

BYLAWS OF THE
NATIONAL INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION
(a Delaware nonstock corporation)

ARTICLE I Name

The name of this corporation is: National Independent Automobile Dealers Association (hereinafter referred to as “NIADA” or the “Corporation”).

ARTICLE II Purposes and Limitations

Section 1. Purpose.

The Corporation is hereby organized for the following purposes:

- A. To promote, further and advance the independent automobile dealers’ industry in North America by:
1. Accumulating, processing and disseminating information relative to the automobile industry;
 2. Developing, compiling and providing to the public, information which will promote a better understanding of the independent automobile dealers’ place in the economy of the nation;
 3. Providing relevant information to regulatory and lawmaking bodies so that they may have a better understanding of the possible effects of proposed laws, rules and regulations on the public and the automobile industry;
 4. Providing independent automobile dealers opportunities for a fuller understanding of their responsibilities to the public and to their peers through closer fraternization with one another and providing opportunities for independent automobile dealers to work together in harmony for the betterment of the automobile industry;
 5. Assisting in the promotion and organization of local, state or regional independent automobile dealer associations; and
 6. Working in any other manner deemed advisable by the NIADA Board of Directors for the betterment of independent automobile dealers and the public.
- B. To exercise any other powers conferred upon corporations organized pursuant to the provisions of the General Corporation Law of the State of Delaware (“the DGCL”), as the same may be amended or supplemented not inconsistent with the limitations provided in the Restated Certificate of Incorporation (the “Certificate of Incorporation”).
- C. To carry on such other activities as are permissible for corporations exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code (“IRC”) of 1986, as the same may be amended or supplemented.

Section 2. Limitations.

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under IRC Section 501(c)(6), or a corporation formed under the DGCL.

ARTICLE III Membership

Section 1. Classification.

The members of NIADA shall be classified as follows:

- A. Regular Member
- B. Associate Member
- C. Affiliate Member
- D. Honorary Member
- E. Lifetime Member

Section 2. Qualifications.

The qualifications for membership shall be:

- A. Regular Member – Any person, firm or corporation licensed as a motor vehicle dealer to buy, sell, trade or auction motor vehicles and which is a member of an NIADA Affiliated Association shall be qualified to become a Regular Member of NIADA. Any person, firm or corporation licensed as a dealer to buy, sell, trade or auction motor vehicles in a state where there is no association affiliated with NIADA, shall be qualified to be a Regular Member of NIADA. Regular Members shall have voting rights in accordance with these Bylaws.
- B. Associate Member – Any person, firm or corporation engaged in a business related to or associated with the buying or selling of motor vehicles and is a member of an NIADA Affiliated Association shall be qualified to become an Associate Member of NIADA. Any person, firm or corporation engaged in a business related to or associated with the buying or selling of motor vehicles; and which person, firm or corporation is located in a state where there is no association affiliated with NIADA, shall be qualified to be an Associate Member of NIADA. Associate Members shall not have voting rights in accordance with these Bylaws.
- C. Affiliate Member – Subject to Article XV of these Bylaws, any bona fide nonprofit membership organization whose members are primarily independent motor vehicle dealers, that has entered into a written affiliation agreement with NIADA. Affiliate Members shall have voting rights in accordance with these Bylaws.

- D. Honorary Member – Subject to approval of the Board of Directors, any person, firm or corporation may be qualified to become an Honorary Member of NIADA. Honorary Members shall not have the right to vote.
- E. Lifetime Member – All past Chairmen of the Board of Directors of NIADA shall be Lifetime Members of NIADA. Lifetime Members shall have the same voting rights as Regular Members.

Section 3. Code of Ethics.

All members agree to be bound by the NIADA Code of Ethics.

ARTICLE IV Membership Dues, Fees, and Assessments

The dues for all categories of membership shall be determined by the NIADA Board of Directors. The NIADA Board of Directors may at any time authorize membership fees and/or assessments.

ARTICLE V Resignation, Termination and Changes in Classification of Membership

Section 1. Resignation.

Any member may resign from NIADA by so notifying the Executive Vice President/CEO in writing, provided, however, that there shall be no refund of membership dues in the event that a member resigns, and resignation of membership shall not extinguish such member's financial obligations, if any.

Section 2. Termination.

The NIADA Board of Directors may suspend or terminate the membership of any member in the event that:

- A. The member is sixty (60) days in arrears in the payment of any membership dues, fee, or assessment pursuant to procedures established by the Board of Directors.
- B. The member's conduct has been such as to bring discredit upon NIADA or independent automobile dealers as a whole, or has failed to comply with appropriate duties and obligations as a member of NIADA. There shall be no refund of dues in the event that member's membership is terminated pursuant to this Article V, Section 2. Any member facing suspension or termination shall be given reasonable notice thereof, shall be entitled

to a hearing before the Board of Directors at the next regularly scheduled meeting of the Board of Directors, and shall be provided all other appropriate due process.

- C. Membership may also be terminated by the cessation of business operations of a member, by the timely submission of written notice of membership resignation or non-renewal (as provided for in Article V, Section 1), or by the failure of a member to continue to satisfy the relevant membership requirements established by these Bylaws or the Board of Directors. However, such termination of membership shall not extinguish such members' financial obligations, if any.

Section 3. Changes in Classification.

If, during the membership year, a member of NIADA shall cease to be qualified for the classification of membership held by the member at the start of the membership year, then the member shall be immediately reassigned to the classification of membership for which the member is then qualified; provided however, if the member has ceased to be qualified for any classification of membership, such member's membership in NIADA shall be terminated immediately. Such termination of membership shall not extinguish such member's financial obligations, if any.

Section 4. Reinstatement.

Any person, firm or corporation whose membership has been terminated because of nonpayment of dues, fee or assessment may request reinstatement as a member, provided, that said request is made in writing within one hundred-twenty (120) days of the termination of such membership, and provided that the request be accompanied by the unpaid dues, fee or assessment, plus any new dues, fee or assessment which may have become due and payable subsequent to the termination of such membership.

ARTICLE VI Meetings of Members

Section 1. Annual Meeting.

There shall be at least one (1) Annual Meeting of the membership of the NIADA for the purpose of electing the Board of Directors of NIADA, based on voting procedures established by the Board of Directors, and for transacting such other business as may come before the meeting. The Annual Meeting shall be held during, and at the location of, NIADA's annual National Convention, if one is held, upon written notice to the members of NIADA at least twenty (20) days prior to such meeting. Any Annual Meeting not held in conjunction with NIADA's annual National Convention may be held on forty-five (45) days' prior written notice at any location chosen by the NIADA Board of Directors, pursuant to Section 2 of this Article.

Section 2. Notice of Meetings.

Notice of any regular meeting shall state the place, date and hour of such meeting, shall be delivered, by mail, by email, by publication in NIADA periodicals, or by other accepted means of business communication, to each member not less than twenty (20) days before the date of the Annual Meeting held in conjunction with NIADA's annual National Convention or forty-five (45) days before any special meeting. For notice by United States mail, the notice of a meeting shall be deemed delivered when deposited in the United States mail with postage prepaid, or with another appropriate carrier or communication service, addressed to the member at the address as it appears on the records of the Corporation.

Section 3. Quorum.

Ten percent (10%) of the combined sum of Regular Members, Affiliate Members, and Lifetime Members of the Association in good standing who formally check-in as present at the Annual Meeting of the NIADA membership shall constitute a quorum at such meeting.

Section 4. Presiding Officer.

Each meeting of the NIADA membership shall be presided over by the NIADA President or, in the President's absence, by the NIADA Chairman of the Board or, in the Chairman's absence, by the NIADA President-Elect. In the absence of all three of these Officers, a presiding officer shall be selected by the Board of Directors.

Section 5. Voting Rights.

Each Regular Member and Lifetime Member shall be entitled to one (1) vote on each matter submitted to a vote of the NIADA membership. Affiliate Members shall be entitled to one (1) vote per every fifty (50) Regular Members in good standing of their association who are also members in good standing with NIADA. Votes by a majority of the members present at any such meeting at which a quorum is present shall be sufficient for acting.

Section 6. Proxies.

There shall be no voting by proxy at any meeting of the members of the NIADA.

ARTICLE VII Board of Directors

Section 1. General Powers.

The affairs of NIADA shall be managed by its Board of Directors ("Board"). It shall be the Board's duty to carry out the objectives and purposes of the NIADA, and to this end the Board may exercise all powers of NIADA, except as reserved by law, the Corporation's Certificate of Incorporation, or these Bylaws to the membership of NIADA. The Board shall be subject to the restrictions and obligations set forth by law and in the Corporation's Certificate of Incorporation and these Bylaws. The Board, shall have final authority in the adoption or rejection of the annual budget of NIADA, shall have authority to formulate policies to be followed by NIADA,

including policies in furtherance of provisions in the Bylaws, and shall have final authority to adopt or reject any policies proposed to be implemented by NIADA.

Section 2. Composition.

The Board shall consist of the Officers of NIADA, the Senior Vice President, one (1) Regional Vice President from each of the NIADA Regions as then constituted by the Board of Directors, and two (2) At-Large Directors.

A. Chairman of the Board.

The office of Chairman of the Board shall automatically be filled by the immediate past President. In the event that the immediate past President is not able to fill the office of Chairman of the Board, the immediate past Chairman of the Board shall continue as Chairman of the Board. In the event that the immediate past Chairman is not able to so serve, the office of Chairman of the Board shall be filled by a vote of the Board of Directors.

B. President.

The President shall ascend to that office from the office of President-Elect and shall be the chief elected officer of NIADA for a one-year term without possibility of a second term. The President shall be an ex officio member of all committees.

C. President-Elect.

The President-Elect shall be elected at large by the NIADA membership for a one-year term without possibility of a second term.

D. Treasurer.

The Treasurer shall be elected at large by the NIADA membership for a one-year term with the possibility of re-election subject to Section 4(C) of this Article.

E. Secretary.

The Secretary shall be elected at large by the NIADA membership for a one-year term with the possibility of re-election subject to Section 4(C) of this Article.

F. Vice Presidents.

There shall be Vice Presidents who shall be selected as follows:

1. One (1) Senior Vice President shall be elected at-large by the NIADA membership for a one-year term with the possibility of re-election subject to Section 4(C) of this Article.
2. One (1) Regional Vice President shall be elected from each of the NIADA Regions by the NIADA membership for a one-year term with the possibility of re-election subject to Section 4(C) of this Article.
3. Vice Presidents shall be voting members of the Board.

G. At-Large Directors.

There shall be two Directors elected at-large by the NIADA membership. Each At-Large Director shall serve a one-year term with the possibility of re-election subject to Section 4(C) of this Article.

Section 4. Selection, Qualification and Tenure of Directors.

- A. The Directors shall be elected, upon nomination by the Past Presidents, by the NIADA membership at its Annual Meeting as proscribed in these Bylaws.
- B. Only those individuals possessing an equity interest in or who are directly involved in the management of Regular Members in good standing shall be qualified to serve as Directors.
- C. No individual may serve on the Board for more than twelve (12) years.
- D. One Director may not hold two (2) offices at the same time.
- E. The Board shall appoint a Leadership Development Committee, chaired by the NIADA Chairman and comprised of no fewer than two other members of the NIADA Board along with three non-Board members. Not less than 120 days prior to the Annual Meeting, the Committee shall notify the members of their intention to interview applicants for the Board of Directors. Not less than seventy (70) days prior to the Annual Meeting, the Committee shall report their recommendations to the Past Presidents. Not less than 60 days prior to the Annual Meeting, the Past Presidents shall issue their initial report to the membership indicating those members to be placed in nomination. Not less than 30 days prior to the Annual Meeting, any member not nominated by the Past Presidents may seek nomination by petition signed by twenty (20) Members in good standing from each of five (5) Affiliates for a total of one hundred (100) signatures. Not less than 20 days prior to the Annual Meeting, the Past Presidents shall report to the membership their nominations to the Board of Directors in addition to those members meeting the requirements of serving on the Board nominated by petition; the report shall indicate which members were nominated by petition.

Section 5. Removal or Resignation of Directors.

- A. Any Director may be removed from office at any time for cause by the affirmative vote of a meeting of the members pursuant with Article VI. The Board may adopt disciplinary procedures, not to include removal from the Board, for any Director failing to comply with these Bylaws, the policies and procedures of NIADA, or for any other cause affecting the Director's service on the Board. Failure to comply with the disciplinary procedures may result in the Board's recommendation to the membership to remove the Director from office.

- B. Any Director may resign at any time by giving written notice to the President, Secretary or to the Board of Directors. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered.

Section 6. Vacancies.

Whenever a vacancy shall occur in the Board or any Directorship to be filled by reason of an increase in the number of Directors or as a result of the death, resignation, removal, or disqualification of a Director, the vacancy may be filled at any time by the Board. A Director selected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office. Vacancies may be filled or new Directorships created and filled at any meeting of the Board. Such action shall be affected by the affirmative vote of a majority of the remaining Directors.

ARTICLE VIII Meetings of the Board of Directors

Section 1. Regular Meetings.

There shall be at least one (1) Annual Meeting of the Board during each year, which shall be held during and in conjunction with NIADA's annual National Convention, even in the event the National Convention is held virtually. Any other regular meeting of the Board may be held at any time and location chosen by the Board. Notice of any regular meeting shall be given to each Director in writing or by electronic or telephonic communication at least twenty (20) days in advance of such meeting.

Section 2. Special Meetings.

Special meetings of the Board may be held at any time upon the call of the President or by the direction of two-thirds (2/3) members of the Board provided that written notice of each meeting is provided to each Director of the Board with at least seven (7) days prior written notice to the date of such meeting, and provided that said notice shall state in detail the object of the meeting and the subjects to be considered therein.

Section 3. Meetings by Remote Communications.

In its discretion, the Board may determine that any meeting of the Board may be held solely by means of remote communication in accordance with 8 Del. C. § 141, as amended.

Section 4. Action Without Meeting.

Any action permitted or required to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action. Such consent or consents shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 5. Quorum.

A majority of the total number of Directors in office shall constitute a quorum at any meeting of the Board. In the absence of a quorum at any such meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Voting.

Each Director is entitled to one (1) vote. Except as otherwise provided by law or these Bylaws, action may be taken by the affirmative vote of a majority of those present, provided a quorum is present. No proxy votes shall be considered.

Section 7. Presiding Officer.

Each meeting of the Board shall be presided over by the President or, in the President's absence, by the Chairman of the Board or, in the Chairman's absence, by the President-Elect. In the absence of all three of these Officers, a presiding officer shall be selected by the Board.

Section 8. Business.

At regular meetings of the Board, the Board shall be empowered to transact any and all business which may come before it, provided that such business is not in conflict with the restrictions and obligations set forth by law and in the Corporation's Certificate of Incorporation and these Bylaws. At special meetings of the Board, only business specified in the notice of the meeting shall be transacted by the Board.

Section 9. Minutes.

All meetings of the Board shall be conducted in accordance with the latest edition of Robert's Rules of Order, to the extent that such parliamentary procedures are not inconsistent with these Bylaws, the Corporation's Certificate of Incorporation, the DGCL, or rules or policies adopted by the Board. Minutes of each meeting shall be recorded by the Secretary, containing results of

the deliberations of the Board. The minutes shall be submitted to the Board for approval at the next meeting of the Board.

Section 10. Notice.

Any Director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The transaction of business at any meeting, however called or noticed, or wherever held, shall be as valid as though held at a meeting duly held after call and notice if a quorum be present and if, either before or after the meeting, each Director not present signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

ARTICLE IX Officers

Section 1. Officers.

The Officers of the Corporation shall be a Chairman of the Board, President, President-Elect, Treasurer, and Secretary.

Section 2. Duties,

The Officers shall perform the duties that are usual to their positions and that are assigned to them by the Board. The President-Elect shall act in place of the President when the President is not available, and the Treasurer shall be the senior financial officer of the Corporation.

Section 3. Vacancies.

Whenever a vacancy shall occur in any officer position, the vacancy may be filled at any time by the Board. A Director selected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office. Serving the unexpired portion of his or her predecessor's term shall not count towards a Director's term limits imposed in these Bylaws.

ARTICLE X Executive Vice President/CEO

The day-to-day management of NIADA shall be vested in an Executive Vice President/CEO, who shall be known as the Chief Executive Officer and whose employment and termination shall be the responsibility of the Board of Directors. The Executive Vice President/CEO shall have such authority and duties as are determined by the Board. The Executive Vice President/CEO shall be responsible for employment and termination of the other NIADA staff. In the absence of an Executive Vice President/CEO, the Board shall be responsible for employment and termination of the NIADA staff.

ARTICLE XI Committees

The President, with the consent of the NIADA Board may establish committees and appoint members of said committees as will further the objectives of NIADA. No committee, council, or commission of NIADA shall have the power to act on behalf of or to bind NIADA in any manner.

ARTICLE XII Contracts

All contracts entered in the name of NIADA shall be authorized by the Board, except that the Executive Vice President/CEO may also enter into contracts for management of the NIADA office.

ARTICLE XIII Association Funds

Section 1. Operations.

The monies of NIADA shall be carried in the name of the Corporation in a bank, or banks, named by the NIADA Board.

Section 2. Investments.

The NIADA Finance Committee shall have the authority to invest NIADA funds in accordance with the investment policy statement adopted by the Board.

Section 3. Finance Committee.

The NIADA Board shall appoint a Finance Committee, chaired by the NIADA Treasurer and comprised of no fewer than two other members of the NIADA Board as well as the Treasurers of NIADA Foundation and NIADA Services.

ARTICLE XIV Fiscal Year

The fiscal year of the Corporation shall be from January 1 to December 31, inclusive, or on such other period as determined by the Board.

ARTICLE XV Affiliated Association

The Board shall establish rules and policies in regard to the affiliation of state, local, regional, national, international and other organizations with NIADA (“Affiliated Associations”).

ARTICLE XVI Amendment of the Bylaws

These Bylaws may be amended at any regular or special meeting of the NIADA members, provided that the notice of such meeting shall list the proposed amendments and reasons for the proposed amendments no less than sixty (60) calendar days in advance of the meeting for which such amendments are on the meeting agenda for consideration. A two-thirds (2/3) vote of those NIADA voting members who are present at such meeting, presuming a quorum is present, shall be required to adopt any such amendments.

ARTICLE XVII Limitation of Liability and Indemnification

Section 1. Limitation of Liability.

To the fullest extent permitted by the DCCL and the IRC, the personal liability of the Directors, Officers, committee members, and employees of the Corporation is hereby eliminated.

Section 2. Indemnification.

To the fullest extent permitted by the DGCL and the IRC, NIADA shall indemnify and hold harmless its Directors, Officers and employees in connection with their service to and on behalf of NIADA. Every Director, Officer or employee of NIADA shall be indemnified and held harmless by NIADA against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon the individual in connection with any proceeding to which the individual may be made a party, or in which the individual may become involved, by reason of the individual being or having been a Director, Officer or employee of NIADA, or any settlement thereof, whether or not the individual 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 liable for willful or reckless malfeasance in the performance of the individual's duties. Provided, however, 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 NIADA. 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 XVIII Inurement

No part of the net earnings of NIADA shall inure to the benefit of, or be distributable to, its Officers, Directors, committee members, employees, or other private persons, except that NIADA shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.

ARTICLE XIX Severability

All provisions of these Bylaws are severable. If any provision or portion hereof is determined to be unenforceable in arbitration or by a court of competent jurisdiction, then the remainder of the Bylaws shall remain in full force and effect.