

CONSTITUTION
of
NATIONAL AUTOMOTIVE PARTS ASSOCIATION

(As amended through date of printing,
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SCF-NAPA-1940



ARTICLE I.

Name.

The name of the Association shall be the National Automotive Parts Association.

ARTICLE II.

Membership.

Section 1. The membership of the Association shall consist of persons, partnerships or corporations engaged in the warehousing and selling of motor vehicle replacement and/or repair parts, motor vehicle accessories and repair supplies, machinery and equipment to the motor vehicle, aircraft, or general trade.

Section 2. Any person, partnership or corporation eligible under Section 1 may be elected to membership by not less than a two-thirds vote of the Board of Directors, ratified by a two-thirds vote of the Members.

ARTICLE III.

Purposes.

The purposes of the Association are to promote better cooperation of its Members with one another, to improve relations and

cooperation between its Members and the manufacturers whose products they distribute, to procure for its Members the distribution of additional lines of products, to provide educational and training programs for jobbers and their customers, and to promote the distribution of high quality, reliable products in the interests of motoring safety.

ARTICLE IV.

Association Meetings.

Section 1. The Members of the Association shall meet annually for the election of Directors and the transaction of such other business as may come before the meeting. The annual meeting shall be held in the city designated by the Board of Directors on a date or dates to be determined by the Board of Directors, with not less than thirty days notice thereof in writing given the Members.

Section 2. Special meetings of the Members of the Association may be called by the Board of Directors. Not less than thirty days written notice of the time, place and purpose(s) of each such special meeting shall be given the Members.

Section 3. A special meeting of the Members of the Association shall be called by the Board of Directors upon the written

request of not less than fifty per cent of the Members. Not less than thirty days written notice of the time, place and purpose(s) of such special meeting shall be given the Members.

Section 4. With the consent of the Members, given before or after any meeting, the notice requirement may be waived or modified.

ARTICLE V.

Board of Directors and Officers.

Section 1. The Association shall be managed by a Board of Directors consisting of not more than twelve members. No person shall qualify as a Director unless he is a Member, a partner, executive or officer of a Member or an officer of the Association, and a Director shall automatically cease to be such if and when for any reason he ceases to be so qualified. Each Member shall be entitled to have at least one of its partners, executives, or officers on the Board of Directors at all times. If the Member is a person and such person is on the Board of Directors, the requirement of the preceding sentence with respect to such Member shall be deemed satisfied. For the purpose of this and the next Section, Members under common control or otherwise affiliated shall be deemed a single Member.

Section 2. Any vacancy occurring because of the resignation, disability, disqualification or death of a Director may be filled by the Member of which he or she is or was a partner, executive or officer or, if he or she was not a partner, executive or officer of a Member, by the Board of Directors. A Member entitled to fill a vacancy shall do so by filing with the central office of the Association a written appointment of the new Director. A Director appointed or elected to fill a vacancy shall hold office, while qualified, until his or her successor is elected or appointed.

Section 3. The Board of Directors may appoint or authorize the appointment of such executives and employees as may be necessary to transact the business of the Association.

Section 4. The officers of the Association shall be a Chairman, a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect such other officers as they deem appropriate. Officers shall hold office for a term of one year and until their successors are duly elected and qualified.

Section 5. The Chairman shall preside at all meetings of the Board of Directors and shall be a member ex officio, with right to vote, of all committees except the nominating committee. In the absence of the Chairman, the President shall perform the Chairman's functions.

Section 6. The President shall be a Director and shall be the chief executive officer responsible for the day to day management of the Association's affairs in accordance with policies established by the Board of Directors.

Section 7. The Board of Directors shall hold regular meetings at such time and place as the Board shall determine and such special meetings as may be called by the President, or a majority of the Board. Not less than ten days notice of any Board meeting shall be given Directors, by mail or telegraph, and such notice shall be deemed to have been given when deposited in the mails or when the telegram is sent the required number of days prior to the meeting. A Special Board Meeting may be held on less than ten days notice, provided waiver of notice is signed by all Directors either before or after such meeting.

Section 8. A majority of the Board of Directors shall constitute a quorum for the transaction of business except on matters which require a two-thirds vote under this Constitution.

Section 9. Any member of the Board of Directors or any committee established by the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 9 constitutes presence in person at the meeting.

Section 10. Any action permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if, before or after the action, all members of the Board of Directors consent thereto in writing. The written consents shall be filed with the minutes of the Board and shall have the same effect as the vote of the Board for all purposes.

ARTICLE VI.

Voting.

Section 1. Any Member may be represented at any membership meeting by any partner, executive or officer delegated by it in writing for that purpose.

Section 2. On all matters submitted to the Members, each Member shall have one vote for each dollar of purchases made by that Member in the preceding calendar year of lines adopted as NAPA lines in accordance with Article VII. The purchase figures used to determine the number of votes to which each Member is entitled shall be those contained in the purchase reports rendered to the Headquarters Office of the Association by the manufacturers.

Section 3. Whenever any question shall arise which requires a vote of the Members or which in the judgment of the Board of Directors should be voted on by the Members, and the Board of

Directors deems it inexpedient to call a special meeting for such purpose, the Board may submit such question to the Members in writing by mail for vote. The ballot may be closed by the Board of Directors any time after two weeks from the date of submission of the question to the Members for vote, provided not less than a two-thirds vote of the Members has been received, otherwise the ballot shall remain open for thirty days after the date of submission of the question to the Members for vote, but not longer.

ARTICLE VII.

NAPA Lines.

Section 1. Whenever it deems such action to be in the best interests of the Association, the Board of Directors may by a two-thirds vote designate a manufacturer as a source of supply for the members of the Association for one or more lines. If any Director dissents from such designation, then such designation must be ratified in writing by not less than a two-thirds vote by the Members of the Association, and when so ratified, the Board of Directors shall notify all Members of the Association thereof by registered or certified mail and it shall thereupon become the obligation of all Members of the Association to distribute such line or lines and to begin within sixty days of such

notification to make purchases of such line or lines from the manufacturer so designated. Each such manufacturer shall be known as an NAPA Manufacturer and each such line as an NAPA line.

Section 2. The Board of Directors may, by a two-thirds vote, discontinue any manufacturer as a source of supply for the Members of the Association for any line or lines designated as NAPA lines, provided, however, that if any Director dissents, such decision to discontinue must be ratified in writing by not less than a two-thirds vote by the Members of the Association, and when so ratified, the Board of Directors shall notify all Members of the Association thereof by registered mail. In such event of discontinuance, the manufacturer's line shall no longer be an NAPA line which Members have an obligation to purchase, but each Member remains free to deal with such manufacturer as such Member sees fit.

ARTICLE VIII.

Duration of Membership.

Section 1. Each person, partnership or corporation admitted to membership in the Association shall be a Member of the Association until his membership shall terminate by death, insolvency, voluntary withdrawal or otherwise in accordance with this Constitution. Since membership in the Association is based upon the per-

sonal qualifications of the owners of control of the Members, a membership shall terminate upon any change in the control of the Member other than a change resulting from the transfer of stock upon the death of a stockholder of a Member to the Executor, Administrator, or personal representative of his or her estate and/or the Trustee under any trust established by such stockholder, unless previous written consent is first obtained by a vote of not less than two-thirds of the Directors of the Association. Acquisition by a person, firm or corporation theretofore owning less than 50 per cent of the stock of a Member of sufficient stock to increase its aggregate stock ownership to 50 per cent or more shall be conclusively presumed to constitute a change in control. Any Member may withdraw from the Association after fulfilling all obligations to it by giving written notice of such intention, and his reasons therefor to the Secretary, which notice shall be presented to the Board of Directors by the Secretary at the first meeting after its receipt. The right of a Member to vote and all other rights, title and interest of the Member in or to the Association, its rights, privileges and property, including the right to use the name of the Association, NAPA or the trademarks owned or controlled by the Association, shall cease on the termination of his membership.

Section 2. A Member may be expelled for violation of this Constitution or for conduct prejudicial to the best interests of the Association, or for any reason which, in the judgment of the Board of Directors, makes such expulsion to be in the

best interests of the Association. Charges against any Member shall be in writing, signed by one or more Members of the Association and shall be filed with the Secretary; at its next meeting thereafter the Board shall determine the advisability of instituting expulsion proceedings. If the Board decides by a majority vote that there is sufficient cause for instituting such proceedings, it shall fix a time and place for a hearing of the accused Member by the Board and shall notify the accused Member of such time and place by mailing notice not less than thirty days prior to the date of the hearing. After the accused Member has been given opportunity as herein provided to appear before the Board and show cause why such Member should not be expelled, the Board shall decide by a majority vote whether or not such Member shall be expelled and notify such Member of the decision. The right of a Member to vote and all other rights, title and interest of the Member in or to the Association, its rights, privileges and property, including the right to use the name of the Association, NAPA, or the trade-marks owned or controlled by the Association, shall terminate with such Member's expulsion.

ARTICLE IX.

Dues.

The Members shall pay monthly dues to the Association on such basis and in such amounts as may be decided by not less than

a two-thirds vote of the Board of Directors, provided, however, if any Director dissents, then such decision must be ratified in writing by not less than two-thirds vote of the Members.

ARTICLE X.

Order of Business.

Section 1. The order of business at annual meetings of the Association shall be as follows:

1. Calling the Roll.
2. Reading the Minutes of the Previous Meeting.
3. Receiving communications.
4. Reports of officers.
5. Reports of committees.
6. Election of Directors.
7. Unfinished business.
8. New business.

Any questions as to priority of business shall be settled by the Chairman without debate.

Section 2. The order of business may be altered or suspended at any meeting by a majority vote of Members present. The usual parliamentary rules shall govern all debates, when not in conflict with this Constitution.

Section 3. Any motion or resolution made or offered at any meeting of the Members shall be reduced to writing and furnished to the Secretary before being put to vote.

ARTICLE XI.

Seal.

The Association shall have a seal of such design as the Board of Directors may adopt.

ARTICLE XII.

Amendments.

This Constitution may be amended, repealed or altered, by a two-thirds vote of the members of the Association at a membership meeting called in accordance with the Constitution or given in

writing upon submission by the Board of Directors pursuant to Article VI, Section 3 above.

ARTICLE XIII.

Anything contained herein which is contrary to or in violation of the laws of the State of Michigan or of the United States shall be void.