

**CONSTITUTION AND BYLAWS
EQUIPMENT AND TOOL INSTITUTE**

Draft Amendments as of July 28, 2010

ARTICLE I

NAME AND OFFICE

Section 1. **Name** – The name of this Institute shall be “EQUIPMENT AND TOOL INSTITUTE,” a registered Illinois not for profit corporation.

Section 2. **Office** – The institute shall maintain its registered office and agent in Illinois, other offices may be established within or without the State of Illinois as the Board of Directors of the corporation may from time to time determine.

ARTICLE II

PURPOSES

The purpose of this Institute shall be to promote the best interests of the automotive equipment and tool industry; and,

- A. To consider and deal by all lawful means with common problems of management, such as those involved in the production, distribution, employment and financial functions of the industry; to secure cooperative action in advancing by all lawful means the purposes of its members; and, to promote activities designed to enable the industry to conduct itself with the greatest economy and efficiency.

- B. To afford due consideration to and expression of opinion upon questions affecting the industry and the financial, commercial and industrial interest of the nation, and to promote the common business interests of the industry.

- C. To cooperate with other industries and organizations.
- D. To conduct or engage in all lawful activities in furtherance of the foregoing purposes, or incidental thereto.

ARTICLE III
MEMBERSHIP

Section 1. **Members** – Any person, firm or corporation eligible for membership if it meets the following qualifications:

- 1.1 Is engaged as a manufacturer, potential manufacturer or marketer of automotive service repair equipment tools, or information.
- 1.2 Is financially sound.
- 1.3 Has a reputation for integrity and sound character.
- 1.4 Meets such other uniform requirements as may be established by the Board of Directors.

Section 2. **Election of Members** – Any person, firm or corporation eligible for election to membership under these bylaws may be elected to membership on written application, and approval by a majority vote of the Board of Directors, in accordance with procedures adopted by the Board of Directors for such election.

Section 3. **Voting** – Each member firm and member corporation shall appoint and certify to the Executive Manager of the Institute a person to be its representative in the Institute and who shall represent, vote and act for the member firm in all affairs of the Institute. Only the designated representative or in his/her absence, the designated alternate, shall be authorized to act as a voting representative of the member firm.

Section 4. **Duration of Membership and Resignation** – Membership in this Institute may terminate by voluntary withdrawal, or otherwise pursuant to these bylaws. All rights, privileges and interest of a member in or to the Institute shall cease on the termination of membership. Any member may, by giving written notice of such intention, withdraw from membership. Such notice shall be presented to the Board of Directors at the next succeeding meeting of the Board of Directors. Withdrawals shall be effective upon fulfillment of all obligations for the current quarter and payment of any special assessments due prior to the receipt of the notice of resignation.

Section 5. **Suspension and Expulsion** – Membership in the Institute may be suspended or terminated for cause. Sufficient cause for such suspension or termination of membership shall be violation of the bylaws or any lawful rule or practice duly adopted by the Institute, or any other conduct prejudicial to the interests of the Institute. Suspension or expulsion shall be by two-thirds (2/3) vote of the entire membership of the Board of Directors; provided, that a statement of the charges shall have been mailed by certified or registered mail to the last recorded address of the member at least fifteen days before the final action is taken by the Board of Directors. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which charges shall be considered and the member shall have the opportunity to appear in person and/or to be represented by counsel and to present any defense to such charges before action is taken by the Board of Directors.

ARTICLE IV
DUES AND ASSESSMENTS

Section 1. **Dues and Assessments** – Fees, annual dues and assessments, if any, for members of the Institute and the payment date, in advance, shall be determined by the Board of Directors.

Section 2. **Contributions** – The Institute at any time may accept and use contributions or gifts made to it by any person, firm or corporation.

Section 3. **Failure to Pay** – Members who fail to pay their dues of assessments within thirty (30) days from the time they become due shall be notified at that time by the Executive Manager or such other office as may be designated for such purposes by the Board of Directors and, if payment arrangements are not made within the next succeeding sixty (60) days, shall, without further notice and without hearing, be dropped from membership and forfeit all rights and privileges of membership. The Board of Directors may, by rule, prescribe procedures for extending the time for payment of dues and assessments and continuation of membership privileges upon request of a member and for good cause shown.

ARTICLE V
MEETINGS

Section 1. **Annual Meetings** – There shall be an annual meeting of the Institute as ordered by the Board of Directors for the receiving of the annual reports, Installation of Directors and Officers and for the transaction of other business. Notice of such meeting, sent by the Executive Manager, shall occur at least thirty (30) business days before the time appointed for the meeting.

Section 2. **Special Meetings** – Special meetings of the Institute may be called by the President, Executive Manager or the Board of Directors, or shall be called by the President upon the

written request of fifteen or more members. Notice of any special meetings shall be sent to the last recorded address of each member at least five (5) business days before the time appointed for web conference or conference call meetings and twenty (20) business days before face to face meetings with a statement of time and place of the meeting and information as to the subject matter to be considered.

Section 3. **Quorum** – One-third (1/3) of the members present shall constitute a quorum at any meeting of members. If a quorum is not present, a majority of the members present may adjourn the meeting, from time to time, without any further notice, until a quorum is present.

Section 4. **Procedures** – All meetings of the Institute shall be governed by parliamentary process as set forth in Robert’s Rules of Order (most recent edition) when it does not conflict with these bylaws. All matters submitted to a vote of members shall be adopted only after receiving a favorable vote of two-thirds (2/3) or more of the members present.

Section 5. **Attendance** – At all meetings, members may be represented by any officer, partner or principal or any members of the firm who the member may delegate for the purpose as provided in Article III, Section 3. Guests shall be allowed at meetings only on approval of the presiding officer. Meetings of the Board of Directors shall be open only to directors and Past Presidents, except by special invitation. Meetings may be designated as “Executive” or “Closed” meetings, and attendance shall be limited in accordance with procedures adopted by the Board of Directors.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. **Composition and Term of the Board** – The Board shall consist of the elected officers and nine (9) directors elected by the members and Immediate Past President. Directors, with the exception of officers, shall take office on the first day of the next month following

affirmation at the annual meeting of their election and serve for a term of three (3) years, with one-third (1/3) of the directors elected each year. One (1) of these directors may be elected as a designated “Technical Director.” Each elected officer shall take office on the first day of the next month following affirmation at the annual meeting of their election and shall serve for a term of one (1) year until their successor is duly elected and qualified. Directors may be reelected at the conclusion of their terms to additional terms on the Board of Directors.

Section 2. **Power of Board** – The Board of Directors shall have supervision, control and direction of the affairs of the Institute, shall determine its policies or changes therein within the limits of the bylaws, shall actively prosecute its purposes and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

Section 3. **Meetings** – Except that the Board of Directors shall have a regular meeting at the time and place of the annual meeting of members, the Board shall meet upon call of the President, or shall be called for meeting by the President upon the written request of a majority of the members of the Board of Directors at such time and place as may be designated. Notice of all meetings of the Board of Directors shall be sent to each member of the Board at the director’s last recorded address at least five (5), business days before the time appointed for web conference or conference call meetings and twenty (20) business days before face to face meetings.

Section 4. **Quorum** – A majority of the whole Board of Directors shall constitute a quorum at any meeting of the Board. If a quorum is not present, a majority of those Directors present may adjourn the meeting, from time to time, without further notice until a quorum is present.

Section 5. **Compensation** – Directors, as such, shall not receive any stated compensation for their services as directors, but, the Board of Directors may, by resolution, authorize

reimbursement of expenses incurred in the performance of their duties. Such authorization may prescribe procedures for approval and payment of such expenses by designated officers of the Institute. Nothing herein shall preclude a director from serving the Institute in any other capacity and receiving compensation for such services.

Section 6. **Resignation or Removal** – Any Director, may resign at any time by giving written notice to the President, the Executive Manager, or to the Board of Directors. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of acceptance thereof as determined by the President or the Board of Directors. Any Director may be removed by a two thirds (2/3) vote of the members present, following notice, at any regular or special meeting at which a quorum is present. In the event any officer or Director should become disassociated with a member firm for over ninety (90) days, he/she shall be deemed to have resigned, and shall cease to hold his/her elective position.

[Comment: The Illinois NFP Act provides in Section 108.35 that if a director is elected by the members, then the director can only be removed by a two-thirds vote of the members at a meeting, and members must be given notice that the director's removal is a purpose of the meeting.]

Section 7. **Vacancy** – In the event a vacancy should occur by a director, this vacancy may be filled by the Executive Committee with ratification by the Board of Directors until the next regular election of the membership. The person who fills the vacancy must meet the criteria for a regularly elected director.

Directors appointed to their positions by the Executive Committee or the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interest of the Institute shall be served.

ARTICLE VII

OFFICERS

Section 1. **Elective Officers** – The elective officers of the Institute shall be the President, Vice President of Programming, Vice President of Marketing, and the Secretary/Treasurer and such other officers as may be deemed necessary. These officers shall be elected annually by the members. The President, Vice Presidents and Secretary/Treasurer at the time of their election must be members or have been elected members of the Board of Directors. If a sitting director is elected as an officer, the director’s position shall be deemed vacated such upon election, and the Executive Committee shall fill the vacancy as provided in Article VI, Section 7. “Vacancy”.

Section 2. **Term of Office** – Each elected officer shall take office the first day of the month following affirmation at the annual meeting of their election and shall serve for a term of one year and/or until their successor is duly elected and qualified.

Section 3. **Removal** – Any officer or agent appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Institute shall be served.

Section 4. **Vacancy** – In the event a vacancy should occur by an officer, this vacancy may be filled by the Executive Committee with ratification by the Board of Directors until the next regular election of the membership. This person who fills the vacancy must meet the criteria for a regularly elected officer. In the case of the President, the Immediate Past President shall fulfill the duties and responsibilities of the vacated presidency for the remainder of the term. If the immediate Past President is unable or unwilling to complete the vacated term, the next in the line of past presidents will be asked until the position is filled.

Officers appointed to their positions by the Executive Committee or the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interest of the Institute shall be served.

Section 5. **President** – The President shall be the Chief Executive Officer of the Institute, shall preside at meetings of the Institute and of the Board of Directors and the Executive Committee and shall be a member *ex-officio*, with right to vote, on all committees except the Nominating Committee. He/she shall also, at the annual meeting of the Institute, and at such other times as he/she shall deem proper, communicate to the Institute or to the Board of Directors, such matters and make such suggestions as may in his/her opinion tend to promote the welfare and increase the usefulness of the Institute, and shall perform such other duties as are necessarily incident to the office of the President or as may be specified by the Board of Directors. The President shall be responsible for the implementation of the policies of the Institute as determined by the Board of Directors but, the President is not charged with executive or administrative responsibilities in the management and continuing conduct of the Institute’s affairs. The President shall supervise the activities of the Institute and the management thereof by the Executive Manager.

Section 6. **Vice Presidents** – The Vice Presidents may be delegated, in order, by the President to perform their duties, in the event of their temporary disability or absence from meetings, and shall perform such other duties as may be specified by the President or the Board of Directors. In order of seniority is the Vice President Programming whose primary duty is to chair the annual meeting Program Committee. The Vice President Marketing follows the Vice President Programming in succession. His/her primary duty is to chair the Marketing Committee.

Section 7. **Secretary/Treasurer** – The Secretary/Treasurer shall give notice of and attend all meetings of the Institute, to keep a record of all proceedings, attest documents and perform such other duties as are usual for such office or as may be specified by the Board of Directors. The Secretary/Treasurer shall keep an account of all monies received and expended for the use of the Institute, and shall make disbursements authorized by the Board of Directors and

approved by such other officers as the Board of Directors may prescribe. All sums received shall be deposited in the bank or banks, or trust company, approved by the Board of Directors, or invested in accordance with rules adopted by the Board of Directors, or when called upon by the President. The duties of the Secretary/Treasurer, under authority of the Board of Directors may be assigned in whole or in part to the Executive Manager. The funds, books, and vouchers in his hands shall, with the exception of confidential reports submitted by members, at all times be subjected to verification and inspection by the Board of Directors. The Secretary/Treasurer shall have such other duties as may be specified by the Board of Directors.

Section 8. **Executive Manager** – The chief operating officer, administrator and manager of the Institute shall be in a salaried staff head or firm employed or appointed by the Board of Directors. He/she shall be responsible to the President and the Board of Directors. He/she shall have the authority to execute contracts on behalf of the Institute and as approved by the Board of Directors. He/she shall have the title of Executive Manager or such other title as the Board of Directors shall from time to time designate. He/she shall employ and may terminate the employment of members of the staff necessary to carry out the work of the Institute. He/she shall manage and direct all functions and activities of the Institute and perform such other duties as may be specified by the Board of Directors.

ARTICLE VIII

COMMITTEES

Section 1. **Appointment** – The President, subject to the approval of the Board of Directors, shall annually appoint such standing or special committees or subcommittees as may be required by the bylaws or as he/she may find necessary.

Section 2. **Executive Committee** – The President, Immediate Past President, Vice Presidents, Secretary/Treasurer and the option of one other director as elected by the Executive Committee shall constitute an Executive Committee. The Executive Manager, Marketing

Manager and Technical Manager shall also be a member of the committee but without vote. The Executive Committee members may exercise the powers of the Board of Directors when the Board of Directors is not in session, reporting to the Board at its next meeting any action taken. A majority of the voting members shall constitute a quorum for the transaction of business. Meetings may be called by the President or by any three members.

Section 3. **Nominating Committee** –The President shall appoint a Nominating Committee from Immediate Past Presidents, to nominate candidates for elected directors and elected officers. The committee shall report the names of the candidates it proposes to the President 60 days prior to the election. The President will bring this slate to the Executive Committee for confirmation and send to the Executive Manager to post. Nominations may also be made by any member within ten (10) business days. The Executive Manager will post a new ballot within the following ten (10) business days.

All nominees, for elected office and membership on the Board of Directors must be in the active employ of a member company and such nominee must have the approval of the nominee’s company prior to the time of election. In no event shall any one member have more than two of its employees at any one time on the Board of Directors.

Section 4. **Advisory Committee** – There shall be an Advisory Committee which shall advise and be heard by the Board of Directors on any question of policy involving or likely to affect the Institute or its structure. All Past Presidents shall serve as members of this committee. The immediate Past President shall serve as Chairman of the Advisory Committee. All Advisory Committee members shall have notice of, and the right to attend with prior indication of that attendance, Board meetings, but shall be without vote.

Section 5. **Rules** – Each committee may adopt rules for its own government, not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE IX
MISCELLANEOUS

Section 1. **Mail Vote** – Whenever, in the judgment of the Board of Directors, any question shall arise which it believes should be put to a vote of the membership including the election of directors and officers and amendments to these bylaws, and when it deems it inexpedient to call a special meeting for such purposes, the Directors may, unless otherwise required by these bylaws, submit such a matter to the membership in writing by mail or electronic means for vote and decision, and the question thus presented shall be determined according to a two-thirds (2/3) vote received by mail or electronic means within ten (10) business days after such submission to the membership, provided, that in each case, votes of at least one-third (1/3) of members shall be received. Action taken pursuant to a two-thirds (2/3) majority vote in each case shall bind the Institute in the same manner as would action if taken at a duly called meeting.

Section 2. **Fiscal Year** – The fiscal year shall be as determined by the Board of Directors.

Section 3. **Seal** – The Institute shall have a seal of such design as the Board of Directors may adopt, and it may be used by the members in accordance with the rules as may be adopted by the Board of Directors.

Section 4. **Dissolution** – The Institute shall use its funds only to accomplish the objectives and purposes specified in these bylaws and no part of its funds shall inure, or be distributed, to the members of the Institute. On dissolution of the Institute, any funds remaining shall be distributed to one or more regularly organized and qualified professional society, trade association, charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors.

Section 5. **Indemnification** – The Institute shall indemnify and hold harmless each person who is now or shall hereafter serve as a director, officer or employee of the Institute from and against any and all claims and liabilities whether the same are settled or proceed to judgment, to which such person shall have become subject, by reason of his/her having heretofore or hereafter been a director, officer or employee of the Institute, or by reason of any action alleged to have heretofore or hereto after been taken or omitted by him as such director, officer or employee, shall reimburse each such person for all legal and other expenses (including the cost of settlement), reasonably incurred by him/her in connection with any such claim, liability, suit, action or proceedings; provided, however, that no such person shall be indemnified against or be reimbursed for, any claims, liabilities, cost or expenses incurred in connection with any claim, liability or threat or prospect thereof, based upon or arising out of his/her own negligence or willful misperformance of his/her duties as such director, officer or employee. The determination of all questions as to the existence of negligence or willful misconduct, as to the right to indemnify and reimbursement hereunder and the reasonableness of such costs and expenses may be made and shall be final and conclusive if made, by the Board of Directors acting at a meeting at which a quorum is unaffected by self-interest (notwithstanding that other members of the quorum present, but not voting, may be so affected). The rights accruing to any person under the provisions of this section shall not exclude any other right to which he/she may be lawfully entitled, nor shall anything herein contained restrict the right of the Institute to indemnify or reimburse such persons in any case even though not specifically provided for herein.

Section 6 Insurance – The Institute must purchase and maintain insurance on behalf of the Institute and any person who is or was serving the Institute as an officer, director, committee member, agent or employee against any liability asserted against the Institute or such persons in connection with or related to the Institute matters whether or not the Institute would have power to indemnify such person(s) against such liability.

ARTICLE X

AMENDMENTS TO THE BYLAWS

These bylaws may be amended by affirmative action of a two-thirds (2/3) majority of the members at any regular or special meeting, provided such proposed change is submitted by mail or electronic means to the members at least ten (10) business days in advance of the meeting at which the proposal is to be considered. These bylaws may also be amended by the affirmative vote of the majority of all the members of this Institute, by mail or electronic means provided that written or electronic notice shall be submitted to all members at least ten (10) business days before such ballots are due to be returned for counting.