

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS BY LAWS a/o FEBRUARY 2023



ARTICLE I NAME, PURPOSES, AND SCOPE

Section 1. The name of this association shall be the National Association of Elevator Contractors, Inc. (also known as “NAEC”), a not-for-profit association incorporated under the laws of the State of Georgia as a nonprofit corporation (hereinafter the “Association”). As used herein, “GNCC” refers to the Georgia Nonprofit Corporation Code. The Association is intended to be operated in conformance with IRS Code 501(c)(6) in order to be in accordance with IRS requirements. This includes, but is not limited to, requirements that operating policies and activities of the Association shall be consistent with applicable federal, state and local antitrust, trade regulation, or other legal requirements; as well as applicable tax exemption requirements, including the requirements that the Association not be organized for profit and that no part of its net earnings inure to the benefit of any private individual.

Section 2. The purposes of the Association are:

- a. to be a service organization;
- b. to promote the common business interests of those engaged in the elevator industry; the term “elevator industry” includes the installation, servicing, manufacturing and distribution of vertical and horizontal handling equipment and other equipment incident thereto, commonly known as freight or passenger elevators, escalators, dumbwaiters, special purpose personnel elevators, moving walks and similar products; and
- c. to gather, analyze, appraise and disseminate information and ideas pertaining to the elevator industry;

ARTICLE II MEMBERSHIP

Section 1. There shall be five categories of members in the Association: Contractor, Supplier, Associate, Subscription and Honorary.

Section 2. CONTRACTOR MEMBERSHIP.

- a. The Contractor membership of this Association shall be comprised of corporations and firms primarily engaged in the business of selling, installing and servicing equipment in the United States of America as described in Article I, and meeting qualifications as described in Section 7 of this Article.
- b. Contractor membership shall be vested in the firm or corporation as such. Any Contractor member may hold office in the Association, vote, and exercise all rights and duties of membership, provided that not more than one representative of said member shall vote on any motion or any issue, or at any election, including electing Contractor Board members, or hold any office.
- c. Each Contractor shall be entitled to a seat in all Contractor Member meetings. Each Contractor member company shall have one vote for the Contractor Board nominee(s) slate, and Bylaws amendments, provided that the member may vote only through a duly authorized representative who is substantially associated with the member corporation or firm.

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



Section 3. SUPPLIER MEMBERSHIP.

- a. Supplier membership in this Association shall be comprised of corporations or firms engaged in supplying components, accessories, or services directly to the Contractor, as described in Article I and meeting qualifications as described in Section 7 of this Article.
- b. Other than as provided hereinafter, Supplier membership shall not carry the privileges of voting at meetings of the Association or attending meetings open only to Contractor members. Supplier members shall elect the Supplier Board Members.
- c. Each Supplier shall be entitled to a seat in all Supplier member meetings. Each Supplier member shall have one vote for the Supplier Board nominee(s) slate, provided that the member may vote only through a duly authorized representative who is substantially associated with the member corporation or firm.

Section 4. ASSOCIATE MEMBERSHIP.

Membership in this non-voting category is available to the following:

- a. Corporations and firms that meet the criteria stated in Article II, Section 2.a. in countries located outside the United States of America. All members of this Association who were classified as Contractor members on November 15, 1997, shall retain their present membership classification.
- b. Individuals and/or entities that provide services on the installation, maintenance, conversion, design/specifying, inspection, or placement of equipment as referred to in Article I.
- c. Each Associate shall be entitled to a seat in all Associate member meetings.

Members in this category are not eligible to serve on the Board of Directors. Any entity qualifying as a Supplier member may not join as an Associate member.

Section 5. HONORARY MEMBERSHIP.

Membership in this non-voting category is determined by the Board of Directors. The Board of Directors may annually nominate one person for Honorary membership. Honorary members will not be required to pay dues or initiation fees and will receive all NAEC mailings. Complimentary registration will be extended for the NAEC Conventions and Expositions. Members in this category are not eligible to serve on the Board of Directors.

Section 6. QUALIFICATIONS.

Applicants for Contractor, Supplier, and Associate membership must meet the following requirements:

- a. Must have an established place of business.
- b. Must subscribe to the principles; and, in practice, comply with codes or ordinances having applicability.
- c. Must subscribe to the purposes of the Association and be willing to accept committee assignments and other work to further its ends.
- d. The authorized representative who applies on behalf of a firm or corporation must be actively engaged in its business.

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS
BY LAWS a/o FEBRUARY 2023



- e. A Supplier member who meets the qualifications as described in Article II, Section 3, either in its own company name or that of a subsidiary, affiliate, or a company in which it has an interest, may choose to maintain both a Supplier and a Contractor membership. Firms holding both a Supplier and a Contractor membership shall be permitted to hold office or become a member of the Board of Directors only in a Supplier member status. Only Supplier members are permitted to exhibit at any NAEC event. All members in other categories confirmed for future exhibiting as of September 23, 2009, shall retain their right to do so.

Section 7. APPLICATION FOR MEMBERSHIP. All applicants for membership must complete and sign an application form provided by the Association and submit the application, accompanied by the applicable initiation fee and first year's membership dues, to the principal office of the Association. Admission to membership is subject to approval by the Board of Directors. Such approval may be delegated to the Membership Committee. If delegated to the Membership Committee, the committee shall review all membership applications to determine whether the applicant qualifies for membership.

Section 8. CHANGE IN MEMBERSHIP CLASSIFICATION. Should any member of the Association desire to make a change in membership classification, application for such change, indicating the classification desired and the qualifications for said classification, shall be made to the Board of Directors. The Board, after investigation bearing upon the requested change in classification, shall, within its sole and absolute discretion, but within the framework of these Bylaws, grant or not grant the application within a reasonable time after its submission.

Section 9. RIGHTS OF MEMBERSHIP. All members shall be entitled to a seat in all general business meetings. To enjoy the rights and privileges of membership in the Association, a member must be in good standing.

Section 10. TERMINATION OF MEMBERSHIP. Upon termination of membership, voluntary or involuntary, there shall be no refund of dues; further, all rights, title and interest to the property and privileges of this Association shall cease with the termination of membership.

- a. **RESIGNATION.** Any member firm or individual may resign at any time upon submission of a written resignation. A member resigning in good standing (dues paid to the end of the period in which termination is requested) can be reinstated without the payment of the initiation fee, if one is required for the classification involved, plus all arrearages. In both instances, current dues will be charged as of the billing date nearest the date of approval for reinstatement.
- b. **NON-PAYMENT.** Any member, who is sixty (60) days in arrears for dues, shall be sent written notice of such delinquency. Any member who is ninety (90) days in arrears shall be dropped automatically from membership. Any such member may reapply for membership and pay the initiation fee, current year's dues and any other charges, including past dues which were owed to the Association at the time of being dropped.
- c. **EXPULSION.** Any member of the Association may be suspended or expelled for cause by a three-fourths (3/4) vote of the members of the Board of Directors at a meeting. Sufficient

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



cause shall be a violation of the Bylaws, a violation of any lawful rule or practice duly adopted by the Association, or violation of any law, any of which in the sole and absolute discretion of the Board of Directors, provides cause for expulsion. Any member proposed for expulsion for any reason shall be given at least ten (10) days advance written notice including the reason for the proposed expulsion, opportunity to contest the proposed expulsion in writing or in person before the Board of Directors, and final written notice of the Board of Director's decision.

Section 11. The annual membership dues shall be set by the Board of Directors, except that the extent to which the Board of Directors may increase dues in any year without approval of the voting membership, shall be limited to 20 percent of the dues at the time of the increase.

Section 12. In all professional and business relations, the members of the Association shall be governed by a Code of Ethical Practices and Standing Policy Statement.

ARTICLE III MEETINGS

Section 1. The Association shall hold an annual general business meeting (Annual Meeting) for the entire membership at any time and place designated by the Board of Directors. Notice of the Annual Meeting shall be communicated to members no fewer than ten (10) days nor more than sixty (60) days prior to the date of the meeting.

Section 2. A quorum for the transaction of business at any Annual Meeting or other meeting shall be 10% or more of the voting members of the Association present either by their duly accredited representatives secure online ballot in their respective membership category (Contractor or Supplier). Proxy votes are not permitted. Secure online ballots are acceptable. Secure online ballots shall include: Proposed action, an opportunity to vote for or against proposed action, an indication of number of responses needed to meet quorum requirements, and specific time by which ballot must be received by Association in order to be counted.

Section 3. Unless 75% or more of the qualified voting membership is present, the only matters that may be voted upon at the Annual Meeting or other meeting of members are those matters that are described in the meeting notice.

ARTICLE IV BOARD OF DIRECTORS

Section 1. The Board of Directors shall consist of thirteen persons, nine of whom shall be from the Contractor membership as described in Article II, Section 2, herein; and four of whom shall be from the Supplier membership as described in Article II, Section 3, herein.

Section 2. Each year, three Board members shall be elected from the Contractor membership for a term of three years, and one Board member shall be elected from the Supplier membership for a term of three years. Every third year, a second Supplier member shall be elected for a term of

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



three years. A ratio of nine Contractor members, and four Supplier members shall be maintained at all times. The term of office for Board members shall begin at the first Board meeting after the Annual Meeting at which they are elected, and their terms shall extend through three (3) Annual Meetings.

Section 3. Board of Directors Responsibilities and Realm of Authority:

- a. The management and direction of the affairs of the Association shall be vested in the Board of Directors and shall be conducted by the Board of Directors pursuant to the Articles of Incorporation and these Bylaws. All corporate powers shall be exercised by, and the business and affairs of the corporation managed under the direction of, the Board of Directors.
- b. The Board of Directors may change the principal office and have offices at other locations from time to time, as the business of the Association may require.
- c. The Board of Directors shall see that an accurate Standard Operating Procedures is maintained and adhered to. The Board of Directors is the only body with authority to approve or make changes to the Standard Operating Procedures.

Section 4. To be eligible for election to the Board of Directors, a Contractor or Supplier member must have been a member in good standing for at least one year prior to said election. To continue to serve as a Board member, the individual must continue employment in the membership category from which they are elected. No more than one Director from a corporate entity or a group of jointly owned companies shall serve on the Board of Directors at any time, and once this Director's term expires, at least one year must expire before a representative from the same corporate entity or group of jointly owned companies may be elected to the Board. In the case where two companies are part of the same corporation or one company is owned by another, a decision as to whether they constitute a single organization will be made in the sole and absolute discretion of the Board of Directors on a case-by-case basis. The independence of the two companies shall be used as the criteria for making this decision. No member who has previously served on the Board of Directors may again serve on the Board of Directors unless three (3) years have expired since the end of their term.

Section 5. Where membership vacancies occur on the Board of Directors between Annual Meetings, said vacancies shall be filled by the Board of Directors and shall be effective until the next Annual Meeting. No Director except those appointed to fill a vacancy shall be eligible for re-election upon the completion of his term of office, unless at least three years shall have elapsed from the date of the expiration of that term.

Section 6. Any member of the Board of Directors may be removed from membership on the said Board by vote of three-fourths of all members of the Board of Directors for such cause as they deem necessary in the sole and absolute discretion.

Section 7. The Board of Directors shall have a minimum of three meetings per year, one of which

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



shall be at the time of the Annual Meeting and one following the close of the Annual Meeting. Board of Directors Meetings must:

- a. Have a quorum of eight members, at least one of whom shall be a Supplier, and at least six of whom shall be Contractors, which shall be the requisite minimum for the conduct of all business meetings of the Board of Directors.
- b. In accordance with these Bylaws, the Board of Directors may convene itself any time between or during the Annual Meetings of the membership.
- c. The President may call a meeting of the Board of Directors whenever in his or her judgment it is advisable to do so.
- d. The President shall call a meeting of the Board of Directors whenever so requested in writing by five or more Directors, within thirty (30) days from receipt of such request.
- e. The Board of Directors may, within its sole and absolute discretion, decide certain interim matters by secure online ballot or by telephone conference call.
- f. Electronic means of communication may be used whenever a writing is required by law or by these Bylaws, including, but not limited to, notice, written consents, mail ballots, secure online ballots, and email.
- g. No officer, director or committeeperson shall receive any compensation from the Association for his or her service; but, the Board of Directors may authorize the reimbursement of expenses necessitated and authorized in advance by the Directors or committeeperson on behalf of the Association.

Section 8. After the year end audit, the Board of Directors shall designate a portion of the liquid net assets of the Association, which have been computed on the basis of generally accepted accounting principles, as a reserve fund. The amount shall be equal to a minimum of 50% and a maximum of 100% of the total average general and administrative expenses of the Executive Office during the preceding five years. A reduction of the designated reserve fund by more than 10% must be approved by a majority of the voting members of the Association.

ARTICLE V OFFICERS

Section 1. A President, Vice President, Secretary, Treasurer and Vice Treasurer of the Association shall be elected by the Board of Directors and each shall serve beginning at the Annual Meeting where they are elected and continuing through the next Annual Meeting. The President and Vice President must be selected from the Contractor membership of the Board of Directors. The offices of Treasurer, Vice Treasurer and Secretary may be selected from the Supplier membership of the Board of Directors; however, at least one of the offices of Treasurer or Secretary must be filled by the election of a Supplier director.

Section 2. The President shall have general supervision of the affairs of the Association, shall be the presiding Executive Officer of all conventions, shall be Chairman of the Board of Directors, shall within the President's discretion create any committees deemed by the President to be necessary for the accomplishment of the Association objectives and appoint all members thereof,

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



except as provided elsewhere in the Bylaws. The President shall submit recommendations for Committee Chairpersons to the Board of Directors for their approval. He or she shall be a joint custodian of funds with the Treasurer and shall be an ex-officio member of all committees. The President shall have no power to act contrary to an order or resolution of the Association or Board of Directors. The President, along with the Treasurer and Executive Director, shall approve all contracts having received proper due diligence and falling within the appropriate Board approved budget for \$25,000 and above. The Executive Director will sign these contracts after verbal approval. All contracts under \$25,000 that are within the approved budget may be signed and approved by the Executive Director. All contracts that meet or exceed \$50,000 must be approved and signed by the President, Treasurer and Executive Director prior to execution. All contracts in excess of \$5,000 not addressed in the appropriate Board approved budget must be approved by a majority of the Board of Directors prior to execution.

Section 3. In the event of the inability of the President to perform his or her duties, the Vice President shall assume and discharge all the duties of the President.

Section 4. The Secretary shall be responsible for the taking and preserving of minutes at all Annual Meetings and business sessions of the Board of Directors. The Secretary shall, in general, perform the duties usually incident to the office of Secretary and such further duties as shall from time to time be assigned to the Secretary by the Board of Directors.

Section 5. The Treasurer shall be custodian of all funds of the Association. The Treasurer shall direct and supervise the Executive Director in maintaining an accurate set of disbursement records which shall be open at all times to the members. The Treasurer shall make a full and complete report at the Annual Meeting and Mid-year Board of Directors meeting. The Treasurer, along with the President and Executive Director, shall read and sign all contracts. Contract restrictions as stated in Section 2 of this Article apply. The Treasurer shall, in general, perform the duties usually incident to the office of Treasurer and such further duties as shall from time to time be assigned to the Treasurer by the Board of Directors.

The Vice-Treasurer shall work with the Treasurer to learn the role for the duration of the year. The following year, the Board of Directors shall recognize the Vice Treasurer as the new Treasurer.

ARTICLE VI EXECUTIVE OFFICE

Section 1. The Board of Directors in the name of the Association may establish an Executive Office, and retain, at its discretion, an Executive Director to administer the affairs of the Association under Board direction.

Section 2. The budget for the Executive Office, including salaries and expenses, shall be set by the Board.

Section 3. The Executive Director shall be appointed and serve at the discretion of the Board of Directors at such compensation and upon such terms as specified contractually by the Board of Directors as they deem appropriate. The Executive Director shall be solely responsible to the Board of Directors.

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



ARTICLE VII COMMITTEES

Section 1. The Standing Committees of the Association shall consist of two or more members in addition to the President as an ex-officio member, except the Nominating Committees and the Certification Board, or as assigned below. Additional members shall be added to the committees as the task may warrant. It shall be the responsibility of each committee chairman to regularly report to the President developments related to his committee's activity for publication and circulation to the membership. Whenever possible, Board members shall be members of Standing Committees. The Chairmen of committees will report the selection of their committee members to the President as soon after the Annual Meeting as possible. Committee chairmen and Committee members are appointed for a one (1) year term which begins at the end of the convention and continues through the following convention or until their respective successors have been appointed. The exception to these terms is the Certification Board, whose terms are addressed in the Certification Board Policy Manual.

The President may remove or create committees, other than Standing Committees, if, in his judgment, such action is necessary for the good of the Association. Committees shall have all such assistance from the Association and its officers as may be reasonably necessary to fulfill objectives and make recommendations.

Section 2. The following shall be the Association's Standing Committees:

Accessibility/Residential – Advises and counsels the Board of Directors on the needs and significant issues of accessibility and residential members and proposes means of addressing these needs and issues, including, but not limited to, the development of educational programs for the Annual Convention and Spring Conference. Solicits new memberships from among accessibility and residential prospects.

Awards – Advises and recommends to the President and Board of Directors on all matters relating to awards and presentations.

Bylaws – Advises and recommends to the Membership and Board of Directors on all matters relating to Bylaws. The Chairman shall be a member of the Certification Board Committee.

Certification Board – Promotes quality elevator technicians, inspectors and other personnel through verification of formal education and examination of an individual's experience within the industry. Sub Committee advises and recommends to the President and Board of Directors on all matters pertaining to Codes and Standards and serves as a liaison between the Association and other code-related organizations and entities.

Certification Grievances - To address member concerns over certification business.

Education, Technical and Safety Committee – Advises and counsels the Board of Directors and staff on educational needs of membership. This includes but is not limited to technical and safety-oriented topics. This Committee will also be responsible for the development and maintenance of educational programs and ensuring the Association's membership is represented as appropriate on other organizations' committees when the Association is invited to hold a seat. This Committee also keeps members informed regarding safety developments and identifies

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



information and materials which may be helpful to the Association's members in their safety and safety training programs. This Committee also reviews staff proposals for educational activities and development of educational programs.

Exhibitor Advisory – Serves as a liaison between the Association and its exhibitors. This Committee also develops recommendations for the Association's tradeshow aimed at improving the quality of the exhibits and the value of the show; and assists in developing and enforcing rules and regulations of the tradeshow.

Finance – Prepares budgets, recommends investments, and advises the Board of Directors on matters of dues, fund raising, and expenditures. The Treasurer and Executive Director shall be permanent members of this Committee.

Future Directions – This Committee is to be established as requested by the President at intervals of no greater than every five years. A full report will be made by the Board of Directors and to the membership.

Governmental Affairs - Advises the President and the Board of Directors on matters that relate to government, particularly at the federal level and to recommend appropriate action.

Member Services – Recommends to the NAEC Board of Directors benefits and services the Association should provide to the members. Analyzes existing services and evaluates the results of surveys, member service forums and other indicators of member attitudes and needs, recommending appropriate action to the Board and staff.

Membership Development - Solicits and recruits new members and makes recommendations to the Board of Directors regarding the acceptance or rejection of applications for membership. This Committee also advises the Board of Directors on special matters related to membership.

NexGen – This group is the under 40 group of future leaders. NexGen is designed to bridge the gap between the next generation of industry leaders and current industry leaders by providing education and guidance aiding in the success of the next generation of industry professionals.

Nominating – Studies and evaluates qualifications of prospective candidates for the election of officers and directors and invites and receives suggestions for nominees from members. Each member category elects its own Directors.

- a. Contractor Director Nominating Committee - This Nominating Committee shall be comprised of the current President, NAEC Executive Director, a past President, a past Supplier Chairman, two past Contractor Directors, a past Supplier Director, a Committee Chair, and a Contractor alternate.
- b. Supplier Director Nominating Committee - This Committee shall be comprised of the current President, NAEC Executive Director, a past President, a past Supplier Chairman, two past Supplier Directors, a past Contractor Director, a Committee Chair, and a Supplier alternate.
- c. Alternate Nominating Committee Members - An Alternate committee member shall be appointed in accordance with the Standard Operating Procedures to insure there is no conflict of interest.
- d. Specifics to both Committees, Schedule of Formation, and Notification – At the Mid-year

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



Board of Directors Meeting, the Directors shall elect a Contractor and a Supplier Nominating Committee. Each Nominating Committee may elect its own chairman. The immediate past President or any immediate past Director cannot be selected to serve and no one can be elected to serve on both the Contractor and Supplier Nominating Committees. The Nominating Committee shall recommend and report to the Board of Directors and all Contractor members, at least ninety (90) days in advance of the start of the Annual Meeting, the candidates it has chosen to fill the vacancies on the Board of Directors. At this same time, each Contractor or Supplier member as applicable shall be provided with a ballot through a secure online system, which may be used to vote for the candidates. Additionally, the ballot shall include a space for a write-in of the Contractor or Supplier member's choice as applicable should the contractor member choose to vote for someone other than the candidates chosen by the Nominating Committee. The ballots shall then be forwarded to the **Secretary** for tabulation, verification, and reporting to the Contractor and Supplier members at the Annual Meeting.

- e. After nominations have been closed, the Contractor or Supplier members as applicable shall elect their new directors by secret ballot. The results of this vote shall be tabulated and immediately be made known to the entire membership.

United Leadership Team – This group works with representatives from the United Partners to strategize and plan for upcoming collaborative events and communications.

VTMP - Advises and counsels the Board of Directors and staff on the VTMP program. This includes but is not limited to the development and maintenance of the educational program and ensuring the Association's membership has understanding and access to the program.

Women In Motion – Works to provide support for women in the industry. Focus on increasing participation of women in the industry through awareness, education, volunteer leadership, and new member prospecting.

ARTICLE VIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he is or was a Director or an officer of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



a Director, officer, employee or agent or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the Association to the fullest extent authorized by the GNCC, as the same exists or may hereafter be amended (but, in the case of such amendment, only to the extent that such amendment permits broader indemnification rights than such law permitted the Association to provide prior to such amendment), against all expense, liability and loss of every kind whatsoever (including without limitation attorneys' fees, expert witness fees, litigation expenses, travel, food, lodging, judgments, fines, excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith as determined by the Board in good faith; provided, however, that, except as provided in Section 3 of this Article with respect to proceedings to enforce rights to indemnification, the Association shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board. Notwithstanding anything in these Bylaws to the contrary, no indemnitee shall enter into a binding agreement of settlement unless such settlement has been approved in writing by the Board, which approval shall not be unreasonably withheld. In the event an indemnitee enters into a settlement agreement without such approval, the Association shall be relieved of any obligation to indemnify and hold such indemnitee harmless hereunder.

Section 2. RIGHT TO ADVANCEMENT OF EXPENSES. The right to indemnification conferred in Section 1 of this Article shall include the right to be paid by the Association the expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition (an "advancement of expenses"); provided, however, that, if the GNCC requires, an advancement of expenses incurred by an indemnitee in his capacity as a Director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Association of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 1 and 2 of this Article shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

Section 3. RIGHT OF INDEMNITEE TO BRING SUIT. If a claim under Section 1 or 2 of this Article is not paid in full by the Association within sixty (60) days after a written claim has been received by the Association, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Association to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Association to recover an advancement of expenses pursuant to the terms of an undertaking, the Association shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the GNCC or these Bylaws. Neither the failure of the Association (including its Board, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the GNCC, nor an actual determination by the Association (including its Board, independent legal counsel, or its shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Association to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article or otherwise shall be on the Association.

Section 4. NON-EXCLUSIVITY OF ARTICLE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a Director or officer seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, any statute, agreement, vote of members or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 5. INSURANCE. The Association shall have the right to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by him or her in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify such person against such liability under applicable law

Section 6. INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE ASSOCIATION. The Association may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Association

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Association.

Section 7. MULTIPLE CLAIMS. Notwithstanding anything in this Article to the contrary, in the event (i) an indemnitee is made a party to, is threatened to be made a party to or is otherwise involved in a proceeding; (ii) such proceeding involves multiple claims or causes of action with respect to such indemnitee; and (iii) a final adjudication is made that such indemnitee is not entitled to be indemnified under Section 1 of this Article with respect to one or more of such claims or causes of action (the “disallowed claims”), then (a) the Association shall be relieved of any indemnification obligation under Section 1 of this Article with respect to any expenses, liabilities or losses attributable to the disallowed claims (as reasonably determined by the Board in its discretion); (b) the indemnitee shall only be obligated to repay all amounts advanced by the Association with respect to the disallowed claims pursuant to Section 2 of this Article (as reasonably determined by the Board in its discretion); and (c) the indemnitee shall not be entitled to recover that portion of the expense of prosecuting or defend a suit brought under Section 3 of this Article which relates to any disallowed claims.

Section 8. SEVERABILITY. The invalidity or unenforceability of any provision in this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

ARTICLE IX MAINTENANCE OF TAX-EXEMPT STATUS

The affairs of the Association at all times shall be conducted in such a manner as to assure the Association’s status as an organization qualifying for exemption from taxation pursuant to Code Section 501(c)(6). Without limiting the generality of the foregoing, the Association shall and does hereby adopt, and all Directors, officers and committee members shall be subject to, the Conflict of Interest Policy attached hereto as Exhibit A and incorporated herein by this reference.

ARTICLE X ANTITRUST

The Association shall adopt guidelines for its meetings stating that when competitors or potential competitors come in contact with each other, they must be especially conscious of their responsibilities under the federal antitrust laws. Among other things, these laws prohibit price-fixing, agreements to divide geographic markets, agreements to allocate customers, and collective refusals to deal (boycotts). Such guidelines shall be periodically reviewed by legal counsel, and updated if deemed appropriate.

ARTICLE XI DISSOLUTION

If this Association is dissolved at any time, no part of its funds or property shall inure to or among its members; but after payment of all indebtedness of the organization, all surplus funds and

NATIONAL ASSOCIATION OF ELEVATOR CONTRACTORS

BY LAWS a/o FEBRUARY 2023



properties shall be donated to another non-profit, tax exempt organization with similar objectives.

ARTICLE XII PARLIAMENTARY AUTHORITY

The rules contained in the most recently available edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases in which they are not inconsistent with these Bylaws and any special rules of order, which the Association may adopt.

ARTICLE XIII CORPORATE SEAL

The seal herein impressed is hereby adopted as the corporate seal of the Corporation.

ARTICLE XIV NO FUNDING OF LABOR NEGOTIATIONS

It shall not be within the authority of the Board of Directors to fund any labor negotiations.

ARTICLE XV AMENDMENTS

Section 1. Proposed amendments to these Bylaws must be signed by at least ten (10) percent of the Contractor members.

Section 2. Such proposed amendments must then be submitted to the Board of Directors, through the Association Secretary, at least Ninety (90) days before the Annual Meeting, and to all of the membership at least sixty (60) days before the Annual Meeting.

Section 3. Such proposed amendments must be presented by the Board of Directors to the Annual Meeting and shall require a three-fourths affirmative vote of the Contractor members voting by ballot for adoption.

Section 4. All future amendments to the Bylaws will be voted upon through a secure online system prior to the Annual Meeting. The membership of the Association shall be advised of all proposed amendments to the Bylaws not later than sixty (60) days in advance of the start of the Annual Meeting.

The voting members shall be provided with a ballot through a secure online system as well as the Board of Director's recommendations for the passage or rejection of any proposed change. The secure online system ballot(s) shall indicate the change(s), the reasons supporting and opposing the change(s), and how the member would like the Board to cast that member's ballot. Upon receipt of the ballots by the Executive Office, they shall be turned over to the Secretary for tabulation and verification.