works for a distributor in order to facilitate replacement by the board.

Section 7. SECRETARY

7.a. Eligibility – The Secretary shall hold a senior management position in a distributorship to be eligible for nomination, election to the office and service as an officer of the corporation.

7.b. Responsibilities – The Secretary shall:

- 7.b.1. keep the minutes of the Board of Directors and also the minutes of the members
- 7.b.2. have the custody of the seal of the corporation and shall affix and attest the same to documents when duly authorized by the Board of Directors.
- 7.b.3. attend to the giving and serving of all notices of the corporation
- 7.b.4. have charge of such books and papers as the Board of Directors may direct
- 7.b.5. attend to such correspondence as may be assigned to him/her,
- 7.b.6. perform all the duties incidental to his/her office.
- 7.b.7. keep a membership roll containing the names of all persons or places of residence or business and the time when they became members
- 7.b.8. serve on the Executive Committee
- 7.b.9. supervise the EVP in the execution of any delegated duties of the Treasurer
- 7.b.10. report any changes in company affiliation to the board to ensure continued eligibility to serve in the office
- 7.b.11. resign the position should there be any change in corporate affiliation such that s/he no longer works for a distributor in order to facilitate replacement by the board.

Section 8. IMMEDIATE PAST PRESIDENT

8.a. Eligibility The Immediate Past President shall hold a senior management position in a distributorship to be eligible for nomination, election to the office and service as an officer of the corporation.

8.b. Responsibilities The Immediate Past President shall:

- 8.b.1. chair the Nominating Committee
- 8.b.2. serve on the executive committee
- 8.b.3. report any changes in company affiliation to the board to ensure continued eligibility to serve in the office
- 8.b.4. resign the position should there be any change in corporate affiliation such that s/he no longer works for a distributor in order to facilitate replacement by the board

Section 9. EXECUTIVE VICE PRESIDENT

9.a. Appointment The Board of Directors may elect to retain or hire an Executive Vice President.

9.b. Responsibilities The Executive Vice President will:

- 9.b.1. perform or cause to be performed the administrative functions of the organization
- 9.b.2. in general, perform all duties relative to the office of Executive Vice President
- 9.b.3. perform such other duties as from time to time may be assigned to that individual by the President or by the Board of Directors; however, such assignment shall at all times be consistent with the purposes and objectives of the Association as set forth in these Bylaws.
- 9.b.4. The Executive Vice President may be given authority by the Board of Directors to assume the above listed responsibilities of the Treasurer and the Secretary, subject to the overall supervision of the Treasurer and Secretary.
- 9.b.5. serve as a member, ex officio, without vote, of the Board of Directors and the Executive Committee

ARTICLE VII – EXECUTIVE COMMITTEE

Section 1. COMPOSITION The President, Vice President, Secretary/Treasurer, and Immediate Past President shall serve as the Executive Committee of the Corporation. The Executive Vice President shall serve as an ex officio member, without vote.

Section 2. RESPONSIBILITIES – The Executive Committee shall act for, and discharge routine administrative functions of, the Board between regular meetings of the Board, reporting promptly to the Board all actions taken. The Executive Committee may not reverse policy decisions of the membership as a whole or of the Board. The Executive Committee shall take no action with respect to the election of officers or with respect to filling vacancies on the Board of Directors. The Executive Committee provides immediate supervision of the EVP

ARTICLE VIII - NOMINATIONS AND ELECTIONS

Section 8.1 Nominating Committee The committee is charged by the members with providing a slate for the election of Officers and the directors by the membership at the Annual Meeting.

1.a. Composition – The Immediate Past President shall chair the Nominating Committee. The Committee also includes the current President, and Vice President. Additional members can be appointed by the Board. The Nominating Committee shall be constituted at least six (6) months prior to the Annual Meeting.

1.b. – Committee Vacancy A vacancy in Nominating Committee membership by reason of death, resignation, removal, disqualification or otherwise will be filled by the President with the approval of the Board of Directors, for the unexpired portion of the term.

Section 2. Regular Nominations Nominations for directors and officers may be made either by the Nominating Committee or by the members as hereinafter provided.

2.a. Nominations by Committee The Nominating Committee shall consider the qualifications of all candidates proposed by the membership or by members of the Committee itself. The Committee shall further consider the current and anticipated priorities of NAFCD in identifying candidates qualified to lead. Only members duly nominated may be submitted for election. The President of NAFCD shall always be nominated and elected from the incumbent membership of NAFCD, and shall have served as a member of the Board for three (3) years out of the last six (6) consecutive years immediately preceding the year for which election to President is applicable. The Nominating Committee may not submit any candidate or candidates that, if elected, would result in more than one director being employed by the same person or firm.

2.b. Nominating Committee Report -- The report of the Nominating Committee shall be submitted to the members at least sixty (60) days prior to the Annual Meeting. Should there be no Annual Meeting; the election shall be conducted by mail ballot on a date designated by the President. .

Section 3. Additional Nominations by Written Petition -- Additional nominations may be made by written petition.

3.a. For consideration, such written petitions must be signed by at least fifteen percent (15%) but no less than fifteen (15) members' signatures of the then total membership,

3.b. For consideration, such nominations must be sent to the President and/or the Executive Director at least thirty (30) days prior to the Annual Meeting, or, in the absence of such meeting, at least thirty (30) days prior to the day designated for a mail ballot. Certified evidence of mailing or by facsimile or e-mail thirty (30) days, prior to the Annual Meeting will suffice as compliance with this Section.

3.c. Candidates qualified for nomination by this process will be presented to the membership as part of the election process.

ARTICLE IX – FISCAL YEAR

Section 9.1 – FISCAL YEAR – The fiscal year of the National Association of Floor Covering Distributors shall begin on January 1st and close on December 31st.

ARTICLE X – AMENDMENTS

Section 1 – AMENDMENTS

1.a. The By laws may be adopted, amended or repealed by the members at the time they are entitled to vote in the election of Directors by a two-thirds vote. Bylaws may also be adopted, amended or repealed by the Board, but any Bylaw adopted, amended or repealed by the Board, may be amended by the members entitled to vote thereon as hereinafter provided.

1.b. If any Bylaw is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of members for election of Directors the Bylaw so adopted, amended or repealed together with a concise statement of the changes made. The voting members present in person or by proxy at the next meeting to elect directors may move to add to the meeting agenda under “new business” discussion of any Bylaw adopted, amended or repealed by the Board pursuant to Article VII, Section 1 a including a motion to amend any such Board-approved Bylaw amendment, subject to the two-thirds majority vote of Section 1 a.

ARTICLE XI - INDEMNIFICATION OF OFFICERS AND DIRECTORS AND INSURANCE

Section 1 - INDEMNIFICATION

1.a. It is expressly provided that any and every person made a party to any action, suit, or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he/she, his/her testator or intestate, is or was an Officer or Director of the Association or of any corporation which he/she served as such at the request of the Association may be indemnified by the Association to the full extent permitted by law, against any and all reasonable expenses including attorneys’ fees, actually and necessarily incurred by him/her in connection with the defense of such action or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Officer or Director has willfully breached his/her duty to the Association.

1.b. It is further expressly provided that any and every person made a party to any action, suit or proceeding other than one by or in the right of the Association to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any corporation of any type or kind, domestic or foreign, which any Officer or Director of the Association served in any capacity at the request of the Association, by reason of the fact that he/she, his/her testator or intestate, was an Officer or Director of the Association, or serviced such other corporation in any capacity, may be indemnified by the Association, to the full extent permitted by law, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys’ fees, actually and necessarily incurred as a result of such action, suit or proceeding, or any appeal therein, if such person acted in good faith for a purchase which the Association and, in criminal actions or proceedings, in addition had no reasonable cause to believe that his/her conduct was unlawful.

Section 2. INSURANCE - The association may provide insurance to protect officers, directors, committee members, member and agents against liabilities arising out of claims related to actions or omissions in the performance of their responsibilities on behalf of the Association.

ARTICLE XII – LIMITED LICENSE

Each member in good standing shall be permitted to display the Association trademarks, service marks, certificates of membership and membership cards, placards, decals, cuts insignia or emblem and/or any other material of Association nature denominating its membership. The grant of this limited license extends no other rights in, or for use of, such service marks, trademarks, or identifying logo and this license shall automatically terminate with the membership of the member. Notice of such termination is presumed upon expiration of a member's membership. No member shall, directly or indirectly, represent that its use or display of Association identifying marks signifies anything other than membership in good standing in the Association. Any member who shall for any reason cause their membership to cease in the Association shall immediately discontinue the display, handling, mailing or distribution of any and all material indicating any affiliation with the Association.

Amended: 11/2011

Approved