

Articles of Association of the Industrial Fasteners Institute

As Amended Through

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INDUSTRIAL FASTENERS INSTITUTE

6363 Oak Tree Boulevard

Independence, Ohio 44131-2500

Phone: (216) 241-1482

Fax: (216) 241-5901

Web site: www.indfast.org

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ARTICLE I - NAME

The name of this association shall be INDUSTRIAL FASTENERS INSTITUTE (the "Institute"). The Institute is a voluntary, not for profit, tax exempt, limited liability association organized under Chapter 1745 of the Ohio Revised Code.

ARTICLE II - OBJECT OF INSTITUTE

The object of the Institute is to foster and promote in all legal ways the best interests of the industrial fasteners and formed parts manufacturing industry in all matters of common interest to such industry. Industrial fasteners are mechanical devices having a capability to hold two or more elements together and/or to transmit an externally applied load regardless of the fabrication method(s) employed in their manufacture. Formed parts are parts manufactured from wire, rod, or bar by reshaping, using machine pressure regardless of processing temperature and including forming, heading, forging, upsetting and/or extruding. The object of the Institute shall be, without intending limitation of activities in furtherance of such object:

- A. To administer planned programs of technical research with respect to industrial fasteners and formed parts including improved methods of manufacture to take advantage of current technology in the most efficient manner;
- B. To promote the capabilities and technological skills of the industry to engineers, designers and purchasers of mechanical fasteners including educational institutions and government;
- C. To develop a better understanding of the industry and its products, their application and efficient utilization so that users of fasteners and formed parts may benefit from the continued advances made in the design, manufacture, and application;
- D. To inform members and others of governmental action affecting the industry;
- E. To collect and disseminate industry statistics and information on issues of industry significance such as foreign trade and metric conversion;
- F. To assist in establishing criteria for and to disseminate information concerning mechanical, dimensional and performance standards for industry products;
- G. To cooperate with private and government bodies in the furtherance of these objectives;
- H. To educate private and government bodies on the concerns, technological progress and changes in our industry; and

To work with other fastener associations and other representative bodies in other countries to foster communication and understanding.

ARTICLE III - MEMBERSHIP

Section 1 - Existing Members

Any corporation, firm or partnership, or any division or subsidiary thereof, that was a regular member of the Institute under the Articles of Association, as amended through January 1, 1998, immediately prior to adoption of these revised Articles of Association shall be eligible to be a member of the Institute, subject to Section 6, Subsection (b) of this Article.

Section 2 - Classes of Membership

There shall be three classes of members: Company, Associate, and Affiliate.

Section 3 - Eligibility

Subsection a. - Object of the Institute

All members of the Institute shall support the object of the Institute as set forth in these Articles, and refrain from engaging in false, deceptive or unlawful practices which reflect unfavorably on the Institute and/or the North American fasteners and formed parts industry. This requirement of eligibility shall be read in conjunction with the additional eligibility requirements set forth herein.

Subsection b. - Company Members

Any corporation, firm or partnership, or any division or subsidiary thereof, organized under the laws of any state, possession or territory of the United States of America, the District of Columbia, Canada or its provinces, or the Republic of Mexico or its states (collectively, "North America"), shall be eligible for Company membership, if it:

- A. Has, as its principal business, the manufacture in North America of mechanical fasteners and/or formed parts for sale to non-affiliated third parties. For the purpose of these Articles of Association, "non-affiliated" shall mean persons who are not the applicant's parent, subsidiary, division or other related entity under common ownership or control.
- B. Has, either directly or through a parent or predecessor, carried on such principal business for at least the two immediately preceding years.
- C. Is making or is interested in, willing to and capable of making a technical contribution to the North American fastener and formed parts manufacturing industry.
- D. Does not directly or indirectly (i.e., through its parent, subsidiaries, divisions, affiliates, or other related entities under common control) have as its principal fastener/formed parts business the importation into North America of industrial fasteners and/or formed parts.
- E. Does not directly or indirectly (i.e., through its parent, subsidiaries, divisions, affiliates or other related entities under common control) have as its principal fastener/formed parts business the distribution in North America of industrial fasteners and/or formed parts manufactured by others.
- F. Does not directly or indirectly (i.e., through its parent, subsidiaries, divisions, affiliates or other related entities under common control) have as its principal fastener/formed parts business such importation and distribution taken together.

Subsection c. - Associate Members

Within the policies and limitations established from time to time by the Board of Directors (the "Board"), any corporation, firm or partnership, or any division or subsidiary thereof (A) engaged, as a primary focus of its business (either directly, in tandem with, or through a wholly-owned subsidiary or parent company) in (1) manufacturing, developing, or reconditioning and servicing, and (2) selling to non-affiliated North American manufacturers of fasteners and/or formed parts, (i) raw materials, (ii) machinery or equipment, or (iii) services,

that are commonly used in North America in the manufacture, product processing (e.g., heat treating, plating, coating), testing or installation of industrial fasteners and/or formed parts, and (B) having an institutional capability and willingness to make a technical contribution to advance the interests of the North American fasteners and formed parts industry, shall be eligible for Associate membership. The number of Associate members shall not exceed 100 percent of the number of Company members, except that no Associate member shall be deprived of its membership, after its admission, should there occur a reduction in the number of Company members such that the number of Associate members exceeds 100 percent. Associate members shall be classified as being 1) a supplier of raw materials commonly used in the manufacture of fasteners and/or formed parts (i.e., wire, rod, bar and sheet but not semi-finished products or blanks), 2) a supplier of machinery and equipment commonly used in the manufacture, testing or installation of fasteners and/or formed parts (i.e., primary and secondary machines, tooling, inspection equipment or testing equipment), or 3) a supplier of engineered services commonly used in the manufacture, product processing, testing or installation of industrial fasteners and/or formed parts (i.e., heat treatment, plating, secondary operations, engineering or testing laboratory services). A machinery or equipment Associate member must maintain a technical capability of direct company employees in North America to maintain and support its equipment application as opposed to merely importing machinery and equipment into (or exporting out of) North America for sale or resale only. The equipment must carry the name of the company applying for membership and such company's technical personnel should be able to contribute to IFI technical activities. The number of Associate members in any one of these three categories shall not exceed fifty percent of the number of permitted Associate members. When the permitted number of Associate members, either as a total or in any one of the three categories, has been reached, further applicants shall be so notified and offered the opportunity to withdraw the application or, alternatively, to have it continued and acted on when the above-stated limitations permit.

Subsection d. - Affiliate Members

Within the policies and limitations established from time to time by the Board, any corporation, firm or partnership, or any division or subsidiary thereof that (A) is engaged in the distribution of qualified aerospace fasteners in North America, (B) has sold at least US \$5 million of such fasteners in North America in each of the last 5 years, which sales accounted for at least 75 percent of the entity's total North American fastener sales during each of those years, (C) maintains a registered corporate office in North America, (D) possesses and maintains AS 9120 registration (or registration under a successor standard) by an organization that is ANAB third-party accredited, (E) maintains approval to sell qualified aerospace fasteners to the purchasing unit responsible for purchasing such fasteners at two or more aerospace OEMs or, alternatively, at an aerospace OEM and an agency of the U.S. government, (F) has an institutional capability and willingness to make a technical contribution to advance the interests of the North American fasteners and formed parts industry, and (G) has been conditionally admitted to, or remains a member in good standing in, the membership of the Aerospace Division (Division II) of the Institute, shall be eligible for Affiliate membership in the Institute.

Subsection e. - Inclusive Definitions

Hereinafter the terms “member,” “membership,” and “Institute Membership” as used in these Articles shall include Company, Associate, and Affiliate members unless the class is specifically designated.

Section 4 - Admission Procedure

Each applicant for membership shall submit to the Institute, the application form for membership then prescribed and provided by the Institute completed and signed by the applicant together with such further written information with respect to the applicant as the Board of the Institute shall require of the applicant. The Institute membership shall be informed of the application for membership and given ten days to submit to the Board written comments with respect to the eligibility of the applicant for membership. The Board shall consider the application and the written comments with respect thereto, and if it concludes that the applicant is eligible for membership it shall so declare, and thereupon the applicant shall become a member of the Institute. In the event of any uncertainty with respect to the eligibility of the applicant, the Board shall consult with legal counsel.

Section 5 - Voting Rights

Each member of the Institute shall designate in writing the person who is its principal executive concerned with Institute affairs to serve as its principal delegate to the Institute. Each member may also designate a first alternate delegate and a second alternate delegate to act in that order in the event the principal delegate is unable to serve at a particular time or place. Alternates shall be affiliated with the member of the Institute making their appointment. The principal delegate shall have full authority to act for such member in all matters relating to the Institute. Each Company member of the Institute shall have one vote which shall be cast by the principal delegate or by one of the designated alternates. Individual Associate and Affiliate members shall have no voting rights with respect to the affairs of the Institute.

Section 6 - Termination of Membership

Subsection a. - Resignation

Any member may resign from membership in the Institute by giving written notice of such resignation to the Institute; provided, however, that such resignation shall be effective only upon payment by such member of all financial obligations of such member to the Institute, including annual dues, annual assessments, special assessments and allocated charges for special activities otherwise payable by such member for the year of the Institute in which such written notice of resignation is received. In addition, no resignation notice shall be effective until accepted by the IFI Board of Directors, which shall consider the notice at its next regularly scheduled meeting. Once accepted, a resignation acceptance will then be mailed out to the requesting company by IFI's managing director.

Subsection b. - Termination of Eligibility

If there shall be a question whether any member continues to meet a requirement of eligibility for membership as provided in Section 3 of this Article, the Board shall conduct such investigation as it shall deem appropriate and if it concludes that the member no longer continues to be eligible for membership it shall so declare, and thereupon such membership shall terminate; provided, however, that the continued eligibility of any incumbent Company member shall not be terminated under this subsection due solely to its failure to meet the eligibility requirements set forth in Section 3, Subsection b (D) - (F) of this Article.

Subsection c. - Suspension and Expulsion

Upon refusal or failure of any member to pay any financial obligation owing by it to the Institute for a period exceeding six months, or upon any refusal or failure of any member to conform to any rule, resolution, order or practice duly adopted by the Institute, the Board shall suspend such delinquent member from membership in the Institute and shall notify such delinquent member in writing within twenty days following such action. During such period of suspension, such suspended member shall have none of the rights of membership but shall remain and be liable to the Institute on all past and future obligations imposed on such member as a member by the Institute, including dues, assessments and allocated charges for special activities. If such delinquency of such member shall continue for sixty days after the date of the written notification of such suspension, the Board shall, upon at least ten days prior notice to the delinquent member of the time and place of the meeting and of the charges of delinquency against such member, consider at the next meeting thereof the question whether the membership of such delinquent member shall be terminated. After such delinquent member shall have been given an opportunity at such meeting to be heard, such question shall be voted upon at the meeting by the directors present. Upon the affirmative vote of two-thirds of such directors present and voting, the membership of such delinquent member shall terminate. Any former member whose membership has been so terminated may be restored to its former membership only upon the affirmative vote of three-fourths of all the members of the Board, and upon such conditions for such restoration of membership as the Board by such vote requires.

Subsection d. - Continued Liability Upon Termination of Membership

Upon termination of membership, the former member shall remain liable to the Institute for all annual dues and annual assessments payable by such former member to the Institute for the year of the Institute in which termination of membership occurred, and shall remain liable to the Institute for such former member's share of any deficit of the Institute existing at the time of such termination of membership resulting from obligations or commitments of the Institute existing at least thirty days prior to the time of such termination of such membership. Such share will be determined in the same manner as if the membership of such former member had not terminated, and such share shall be promptly paid irrespective of whether the remaining members are called upon by the Institute by way of special assessment, increase of dues or otherwise to eliminate such deficit. Additionally, the former member shall remain liable to the Institute for all special assessments and allocated charges for special activities levied in

accordance with these Articles at least thirty days prior to the effective date of termination of such membership.

Subsection e. - Termination of Interest in the Institute Upon Termination of Membership

Upon termination of membership in the Institute, however caused, all the right, title and interest of such former member in and to the Institute and its assets, including, without limiting the generality of the foregoing, all sums paid by such former member to the Institute, shall cease.

Section 7 - Assignment of Membership

Membership in the Institute or rights or interests relating thereto, including, without limiting the generality of the foregoing, any rights and interests of a member in and to the assets of the Institute, may be assigned by a member only upon approval of such assignment by the Board. In the absence of such approval, any purported assignment of membership or of such rights or interests shall be without effect as against the Institute or any of the members thereof.

Section 8 - Relation of Members

Neither the members of the Institute nor the members of the Board shall be deemed partners for any purpose by reason of any provision of these Articles. No member of the Institute shall be deemed the agent of any other member of the Institute, and no member of the Board shall be deemed the agent of any other member of the Board by reason of any provision of these Articles.

**ARTICLE IV - FISCAL YEAR OF INSTITUTE AND FINANCIAL
OBLIGATIONS**

Section 1 - Fiscal Year

The fiscal year of the Institute shall be the calendar year.

Section 2 - Annual Dues and Assessments for Company Members

Subsection a. - Character of Annual Dues and Assessments

The annual dues of Company members of the Institute shall be a uniform sum determined in the manner provided in this Section. The annual assessment of each Company member of the Institute shall be based on a percentage of the average annual gross sales of all industrial fasteners and formed parts fairly related to its membership during one or more preceding years, the applicable percentage and number of years to be determined in the manner provided in this Section.

Subsection b. - Classification of Fasteners and Formed Parts for Purposes of Annual Assessments

For the purpose of determining annual assessments, gross sales may be classified by type and composition of industrial fasteners and formed parts sold, and different percentages applied to the gross sales of each class so determined.

Subsection c. - Determination of Annual Dues and Assessments

The Board shall determine annual dues, classification of fasteners and formed parts for assessment purposes, if any, and the rate or rates of assessment for the next calendar year. When it is the determination of the Board that annual dues and/or the rate or rates of assessment should be changed for the next calendar year, such change shall be recommended to the Institute Membership and shall become effective only with its approval. Annual assessments for any calendar year shall be based upon the gross sales of industrial fasteners and formed parts during the preceding fiscal year, unless the Board determines that the average annual gross sales for a longer past period not exceeding the five preceding fiscal years shall be used. The applicable prior period shall be uniformly applied to all members of the Institute, except that if there were no sales of industrial fasteners or formed parts in respect of any member and its predecessors during part of the applicable prior period, the average annual gross sales in respect of such member and its predecessors for the period during which such sales were made may be used.

Subsection d. - Classes of Company Members for Purposes of Annual Dues and Assessments

For purposes of assessment with respect to annual dues and assessments, there will be two classes of company members - Unit members and Corporate members, which are defined as follows:

- A. A Unit member is any member of the Institute;
- B. A Corporate member is a corporation, firm or partnership that has two or more divisions or subsidiary companies that are Unit members.

Subsection e. - Obligations of Members

Each member of the Institute shall be assessed in accordance with the rate or rates of assessment as established annually by the Board. Unit members are included under the corporate umbrella at no charge.

Subsection f. - Obligations of Members to Pay Annual Dues and Assessments

Upon such determination of annual dues and assessments, each member of the Institute who is a member at any time during the calendar year for which such dues, classification and rate or rates of assessment are so determined, shall be obligated to pay quarterly in advance during such year the annual dues and annual assessments for such year in accordance with such determination.

Subsection g. - Special Assessments

At any meeting, the Institute Membership may determine that a special assessment is necessary. Upon such determination, each member which is a member of the Institute as of thirty days following the date when such special assessment is levied shall be obligated to pay its allocated share of such special assessment. The aggregate amount of any special assessment shall be allocated among the members in the same proportions as the annual assessments payable by

each member for the calendar year in which such special assessment is levied shall bear to the total annual assessment payable by all the then members for such year.

Subsection h. - Allocated Charges for Special Activities

The Board from time to time shall determine rules under which the expenses of special activities shall be allocated among and borne by the particular members benefited by such activity. Upon a determination pursuant to any such rule that any amount so allocated is payable in respect of any such special activity, each member which is a member of the Institute as of thirty days following the date when the determination is made shall be obligated to pay such amount for that year in addition to any dues or assessments for which it may otherwise be obligated.

Subsection i. - Lobbying

The Board will annually determine what percentage, not to exceed 10% without vote of the Membership, of the Company Member dues only (not Associate dues) are to be allocated that year to lobbying on behalf of the industry on issues recommended by the Government Affairs Committee and approved by the Board. Such dues are not deductible to the Member Companies.

Section 3 - Annual Dues for Associate Members

The annual dues for Associate members shall be a uniform amount as established by the Board.

Section 4 - Annual Dues for Affiliate Members

The annual dues for Affiliate members shall be established by the Board.

ARTICLE V - INSTITUTE MEETINGS

Section 1 - Annual Meeting

An annual meeting of the Institute Membership shall be held at such time and place as shall be determined by the Board.

Section 2 - Other Meetings

Meetings of the Institute Membership other than the annual meeting may be called by the Board or by the Chairman of the Institute.

Section 3 - Notice of Meetings

Not less than fifteen days before any meeting of the Institute Membership, written notice of such meeting, stating the place, if any, date and time thereof, and the means of remote communications, if any, shall be given by the Institute. Such notice shall be given to the principal delegate of each member of the Institute. If such notice is mailed, it shall be directed postage prepaid to the principal delegate at his or her respective address as it appears on the records of the Institute, and notice shall be deemed to have been given on the day so mailed. Notice of any meeting of the Institute Membership may be waived either before or after the

meeting by any member thereof. A written agenda of each meeting of the Institute shall be provided to each principal delegate prior to or upon arrival at the meeting.

Section 4 - Quorum and Votes Required for Action

At all meetings of the Institute Membership, the presence of one-third of the then Company members of the Institute shall constitute a quorum for the transaction of business. However, if at any meeting of the Institute Membership there shall be less than a quorum present, a majority of Company members present may adjourn the meeting from time to time without notice other than by announcement at the meeting. Except as otherwise expressly provided in these Articles, the act of a majority of the Company members of the Institute present and voting at the meeting thereof at which a quorum is present shall be the act of the Institute.

Section 5 - Action Without a Meeting

Any action which may be taken by the Institute Membership in a meeting thereof upon the act of a majority of the Company members present and voting may be taken by the Institute Membership without a meeting by a writing signed by a majority of the Company members responding by written ballot to such action; provided, however, that one-third of the then Company members shall have responded to the request to vote by written ballot and notice of such action and an opportunity to vote on such action must have been given to the principal delegate of each Company member of the Institute.

Section 6 - Litigation and Administrative Proceedings

Any action to enter the Institute as a litigant in a legal or administrative proceeding may be taken only by the Institute Membership with a writing signed by an absolute majority of the Company members.

Section 7 - Minutes of Meetings

The Institute shall keep a written record of Institute Membership meetings including action taken at the meeting. Such record shall be provided to all principal delegates following each meeting.

ARTICLE VI - BOARD OF DIRECTORS

Section 1 - Powers

The governing body of the Institute shall be the Board. Subject only to the provisions of these Articles, the Board of the Institute shall exercise all powers, privileges and prerogatives of the Institute Membership in respect of the Institute. Without limiting the generality of the foregoing, the Board shall hire such employees, establish such office or offices, retain such counsel and otherwise manage and conduct the business and affairs of the Institute, as it may deem advisable for carrying out the purposes of these Articles.

Subsection a. - Limitation of Authority

The Board shall not have the authority to enter the Institute as a litigant into any legal or administrative proceeding, change the annual dues and annual assessments, levy a special assessment, or amend these Articles. Such actions may be taken only by the Company members.

Section 2 - Composition

The Board shall consist of the Chairman, the Vice Chairman, the Immediate Past Chairman of the Institute, three Directors elected by and from the membership of each of the Industrial Products, Automotive, and Aerospace Divisions of the Institute, and one Director elected by and from the membership of the Associate Suppliers' Division of the Institute. No more than one person affiliated with a Company member, nor more than two persons affiliated with a Corporate member, may at any one time be a member of the Board. No Affiliate member shall have voting rights with respect to the Directors elected by the Aerospace Division (Division II) of the Institute, and no Affiliate member may be elected to serve as a Director on behalf of the Aerospace Division of the Institute. In addition, the Chairman of the Publications and Information Committee of the Institute may attend each Board meeting as an observer.

Section 3 - Meetings

Meetings of the Board shall be held at such time and place, if any, or by remote communications, if desired, as shall be determined by the Chairman or by a majority of the Board. Not less than fifteen days before any regular meeting of the Board, written notice of such meeting, stating the place, if any, date and time thereof, and the means of remote communications, if any, shall be given to each member of the Board. If such notice is mailed, it shall be determined to have been given on the day so mailed. A written agenda of each meeting of the Board shall be provided to each member of the Board prior to or upon arrival at the meeting. Special meetings of the Board may be called by the Chairman or by a majority of the Board at any time. Notice of the place, if any, date and time and the means of remote communications, if any, shall be given to each member of the Board not less than two days before the special meeting.

Section 4 - Quorum and Votes Required for Action

At all regular meetings of the Board, the members of the Board in attendance shall constitute a quorum for the transaction of business. At all special meetings of the Board, the presence of fifty percent or more of the members of the Board shall constitute a quorum for the transaction of business. Except as otherwise expressly provided in these Articles, the act of a majority of the members of the Board present and voting at the meeting thereof at which a quorum is present shall be the act of the Board, and by virtue thereof of the Institute.

Section 5 - Action by Board of Directors Without a Meeting

Any action which may be taken by the Board in a meeting thereof upon the act of a majority of the members present and voting may be taken by the Board without a meeting by a writing signed by an absolute majority of the members of the Board.

Section 6 - Minutes of Meetings

The Board shall keep a written record of action taken by it. Following each meeting of the Board, a written record of the meeting including the action taken at the meeting shall be provided to the principal delegate of each Institute Member.

Section 7 - Alternates

Members of the Board shall not be permitted to name or be represented by an alternate at any meeting of the Board or in any action relating to the responsibilities and authority of the Board.

Section 8 - Term of Office

Directors elected to the Board from and by a Division shall be elected to serve a term of three years ending with the third annual meeting of the Institute following the election, with the exception of the Associate Suppliers' Division Board representative who will serve on the Board concurrent with his term as Division Chairman. No individual shall be permitted to serve on the Board for longer than three successive years unless such individual is serving as the Chairman, the Vice Chairman, or the Immediate Past Chairman of the Institute immediately following the end of such individual's three-year term on the Board; provided, however, that in no event shall any individual be permitted to serve as a Director for more than six successive years. With the exception of the Associate Suppliers' Division representative, the election of Directors will be staggered so that one-third of the Directors are elected at any annual meeting of the Institute. At any annual meeting of the Institute, each Division shall elect one of its members to the Board.

Section 9 - Vacancy

In the event a vacancy should occur among the Directors through death, resignation, election as an officer of the Institute, or for any other reason, the Division originally electing the Director shall elect another of its members to serve for the unexpired term.

Section 10 - Removal from Office

Any Director shall be subject to removal from the Board, with or without cause, at any time by the vote of the Company members.

ARTICLE VII - OFFICERS OF THE INSTITUTE

Section 1 - Officers Election and Term

The Institute shall have a Chairman and a Vice Chairman. The Chairman and Vice Chairman shall each be elected by the Company members at the Annual Meeting thereof for a one-year term. Only persons nominated by the Board or nominated from the floor shall be eligible for such election. Nominees shall be one of the principal delegates of Company members. Each officer shall hold office until his or her successor is chosen and qualified, unless otherwise specified herein or unless removed by the Company members. Any officer shall be subject to removal, with or without cause, at any time by the vote of the Company members. A vacancy in the office of Chairman shall be filled immediately by the Vice Chairman. A vacancy

in the office of Vice Chairman shall be filled in the same manner as is provided herein for the original election to such office except that the election of such officer shall be held at the next meeting of the Institute Membership following the vacancy. The term of office of the Chairman or of the Vice Chairman shall expire and the office shall become vacant if the holder thereof shall cease to be affiliated with a Company member of the Institute, or if the member of the Institute with which a person holding such office is then affiliated shall give written notice that such person shall no longer be deemed to be designated as the principal delegate of such member.

Section 2 - Chairman of the Institute

The Chairman of the Institute shall serve as a member of the Board as provided in these Articles, shall preside at all meetings of the Institute Membership and the Board, shall be a member ex-officio of all committees of the Institute and the Board, and shall have such other duties and powers as may be assigned to or vested in him or her by the Institute Membership and by the Board.

Section 3 - Vice Chairman

The Vice Chairman of the Institute shall serve as a member of the Board as provided in these Articles, shall perform the duties of the Chairman of the Institute in the absence or during the inability to act of such officer, and shall have such other duties and powers as may be assigned to or vested in him or her by the Institute Membership and by the Board.

Section 4 - Other Officers

The Board may appoint other officers of the Institute as it deems necessary. Such other officers need not be affiliated with a member of the Institute. Such other officers shall have duties and powers as may be assigned to or vested in them by the Board.

Section 5 - Bonding of Officers

Any officer having authority to execute any instrument for the payment of money, other than an officer affiliated with a member of the Institute, shall give bond in such amount as the Board shall determine and with such surety or sureties as it may specify for the faithful discharge of such officer's duties.

Section 6 - Authority to Sign

Except as otherwise specifically provided by the Board, all checks, notes, drafts and any other instruments for the payment of money shall be executed on behalf of the Institute by an officer designated by the Board and countersigned by another officer as designated by the Board.

Section 7 - Compensation

The Board shall fix the compensation of any and all officers of the Institute.

ARTICLE VIII - INDEMNIFICATION

Each Director, officer, or employee of the Institute shall be indemnified by the Institute against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him or her in connection with any proceeding to which he or she may be made a party, or in which he or she may become involved, by reason of his or her being or having been a Director, officer or employee of the Institute, or any settlement thereof, whether or not he or she is a Director, officer or employee at the time such expenses are incurred, except in such cases wherein the Director, officer or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. Provided, however, that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Institute. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, officer or employee may be entitled.

ARTICLE IX - LEGAL COUNSEL

The Institute shall retain legal counsel ("Counsel"). Counsel shall be present at the Institute's semi-annual membership meetings and at Board meetings. Counsel's participation in Divisional meetings shall not be required, unless otherwise requested in advance. Regardless of Counsel's participation in Divisional meetings, such meetings shall be attended by the managing director or other Institute staff designated by the managing director.

Counsel shall be approved by the Board. Counsel must regularly practice antitrust law, be recognized by his or her firm and/or legal community peers as an antitrust practitioner and shall have experience in, or his or her firm shall have experience in, advising associations on antitrust matters. Counsel shall review the written agendas for, and the written record of, all Institute, Board, and Division meetings prior to the meetings. For purposes of this Article IX, Counsel shall be deemed to be present at a meeting if Counsel either (a) participates in the meeting by means of communications equipment which enables Counsel to hear the proceedings and to speak or otherwise participate in the proceedings contemporaneously with those physically present or (b) is actually physically present at the meeting.

ARTICLE X - ASSOCIATE MEMBERS

Section 1 - Organization and Procedures

Associate members shall be organized as a Division, shall meet as a Division at each Institute Membership meeting, shall elect a Chairman and a Vice Chairman, and shall establish their own organization rules and operating procedures subject to approval by the Board. The Board shall monitor the activities of the Associate member group and should the Board at any time deem it necessary, the group shall modify its organization, rules and/or operating procedures. The Associate member group, and any committee thereof, shall have as its secretary, without vote, such member of the Institute staff as the Board shall appoint.

Section 2 - Rights and Privileges

Associate members may attend all Institute Membership meetings and general functions. Attendance at other Division and Institute Committee meetings shall be by invitation of the principal officer of the inviting activity. Associate members shall receive all communications sent to the Institute Membership and shall have all other privileges and rights of Company members except as otherwise specified in these Articles.

Section 3 - Conduct and Ethics

Associate members shall display ethical conduct in their relationships with the Institute, its Company members and other Associate members. Any entertainment sponsored by Associate members at Institute meetings shall be offered as a group and shall include all persons attending the meeting. Associate members shall not display or advertise products or services at Institute meetings except as authorized in advance by the Board. Associate members may distribute information in any appropriate form that advances the technical knowledge of the Company members but shall not distribute unrelated items of value. The Board shall monitor the conduct of Associate members and, from time to time, establish modifications in these rules as it deems necessary.

ARTICLE XI - AFFILIATE MEMBERS

Section 1 - Rights and Privileges

Affiliate members shall be members of the Aerospace Division (Division II) of the Institute. Affiliate members may attend all Institute Membership meetings and general functions, as well as all meetings of the Aerospace Division. Attendance at other Division and Institute Committee meetings shall be by invitation of the principal officer of the inviting activity. Affiliate members shall receive all communications sent to the Institute Membership and shall have all other privileges and rights of Company members except as otherwise specified in these Articles.

Section 2 - Conduct and Ethics

Affiliate members shall display ethical conduct in their relationships with the Institute, its Company and Associate members, and other Affiliate Members. Any entertainment sponsored by Affiliate members at Institute meetings shall be offered as a group and shall include all persons attending the meeting. Affiliate members shall not display or advertise products or services at Institute meetings, except as authorized in advance by the Board. Affiliate members may distribute information in any appropriate form that advances the technical knowledge of the Company members but shall not distribute unrelated items of value. The Board shall monitor the conduct of the Affiliate members and, from time to time, establish modifications in these rules as it deems necessary.

ARTICLE XII - DIVISIONS OF THE INSTITUTE

Section 1 - Purpose of Divisions

Divisions of the Institute may be formed for the purpose of furthering the interests of members in functional categories of industrial fasteners and formed parts or to serve the interests of suppliers of raw material, equipment, machinery, and production-oriented services commonly used in the manufacture of industrial fasteners or formed parts. The Institute shall have such Divisions as the Board shall designate from time to time in accordance with this Article.

Section 2 - Establishment of a Division

There are currently four Divisions: The Industrial Products Division, the Automotive Division, the Aerospace Division and the Associate Supplier Division. Upon the determination of the Board that the formation of an additional Division appears advisable, the Board shall appoint a special committee of the Institute to define the products which will be the responsibility of the Division, its proposed methods of operation, a program of activity, and other matters concerning the formation and operation of the Division as may be requested by the Board. The committee will report thereon at the succeeding meeting of the Board, and if the Board concludes that the formation of the additional Division is advisable, it shall so declare, and thereupon the Division shall be established, subject to these Articles and the directions and limitations given and imposed by the Board.

Section 3 - Organization and Procedures

Each Division shall establish its own organization, rules, and operating procedures subject to these Articles. Each Division and committee thereof shall have as its secretary, without vote, such member of the Institute staff as the Board shall appoint. Each Division shall have written bylaws and such bylaws shall be approved by the legal counsel of the Institute.

Section 4 - Membership Eligibility

To be eligible for membership in a Division, the member shall be a Company, Associate, or Affiliate member of the Institute and shall meet such rules of eligibility as may be established by the Division. Each Company member, at its option, may be a member of any and all Divisions to which the member is eligible. Associates may be a member of only the Associate Suppliers' Division. Affiliates may be a member of only the Aerospace Division.

Section 5 - Funding

Subsection a. - Assignment of Funds

At the start of each calendar year, the Institute shall allocate from its funds a sum of money for each Division for the exclusive use of such Division for payment of Division expenses. This allocation will be based on the requests for funds submitted by the Division Chairman in the annual budgeting process, subject to the review, revision, and approval by the Board and the approval of the budget by the membership. Supplemental funds may be requested at any time for review and approval by the Board. Income earned from the funds allocated for a

Division shall be retained by the Institute. Income earned, and income earned thereon, from a project or activity of a Division shall be owned by such Division.

Subsection b. - Unused Funds

A Division which fails for two consecutive years to maintain a level of activity as deemed adequate by the Board, shall be allocated no further funds. If such inactivity continues for an additional two consecutive years, the remaining funds previously allocated for the Division shall be returned to the Institute. When the Division provides the Board with a satisfactory written explanation of the Division's need for funds, the annual allocation of funds shall be renewed.

Subsection c. - Dissolution

Upon dissolution, however caused, of a Division and after the payment or the making of adequate provision for payment of all liabilities of the Division, the remaining funds owned by the Division and all other assets of the Division shall be returned to the Institute.

Section 6 - Expenses

A Division shall incur no expenses on behalf of the Institute except in accordance with this Section. The expense of supplying a Division with the normal services of the Institute, to the extent approved by the Board, shall be borne as part of the Institute's general budget. The expense of programs and activities which are of particular importance and benefit to the Division members shall be borne by the Division using the funds allocated by the Institute and owned by the Division. The members of a Division shall be exclusively and solely responsible for any and all contractual and financial obligations assumed by the Division. If, at any time, the projected expense of a Division program or activity exceeds the balance of funds allocated for and owned by the Division, the Division shall not initiate such program or activity until after the Board approves a plan developed and submitted by the Division defining the method the Division will follow to underwrite the additional financial expense. The expense of any meetings of the Division or of any of its committees held at the same time and place as meetings of the Institute Membership shall be borne as part of the Institute's general budget. The expense, including actual cost of travel and lodging of staff members and legal counsel, of any meetings of the Division or of any of its committees held at a time or place other than in conjunction with meetings of the Institute Membership, shall be borne by the members of the Division using funds allocated for and owned by the Division.

ARTICLE XIII - SECTIONS OF THE INSTITUTE

Section 1 - Purpose of Sections

Sections of the Institute may be formed for the purpose of furthering the objectives of the Institute in regard to particular interests of the members. Such Sections, composed of Company members who desire to take part in the activities thereof, shall be established and conducted in accordance with this Article.

Section 2 - Establishment of a Section

Upon the determination of the Board that the formation of a particular Section appears advisable, the Chairman shall appoint a special committee of the Institute to prepare proposed bylaws for the Section. The Board shall consider the proposed bylaws so prepared and any report of such special committee with respect to the formation of the Section. If it concludes that the formation of the Section under such bylaws as so submitted (or with such amendments thereto as determined by it) is advisable, it shall so declare, and thereupon the Section shall be established subject to these Articles, and the directions and limitations given and imposed by the Board, and subject to such bylaws for the Section. Amendments to the bylaws of any Section shall become effective upon the approval thereof by the Board.

Section 3 - Organization and Procedures

Each Section and each committee thereof shall have as its Secretary, without vote, such staff person of the Institute as the Board may from time to time appoint. The Secretary shall attend and be present at each meeting of a Section and each committee thereof. At least ten days before any meeting of a Section or of any committee thereof, the Secretary of such Section shall prepare and submit to the members of the Section or any committee thereof a written agenda.

Section 4 - Minutes of Meetings

Each Section and committee thereof shall keep a written record of action taken by it and action so taken shall be reported to the Board at the first meeting thereof held thereafter.

ARTICLE XIV - COMMITTEES OF THE INSTITUTE

The Board may from time to time create and define the powers and duties of committees of the Institute as it shall deem appropriate. The members of any committee, including its Chairman, shall be appointed by the Board. The Board shall appoint a member of the Institute staff to act as Secretary, without vote, of each committee and such Secretary shall attend and be present at each committee meeting. Unless otherwise provided by the Board, a majority of the members of any committee shall constitute a quorum at any meeting thereof, and the act of the majority of the members of any committee present at a meeting at which a quorum is present shall be the act of such committee. Action may be taken by any committee without a meeting by a writing signed by an absolute majority of its members. Subject to the provisions of this Article and to any rules prescribed by the Board, any committee shall prescribe its own rules for calling and holding meetings and its own method or procedure. Each committee shall keep a written record of action taken by it and action so taken shall be reported to the Board at the first meeting thereof held thereafter.

ARTICLE XV – DURATION OF THE INSTITUTE AND DISPOSITION OF ASSETS ON DISSOLUTION

The Institute shall continue until such time as it shall be dissolved by resolution adopted by the affirmative vote of two-thirds of the Company members. Upon dissolution, however caused, after the payment or the making of adequate provision for payment of all liabilities of the

Institute, and after distribution to employees of the Institute of any funds, securities or other property held by the Institute for the benefit of its employees in connection with any retirement, deferred compensation or other program for the benefit of such employees, the assets of the Institute shall be distributed to one or more qualified charitable, educational, scientific or philanthropic organizations selected by the Board. Subject to the provisions of this Article, upon dissolution, the affairs of the Institute shall be wound up, its obligations satisfied or provided for and its assets distributed in accordance with any plan of liquidation adopted by the Board.

ARTICLE XVI - AMENDMENTS TO ARTICLES OF ASSOCIATION

These Articles may be altered, amended, repealed or supplemented in any respect by the affirmative vote of two-thirds of the Company members present and voting at any meeting of the Institute Membership, upon notice of such purpose of such meeting being given in the same manner as provided for notice of meetings in Section 3 of Article V hereof.

In lieu of holding a meeting as provided in the previous sentence, these Articles may be altered, amended, repealed or supplemented in any respect by the Company members without a meeting by a writing signed by two-thirds of the Company members responding by written ballot to such proposed amendment or other action; provided, however, that one-third of the then Company members shall have responded to the request to vote by written ballot and not less than fifteen days' notice of such amendment or action and an opportunity to vote on such amendment or action must have been given to the principal delegate of each Company member of the Institute.

ARTICLE XVII - RATIFICATION

Any and all actions taken by the Board and/or Company members without complying with the provisions of these Articles of Association may later be authorized, confirmed and ratified in their entirety by the Board and/or the Company members, as the case may be, in the absence of fraud or willful misfeasance with respect to the action originally taken.

APPENDIX

Section 1 - Antitrust Guidelines for Trade Association Activities

Any agreement, or programs or conversation which might be construed as amounting to an agreement, among the competing members of a trade association, which has as its purpose or effect any of the following, shall be avoided:

- A. Fixing, stabilizing, depressing or increasing prices. Price fixing encompasses more than merely setting a specific price: it includes establishment of price formulae, price ranges, price ceilings, price floors, etc. Prices include pricing systems, pricing components such as delivery charges or packing charges, charges for "extras," cash or other discounts, agreements not to offer extras or discounts, price advertising, etc. Exchange of price information, especially future prices, could result in a finding that it unlawfully interferes with the setting of prices by free market forces.

- B. Fixing terms of sale. Such terms particularly include warranties, guarantees, payment terms and delivery terms.
- C. Dividing customers or territories, or allocating types of product lines, between or among competitors.
- D. Exclusion or withdrawal of an actual or potential competitor or competitors from present or future competition.
- E. Limiting production capacity or restricting output, or refusing to produce certain products or product lines, or refusal to produce such products or product lines except at an increased price.
- F. Boycotts, including determination of the customers or suppliers with which members will deal or the price or discount classification, or terms, to which particular customers are entitled.
- G. Unreasonably limiting membership in the association, if membership is competitively significant in the industry involved.
- H. Any other unreasonable limitation on competition between or among members, such as mandatory product standards which have the designed effect of keeping out foreign competition or making it impossible for small competitors to compete, or any other unreasonable restriction on the trade of customers or suppliers of members.

These guidelines deal only with the more common “per se” offenses of which trade associations are often accused. They do not cover other offenses not usually charged against associations, such as tying, monopolization, price discrimination, anti-competitive mergers and the like. When any particular practice or program is thought to raise antitrust questions, counsel should be consulted.

Section 2 - Policy Statement Regarding Associate Member Applications. (Adopted on July 26, 1989)

WHEREAS the Articles of Association of the Industrial Fasteners Institute (“the Articles”) provide at Article III, Section 3c that Associate members may be eligible for membership in the Industrial Fasteners Institute (“IFI”), “Within the policies and limitations established from time to time by the Board of Directors. . .” and in accordance with the applicable provisions of the Articles, the Board of Directors (“the Board”) hereby adopts the following policy statement regarding Associate membership applications:

The Board, in evaluating applicants for Associate membership, shall determine whether the Applicant meets the requirements set forth in the Articles of the IFI at Article III, Section 3c. A request for membership from any Applicant who does not meet these criteria shall be rejected. In evaluating a request for membership from any Applicant who meets the eligibility requirements set forth in the Articles, the Board may consider the following additional factors:

1. Whether extending membership to the Applicant is likely to benefit the IFI due to the expertise, technical capabilities, or other unique attributes which distinguish the Applicant from other Associate members within the classifications of a supplier of raw materials, a supplier of machinery and equipment, or a supplier of services. Specifically,

whether the Applicant is likely to make a technical contribution to advance the North American fastener and formed parts industry by supplementing the information or expertise already provided by existing Associate members.

2. Whether the Applicant is likely to participate actively in the IFI, including regularly attending meetings and participating in Division and Committee activities. The Board may consider these factors when acting upon any application for Associate membership, and in particular, when there are more applicants than slots available for Associate memberships due to the numerical limitations on Associate memberships set forth in Article III, Section 3c. When applying these factors, the Board may consider and act upon applications for Associate membership other than in the order in which applications are received. The Board of Directors specifically invites applicants to submit information to assist the Board in evaluating and applying these factors when considering any application for Associate membership.

Section 3 - Institute Meetings - Guidelines for Associate Members

1. Who should attend Institute Meetings?
 - Regular Institute Meetings are defined as those normally held in February and October and commonly known as Annual and Fall Meetings.
 - Attendance by Associate members should be limited to officers and/or principal managers. (This could be a “product manager,” especially if that person is the company’s principal delegate to the Institute.)
 - Associate member attendees shall be full-time professionals of the Associate member company. Attendance by sales representatives/agents is to be avoided.
 - A limit of two executives and their spouses per Associate member is recommended. (Under special circumstances, such as when an Associate member has been invited to make a significant presentation at a given meeting, the attendance of more than two executive representatives could be in order.)
2. What type of conduct is expected of Associate members at Institute Meetings?
 - Institute-sponsored social events for all attendees are traditional. There are, however, frequent “open nights” when no official functions are planned. Individual Associate members are specifically required at all times on such occasion to:
 - Refrain from hosting hospitality suites for the purpose of entertaining Company members.
 - If an Associate member chooses to entertain on “open nights,” discretion will be used in determining the number of Company members to be involved. Suggested total limit of people involved would be on the order of 6 or 8. Under no circumstance should entertainment be considered during times when the Institute has scheduled business or social functions.
 - In essence, the Institute desires to avoid instances where large groups are hosted by an Associate member, as it is not in the best interest of the Institute for its meetings to become arenas of entertainment competition among suppliers to the industry.

- The foregoing guideline considerations are set down in writing to aid all members of the Institute in abiding by reasonable rules of conduct which will be applied with consistency to everyone participating in Institute Meetings.
- The Institute Staff will administer these Guidelines on behalf of the Board of Directors.