

EXCERPTS FROM THE BYLAWS
OF THE NATIONAL
ELECTRICAL MANUFACTURERS
ASSOCIATION

EXCERPTS OF THE CORPORATE BYLAWS
OF THE

National Electrical Manufacturers Association

Section 2 Definitions

Manufacture

The word “manufacture” shall mean to engineer, produce in whole or in part, or to effect some substantial physical or functional change in an electrical product, including any substantial processing and/or substantial assembling operation or writing software.

Brand Labeling

The phrase “brand labeling” shall be interpreted as affixing a trademark, or other identifying mark of the seller on the product, and shall constitute sufficient evidence of the contribution of substantial design, application, or standards engineering by the seller.

Product Group

The terms “Product Group” and “Product Groups” embrace Divisions, Sections, and Voting Classifications of the Association unless otherwise particularly noted.

Electrical Products

The term “electrical products” includes electrical apparatus, appliances and supplies and such kindred products as the Board of Governors may designate from time to time.

Pronouns

Wherever the masculine pronoun appears, the feminine pronoun may also be substituted.

Fiscal Year

The fiscal year of the Association and of each of its Product Groups shall be from January 1 to December 31, inclusive.

Fee Center

NEMA BYLAWS

The term “Fee Center” means one or more Product Groups of Association approved by the Board of Governors for purposes of allocating budgets and apportioning member fees. The Board of Governors shall designate the composition of the several Fee Centers.

Article II

Membership

Section 1 Eligibility for Membership in the Association

Subsection A Corporations, Firms, and Individuals

Paragraph 1—Corporations, firms, and individuals actively engaged in the manufacture in the United States, Canada, or Mexico, for sale in the open market, of any electrical product within the product scope of one or more Divisions of the Association shall be eligible for membership in the Association and shall be admitted to membership under such terms and conditions as may be prescribed in these bylaws.

Paragraph 2—Whenever the Board of Governors shall by motion declare that it is in the interest of NEMA to admit to membership in the Association a corporation, firm, or individual actively engaged in the development for manufacture, for sale in the open market, of any electrical product within the product scope of one or more Divisions of the Association, such corporation, firm, or individual shall be eligible for membership in the Association, notwithstanding the provisions of Paragraph 1 of this Subsection A, and shall be admitted to membership under such terms and conditions as may be prescribed in these bylaws.

Subsection B Division of a Corporation

Whenever the Board of Governors shall by motion declare that it is in the interest of NEMA to admit to membership in the Association a separate division of a particular corporation, then such separate division shall be considered as a corporation within the meaning of this Article II, subject to such Fees provisions as may be prescribed in these bylaws. In reaching its decision, the Board shall consider, among other things, whether such separate division is, in effect, operated as an integrated unit engaged, as such unit, in the design, manufacture, and sale of electrical products within the product scope of one or more Divisions of the Association.

Subsection C Foreign Corporation, etc.

Foreign corporations, firms, or individuals who manufacture any electrical product within the product scope of one or more Product Groups of the Association, but are not eligible for membership under Subsection A of this Article II, may be admitted to membership by the Board of Governors under such rules and regulations as the Board may, from time to time, determine.

Subsection D Associate Members

Corporations, firms, or individuals who are not eligible for membership under Subsection A of this Article II, may be admitted as associate members by the Board of Governors under such rules and regulations as the Board may, from time to time, determine. Associate members are eligible for affiliation with a Product Group if the Product Group has approved the participation of associate members in its activities and the terms of their participation. Associate members shall not have voting privileges, except as approved by a Product Group with which the associate member becomes affiliated and only with respect to the activities of that Product Group, and shall not appoint Voting Representatives unless affiliated with a Product Group, which has approved voting privileges for associate members.

Section 2 Application for Membership in the Association

Application for membership in the Association shall be made in writing and signed by the applicant and shall state at least one Product Group of the Association with which applicant claims eligibility for affiliation, and shall contain an acceptance of, and agreement to abide by, the Certificate of Incorporation and bylaws of the Association.

Section 3 Determination of Eligibility and Approval of Application for Membership in the Association

A list of all products within the product scope of the Association shall be furnished to the applicant, and the applicant shall identify to NEMA all electrical products on the list that it manufactures for sale in the open market. After verification that the list of products submitted by the applicant is complete and that the products fall within the product scope of the Association, the Board of Governors shall approve the eligibility of the applicant for membership in the Association, under the provisions of Section 1 of Article II of these bylaws. Upon approval by the Board of Governors, the applicant shall become a member of the Association.

Section 4 Affiliation with Product Groups or Voting Classifications

Subsection A Eligibility for Divisions, Sections, or Voting Classifications

Each member shall be eligible for affiliation with any Product Group of the Association if it manufactures, brand labels, or develops for manufacture, for sale in the open market, an electrical product included within the product scope of the Product Group or under such other criteria as the Product Group shall adopt. Upon affiliation with a Section or Voting Classification, each member shall automatically become affiliated with the Division within which such Section or Voting Classification is included.

Subsection B Redetermination of Eligibility

Paragraph 1—*Termination of Affiliation*

The affiliation of a member with any Product Group shall terminate in the event and on the date that the Board of Governors shall find that the member has ceased to be eligible for such affiliation.

Paragraph 2—*Redetermination Procedure*

The Board of Governors may determine the eligibility for affiliation with a Product Group of any member at any time and shall determine such eligibility upon the written request of not less than two members of the Product Group. The Board of Directors of a Division may determine the eligibility of any member at any time for affiliation with any Product Group or Voting Classification within such Division, and shall determine the eligibility of any member for such affiliation upon the written request of not less than two members of any such Product Group or Voting Classification.

Paragraph 3—*Withdrawal*

Any member may withdraw at any time from any Product Group upon filing with the Board of Governors and with the Board of Directors of the Division concerned a written notice of such withdrawal. The withdrawing member shall pay fees in accordance with Article VIII on all products manufactured by it which are within the product scope of NEMA whether or not the member is affiliated with the Product Group within whose product scope the product falls.

Section 5 Retention of Membership

Corporations, firms, and individuals who, while members of the Association, shall cease to be eligible for membership pursuant to the provisions of Section 1 hereof, may, nevertheless, continue as members of the Association under such terms and conditions as may be prescribed in the bylaws.

Section 6 Rights and Privileges

All members shall exercise and enjoy such rights as the Certificate of Incorporation and these bylaws may prescribe, except that members who manufacture electrical products solely outside the United States, Canada, or Mexico for sale outside the United States, Canada, or Mexico shall exercise and enjoy such rights as the Board of Governors of the Association may, by resolution, from time to time prescribe.

Section 7 Representatives of Members

Subsection A General

Paragraph 1—*Permissible Number*

Each member shall be represented (1) in the Association and in each Product Group with which it is affiliated by one or more Representatives and (2) in each other Product Group with which it is affiliated by one or more Representatives. Where the member is a division or subsidiary of a corporation not itself engaged actively in the manufacture, or not actively engaged in the development for manufacture, for sale in the open market, of products within the product scope of one or more Product Groups, such member shall be represented only by persons employed exclusively by the member.

Paragraph 2—*Appointment*

Representatives of a member shall be such of its officers or employees as it may designate. A member may change or withdraw its Representatives at will by giving written notice to the Association except that a member must, at all times, be represented by at least one Voting Representative in the Association and in each Product Group with which it is affiliated.

Subsection B Voting Representatives

Paragraph 1—*In the Association*

Each member shall designate one or more of its representatives as its Voting Representative in the Association with power to vote upon all matters presented to the membership of the Association. In no case shall any member have more than one vote.

Paragraph 2—*In Product Groups*

Each member shall designate one or more of its Representatives as its Voting Representative in each Product Group with which it is affiliated, with power to vote upon all matters presented to the membership thereof.

Section 8 Termination of, and Reapplication for, Membership

Subsection A Termination or Continuation without Product Group Affiliation

The membership of any member shall immediately terminate in the event that at any time such member shall not be actively engaged in the manufacture, or in the development for manufacture, for sale in the open market, of an electrical product included within the product scope of any then existing Product Group of the Association; provided that, on written application to, and approval by a majority of the entire membership of the Board of Governors, membership in the Association may be continued without affiliation with any Product Group until such time as such member may again become eligible for affiliation with a Product Group, in which case it shall make application for such affiliation under the provisions of Subsection B of Section 4 of this Article, or until such time as such member may again become eligible for affiliation solely with a Division designated a Fee Center, in which case it shall make application

for such affiliation to the Board of Directors of a Division designated a Fee Center in writing signed by the applicant showing its eligibility for such affiliation.

Subsection B Resignation

Resignations of members shall be made in writing and shall be acted upon at the meeting of the Board of Governors next following receipt thereof by the Association. After the date on which a member requests that his resignation be effective, such member shall neither be allowed to vote nor be counted as eligible to vote on any matter presented to the Association, to any Product Group, or to any committee of either.

Subsection C Expulsion and Reinstatement

Paragraph 1—Expulsion

Any member or Representative of a member may be expelled for any cause upon the vote of two-thirds of the entire Board of Governors after an opportunity to be heard before the Board shall have been granted such member or Representative. No accusing or accused member or Representative shall be entitled to vote on the question of any such expulsion.

Paragraph 2—Reinstatement of Member

Any former member whose membership has been terminated for any cause pursuant to this Section may be reinstated upon application made by it in accordance with the provisions of Section 2 of this Article, upon the payment, or other settlement, satisfactory to the Board of Governors, of all Association charges unpaid by it at the time of termination of membership and upon approval by the vote of two-thirds of the entire Board of Governors.

Paragraph 3—Reinstatement of Representative

Any former Representative of a member, whose status as Representative has been terminated pursuant to this Section, may be reinstated upon application made by a member company by whom such Representative is employed, in accordance with Section 7 of this Article, upon approval by the vote of two-thirds of the entire Board of Governors and on such conditions as the Board of Governors may determine.

Subsection D Effect of Resignation or Termination of Membership

Any member resigning from the Association or whose membership therein is terminated in any other way within thirty days of the billing date for fees on account of any supplementary budget shall not be liable for such fees. Any member who ceases to be actively engaged in the manufacture or brand labeling, for sale in the open market, of products within the product scope of a particular Product Group and who notifies the President of such fact, in writing, within thirty days of the billing date for fees on account of any supplementary budget for such Product Group shall not be liable for such fees.

Article VIII

Fees and Assessments

Section 1 Payment of Fees and Assessments

Subsection A General Association Fees

Members shall pay such fees and assessments apportioned to them in the manner prescribed by these bylaws.

Subsection B Amount

The aggregate amount of general Association Fees to be paid by the members of the Association for any one fiscal year shall be the amount of the budget for such year for general Association purposes, approved as provided in Article VII, and such budget shall take into consideration the necessities of the Association and the estimated results of operations in the preceding fiscal year.

Section 2 Allocation of Fees to Fee Centers and Apportionment among Members

Subsection A Allocation of NEMA Budget by Board

After deducting the aggregate Association Membership Fee expected to be received for a fiscal year, the Board of Governors shall allocate the remaining amount of the approved budget for general Association purposes among the Fee Centers of the Association in proportion to the amount and character of service expected to be rendered to each such Fee Center.

Subsection B Fee Centers Organized During the Fiscal Year

Paragraph 1—General

Fee Centers organized after such allocation has been made need not be considered in the allocation of the total budget for general Association purposes for the fiscal year. Fee Centers not so considered shall be assessed a charge for such fiscal period, the amount of which charge shall be determined by the Board of Governors based upon the amount and character of service expected to be rendered. At the end of each fiscal year, the Board of Governors shall make such reallocation among the Fee Centers of the Association of the total expenses for general Association purposes as is necessary to give effect to the amount of such charges, if any, so assessed by the Board of Governors during such year.

Paragraph 2—*Credits and Debits*

After making any reservation pursuant to the provisions of Subsection H hereof, the Board of Governors shall credit, or charge to, any Fee Center the difference between the amount charged to the Fee Center for the preceding fiscal year and the amount properly chargeable to it for such preceding fiscal year based upon the amount and character of service actually rendered.

Paragraph 3—*In Case of Dissolution of Fee Centers*

Any Fee Center which, after the beginning of any half-yearly fiscal period, shall recommend to the Board of Governors that it shall be dissolved, shall be liable for the fees for general Association purposes for such period as theretofore allocated to the Fee Center by the Board of Governors, unless the recommendation to dissolve is made by the Fee Center within thirty days after the billing date for such half-yearly fiscal period.

Subsection C Apportionment of Fees Among Members

Paragraph 1—*General Basis of Apportionment*

The amount of fees and charges allocated to or assessed against each Fee Center, as provided in Subsection B, shall be apportioned among the members of the Association, whether or not affiliated with the Fee Center, in proportion to each member's net sales in the open market to domestic customers of products embraced within the product scope of the Fee Center, as reported to the Accounting Department of the Association. Included in sales upon which fees shall be so apportioned shall be sales made by a parent company, or a manufacturing division or subsidiary to its affiliate, if said affiliate is generally known as a distributor, wholesaler, or jobber, or as a dealer, contractor, or retailer. The method of apportionment shall be as set forth below.

Paragraph 2—*Apportionment*

Fees and charges, allocated to or assessed against each Fee Center, shall, at the beginning of each fiscal year, be apportioned among the members of the Association, whether or not affiliated with the Fee Center, in proportion to each member's annual net sales in the open market to domestic customers of products embraced within the product scope of the Fee Center, for the twelve months' period ending December 31st, one year prior to the beginning of such fiscal year, as reported to the Accounting Department of the Association.

Paragraph 3—*Reapportionment*

After the completion of the fiscal year, the amount of fees and charges allocated to, or assessed against, each Fee Center, based on actual cost of service, shall be determined. Reapportionment among the members, however, shall take place in January of the following fiscal year. Such actual costs of service shall be reapportioned among the members of the Association, whether or not affiliated with the Fee Center, in proportion to each member's annual net sales in the open market to domestic customers of products embraced within the product scope of the Fee Center, for the twelve month period ending December 31st, one year prior to the beginning of such fiscal year, as reported to the Accounting Department of the

Association. In the event of unusual expenditures, however, the President is authorized to make such reapportionments upon completion of the first half of the fiscal year, rather than at the end of the fiscal year.

Paragraph 4—In Case of Inadequate Reports

In the case of a member who has made no report to the Accounting Department of the Association of any net sales in the open market to domestic customers of products embraced within the product scope of the Fee Center, for such twelve months' period referred to in Paragraphs 2 and 3 hereof, or has made or reported such sales for less than the twelve months' period, the President, or the Accounting Department, with final approval by the President, shall assign such sales volume for such products to such member as, in the opinion of the President, seems proper.

Paragraph 5—In Case of Election of New Members

The election of a member after the beginning of each fiscal year shall not affect the apportionment of Fee theretofore made for such year. Each such member so elected shall pay fees for that part of the fiscal year during which it is a member of the Association. The amount of fees of such member for each Fee Center shall be computed at the same rate and in the same manner as are used in computing the fees of other members for each such Fee Center for the current fiscal year, as provided herein.

Paragraph 6—In Case of Ceasing to Make Sales

A member who, after it has been invoiced for fees and charges as provided in Subsection E, ceases to be actively engaged in the manufacture, brand labeling, or the development for manufacture, for sale in the open market, of products embraced within the product scope of a particular Fee Center shall not be obligated and shall pay no Fee with reference to such Fee Center provided that such member notifies the President of the Association, in writing, of such discontinuance, thirty days prior to January 1. In the absence of timely written notice to the President of the Association of such discontinuance, the member shall be obligated for the amount of the Fee billed for the fiscal year.

Paragraph 7—In Case of Peculiar Conditions.

The Board of Governors may adopt by resolution such other means for a Fee Center to approve a substitute method of apportioning annual fees and assessments.

Subsection D Association Membership Fee

Every member shall pay an annual Association Membership Fee in the amount prescribed by the Board of Governors. The Association Membership Fee shall be in addition to the member's fees determined in accordance with Subsection C of this Article VIII.

Subsection E Payment of Fees and Assessments

Except as otherwise herein provided, fees and charges shall be payable on the first days of January and July. The Association shall invoice members for fees and charges on or about December 1 preceding the next fiscal year on such payment terms as may be prescribed by the Board of Governors. Such amount shall be adjusted after the end of the year by the proper credit or charge shown on final computation of fees as provided in Subsection C. Members resigning from the Association within 30 days prior to January 1, shall not be liable for fees or charges invoiced for the next fiscal period and shall not be entitled to any credit with respect to estimated fees in preceding fiscal years previously paid. The Board of Governors shall have the authority to impose special charges for the late or deferred payment of fees and assessments.

Subsection F Failure to Report Sales

Each member shall report his sales of products within the product scope of any Fee Center of the Association within sixty days after the Association requests such report. In addition, each member which is a division of a corporation shall also report, within sixty days after the Association requests such report, sales by any other division of such corporation of products within the product scope of any Fee Center with which such member division is affiliated. The President shall assign to any member failing to file such report within such period such sales volume as, in the discretion of the President, seems proper. The fees of such member in each Fee Center shall be fixed and determined upon the basis of such assigned sales volume.

Subsection G Fees of Members Who Have Ceased to Manufacture Products Within the Product Scope of the Association

A member who no longer manufactures for sale, in the open market, products included within the product scope of a then-existing Product Group of the Association, and who is not otherwise required to pay fees in accordance with Subsection C hereof, shall pay annual fees of \$2500.