

# Proposed BYLAWS OF THE NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC.

## ARTICLE I NAME, LOCATION, OFFICES

### 1.1. Organization Name.

The name of this organization will be the NATIONAL ASSOCIATION OF CREDIT MANAGEMENT, INC. (NACM), a not for profit, nonstock corporation, incorporated in the state of Maryland.

### 1.2. Location of Offices.

The offices of NACM will be located in the state of Maryland and/or other localities as may be determined by its Board of Directors.

## ARTICLE II CORE PURPOSE AND STATEMENTS

### 2.1. Mission and Core Purpose.

NACM's mission is to empower business credit professionals by providing comprehensive credit insights through information, education, and services while advocating for responsible commercial credit practices. NACM envisions positioning business credit professionals as the foremost corporate asset driving sustained growth and profitability.

### 2.2. NACM Statement on Issues.

The NACM Board of Directors (Board of Directors or Board) shall approve the official position taken by the association on federal legislative policy and regulatory issues generally affecting the business credit community and profession.

## ARTICLE III ORGANIZATIONAL STRUCTURE

### 3.1. Organization.

To achieve the objectives of NACM, the Board of Directors may, at its discretion, establish wholly-owned subsidiary entities and organizational units such as boards, councils, or divisions to serve special interests of the business credit community. The Board of Directors will exercise governing authority over the Bylaws, policies, services, programs, and budgets of all subsidiary entities and organizational units, including the qualification for membership, unless otherwise stated in these Bylaws.

### 3.2. Affiliated Associations.

The terms, conditions, operating rules and standards for NACM Affiliated Associations (Affiliates), including their relationship with NACM, are defined and detailed in the NACM Affiliation Agreement, which governs over any contrary or inconsistent provision of these Bylaws. The description and rules governing services core to NACM Affiliated Association (Affiliate) operations are defined and detailed in the NACM Affiliation Agreement.

## ARTICLE IV MEMBERSHIP

### 4.1. Membership Classes.

Three general classifications of membership in NACM are available: Affiliated, Special Interest, and Honorary Lifetime.

### 4.2. Affiliated Membership.

The eligibility and exclusionary requirements for Affiliated Membership types are detailed in the NACM Affiliation Agreement. Affiliated Members have the right to vote and when voting, are entitled to cast only one vote each.

### 4.3. Special Interest Membership.

Special Interest Membership is limited to individuals and/or entities that are, or become, members of NACM's Credit & Financial Development Division (CFDD) or NACM's Finance, Credit & International Business (FCIB) association. Special Interest members may

be granted voting rights at the discretion of the NACM Board.

#### **4.4. Special Interest Membership Resignation.**

Special Interest members may resign by written resignation; resignation does not relieve a special interest member from liability for the full annual dues or other obligations accrued and unpaid as of the date of resignation.

#### **4.5. Special Interest Membership Expulsion.**

A Special Interest Member is automatically expelled without action of the Board of Directors for failure to pay applicable dues or failure to meet the eligibility requirements for membership. A Special Interest Member may be expelled by the NACM Board of Directors for other reasons if the member is provided with advance written notice including the reason for the proposed expulsion, an opportunity to contest the proposed expulsion in writing or in person before the Board of Directors within thirty (30) days of the effective date of the expulsion, and final written notice of the Board's decision.

#### **4.6. Honorary Lifetime Membership.**

Honorary Lifetime membership, without voting rights, is granted upon approval by the NACM Board.

### **ARTICLE V**

#### **MEETINGS OF MEMBERS AND VOTING**

##### **5.1. Annual Business Meeting.**

The annual business meeting of the members will be held to transact business as necessary at such place and on such dates and time as determined by the Board of Directors. Meetings may be held virtually. A quorum of fifteen percent (15%) of the total eligible voting membership is needed to transact business.

##### **5.2. Special Business Meetings.**

NACM Special Business Meetings may be called by the NACM Board of Directors, the NACM President / COO, or the Membership. For the Membership to call the meeting, at least fifteen percent (15%) of NACM's total Affiliated members of record must submit written petitions to NACM's Corporate Secretary / Financial Officer. The membership total will be based on the number of members as of the last day of prior calendar quarter. Not more than fifteen percent (15%) of the required fifteen percent (15%) Affiliated members will come from one Affiliate. The date, time, and place of the special meeting will be set by the NACM Board of Directors. Meetings may be held virtually.

##### **5.3. Special Business Meeting Member Petitions.**

Individual written member petitions stating a specific and detailed agenda for discussion must be received by NACM's Corporate Secretary / Financial Officer within sixty (60) days from the receipt of the first petition. Individual member petitions must include the member's name, contact information, and signature. Membership will be validated to ensure the eligibility and validity of each petition.

##### **5.4. Notice of Special Business Meetings.**

Written notice of any NACM Special Business meeting, at which official NACM business is to be transacted, will be electronically communicated to each eligible voting member not less than fifteen (15) nor more than ninety (90) days before the date of the meeting. Alternatively, such notice may be published in NACM's official publication and/or posted on NACM's web site at least thirty (30) days prior to such meeting.

##### **5.5. Voting Rights at Special or Business Meetings.**

Members may exercise voting rights by ballot or proxy, submitted to NACM's Corporate Secretary / Financial Officer, on the following issues and or any others as required under Maryland law. The issues include any proposed consolidation, merger, transfer of substantial assets, or dissolution, and any amendment of the Articles of Incorporation. Voting will not proceed without a quorum which consists of fifteen percent (15%) of the total eligible voting membership. Not more than fifteen percent (15%) of the required fifteen percent (15%) of the total eligible voting membership needed may come from any one Affiliate.

##### **5.6. Voting.**

At all NACM business meetings, all eligible voting members will have one (1) vote and may vote in person or by proxy, with such proxy submitted to NACM's Corporate Secretary / Financial Officer. Members with more than one membership or more than one type of membership are entitled to cast only one (1) vote.

If available prior to a meeting, ballots may be cast electronically, in person, or by mail to NACM's Corporate Secretary / Financial Officer. For each proposal, an affirmative vote of sixty-seven percent (67%) of all eligible votes is necessary for approval based on the total membership as of the last day of the prior quarter.

### **5.7. Actions Approved.**

All actions approved in accordance with this section will be implemented by the NACM Board of Directors.

## **ARTICLE VI NACM BOARD OF DIRECTORS**

### **6.1. Authority and Responsibility.**

The governing body of NACM will be the Board of Directors. The Board will determine the current and future direction of NACM through its vision and mission statements, its strategic plan, and will determine its policies or changes therein, and will actively pursue these objectives, establish the financial policies of NACM, responsibly oversee NACM assets, and will be responsible for the interpretation of these Bylaws. The Board may adopt such rules and regulations for the conduct of its business as will be deemed advisable.

### **6.2. Composition.**

All members of the Board are Directors:

- (a) Up to one (1) affiliated member Director from each of NACM's Affiliates, excluding those serving as a Special Interest Member Directors. Three of these directors are also officers: Chair, Chair Elect and Immediate Past Chair.
- (b) Up to two (2) Special Interest Member Directors, one (1) elected or appointed by CFDD and the other by FCIB;
- (c) Four (4) Affiliate Chief Operating Officer Directors (COO Directors), one (1) who is concurrently serving as the Affiliate Council Chair and the remaining three serving as members of the Affiliate Council;
- (d) The NACM President / COO will serve without the right to vote.

Only one (1) voting Board member from the same Affiliate, who is not a Special Interest Member or COO Director, will serve at any given time. There will be a maximum of three (3) voting members on the Board from the same Affiliate.

### **6.3. Quorum of the Board.**

At any meeting of the Board, fifty-one percent (51%) of the voting Board members will constitute a quorum for the transaction of NACM business. Any such business thus transacted will be valid providing it is affirmatively passed by fifty-one percent (51%) of those present and voting.

### **6.4. Meetings of the Board.**

Regular, in person, meetings of the Board will be held up to twice in each fiscal year. The Board may meet virtually as needed.

### **6.5. Notice of Regular Meetings of the Board.**

Notice of all regular meetings will be given to the Board not less than thirty (30) days before the meeting is to be held.

### **6.6. Special Meetings of the Board.**

Special meetings of the Board may be called by the Chair or upon the filing of a written request signed by sixty-seven percent (67%) of all voting Board members. Any written request must state the purpose of the meeting and the matters to be acted on at the meeting. The notice of the special meeting will be communicated to each member of the Board not less than three (3) business days before the meeting is to be held with the information about the purpose of the meeting and the business to be considered. Special meetings may be held in person or virtually.

### **6.7. Voting.**

Voting rights of a member of the Board will not be delegated to another nor exercised by proxy. To the extent allowed by law, a vote taken electronically will be a valid action of the Board and will be reported to the Board within thirty (30) days of such action.

### **6.8. Chair's Vote.**

The Chair, while not obligated to vote in most cases, will cast a vote when that vote affects the outcome of the voting.

### **6.9. Director Participation.**

It is the expectation and fiduciary responsibility of each Board member to be in regular attendance at all Board meetings.

#### **6.10. Vacancies.**

In the event of an Officer position vacancy, the Board may conduct a vote to elect a Member Director who must meet the qualifications in Section 2 of Article VIII to fill the vacancy. In the event of an Affiliated Member Director vacancy, the Board may call upon the Affiliate without representation to elect/appoint an eligible Affiliated Member to fill the vacancy. In the event of an Affiliate COO Director vacancy, the Board may call upon the Affiliate Council to elect/appoint a member to fill the vacancy. At the discretion of the Board, CFDD and FCIB may be called upon to fill Special Member Director vacancies.

#### **6.11. Removal.**

The Board of Directors may remove any Director for cause, including but not limited to, failing to fulfill the duties, responsibilities, and obligations of the office, failing to abide by the code of conduct, or conflict of interest policy of the Board, or any like policy so adopted, by an affirmative sixty-seven percent (67%) vote of the Board present at any regular or special meeting.

#### **6.12. Compensation.**

Elected members of the Board will not receive any compensation for Board-related services.

#### **6.13. Indemnification.**

Directors, Officers, and employees of NACM will be indemnified to the extent of insurance coverage held by NACM and consistent with applicable laws in the state of Maryland. The preceding right of indemnification will be in addition to, and not exclusive of, all other rights to which the indemnified may be entitled.

### **ARTICLE VII DIRECTORS**

#### **7.1. Director Terms.**

The term of service for Affiliated Member, Affiliate COO, and Special Interest Member Directors will be three (3) years. Excluding years served in the capacity of an officer, Affiliated or Special Interest Member Directors may serve up to two (2) consecutive terms, never exceeding a maximum total of six (6) years of service as a Director. Director terms will begin on the first day of the fiscal year.

#### **7.2. Qualification of Directors.**

All Directors will be regular, multiple, or national members of record as defined in Article IX of the Affiliation Agreement. Additional qualifications include having served on or current service on an NACM Affiliate's Board of Directors and having completed one (1) full year of Affiliate Board service.

### **ARTICLE VIII OFFICERS**

#### **8.1. Officers of the Board.**

The Officers of the NACM Board are the Chair, the Chair-Elect, and the Immediate Past Chair.

#### **8.2. Officer Qualifications.**

To be eligible to apply or be considered for the position of Chair-Elect, a candidate must be an NACM Affiliated regular, multiple or national member in good standing; must have completed at least one (1) year of service on an Affiliate Board; and, must have served or be serving as a Director on the NACM Board, for a period of at least two (2) years at any time prior to applying for the elective term of office.

#### **8.3. Chair Elect Nomination and Election Procedures.**

Eligible Member Directors will be invited to complete a Chair-Elect candidate application. Nominations for qualified Officer candidates, in accordance with Article VIII, Section 2, may be made from the floor by any member of the Board of Directors at the mid-year Board of Directors meeting. If there are multiple candidates, the Board will elect the Chair-Elect by ballot vote and if there is a sole candidate, the Chair will cast the vote to duly elect the candidate to the position of Chair-Elect.

#### **8.4. Officer Terms.**

The Chair, Chair-Elect, and Immediate Past Chair will serve for a term of one (1) year in such office. Officers will take office on the first day of the fiscal year following the elections. At the completion of the term, the Immediate Past Chair is ineligible to be reelected or reappointed for any position on the Board of Directors until one (1) full year has elapsed. After the one-year lapse, any past Chair may be reelected or reappointed to the Board, but only can serve in the capacity of a Director.

#### **8.5. Duties of the Chair of the Board.**

The Chair of the Board will be the chief elected officer of NACM. The Chair will also serve as an ex-officio member of all committees.

The Chair will communicate business matters to the members and promote the welfare and value of NACM. The Chair will perform such other duties as required by the Board or the Association. The Chair will succeed to the position of Immediate Past Chair.

#### **8.6. Duties of the Chair-Elect.**

The Chair-Elect will succeed to Chair and then to Immediate Past Chair. The Chair-Elect will perform such duties as are delegated or assigned by the Chair or the Board. The Chair-Elect will act temporarily as Chair if the Chair is temporarily unable to perform the above duties.

### **ARTICLE IX SPECIAL AND STANDING COMMITTEES**

#### **9.1. Committees.**

The Board of Directors may designate standing and special committees.

#### **9.2. Appointment of Committees.**

The appointment to such committees will be made jointly, where applicable, by the Chair and the Chair-Elect.

#### **9.3. Executive Committee.**

The Executive Committee, during the intervals between regular meetings of the Board, may exercise all the powers of the Board except as is inconsistent with these Bylaws and the NACM Governance Policy. The Executive Committee may not act where specific direction has been given by the Board or on any matter upon which the Board has acted. The Executive Committee consists of the Chair, Chair-Elect, Immediate Past Chair and NACM's President / COO, who serves without the right to vote. Meetings of the Executive Committee may be called by the Chair as necessary. Actions of the Executive Committee shall be reported out in minutes within three (3) business days and will be subject to ratification by the Board at its next duly called meeting.

#### **9.4. Audit Committee.**

The Audit Committee has responsibility for overseeing financial reporting and related internal controls, risk, independent and internal auditors, and ethics and compliance. There will be up to eight (8) members of the Audit Committee. NACM's elected Officers will serve as members of the Audit Committee. The Chair, the Chair-Elect, and Immediate Past Chair will each select one (1) Affiliated Member Director to serve on the Committee. The Chair will appoint one (1) COO Director and may appoint one qualified expert as the eighth (8<sup>th</sup>) member of the Audit Committee, who may or may not be a member of the Board or NACM. The Chair-Elect will serve as Audit Committee Chair. NACM's President / COO will also serve as an ex-officio member of the Committee without the right to vote.

#### **9.5. Bylaws Review Committee.**

The Bylaws Review Committee will review, recommend, and draft changes to these Bylaws along with creation of the amendment proposal and notice to members and Affiliate COOs. There will be five (5) members of Bylaws Review Committee. The Chair-Elect will serve as Chair of the Committee. Two (2) of the five (5) members will be Affiliate COO Directors and two (2) of the five members will be Affiliated Member Directors. NACM's President / COO will also serve as an ex-officio member of the Committee without the right to vote.

#### **9.6. Bylaws Amendment Review Committee.**

The Bylaws Amendment Review Committee will accept and reconcile comments received pertaining to a Bylaws amendment and will then write a report to the Board. There will be five (5) members of Bylaws Amendment Review Committee who may be the same members who served on the Bylaws Review Committee. The Chair-Elect will serve as Chair of the Committee. Two (2) of the five (5) members will be Affiliate COO Directors and two (2) of the five members will be Affiliated Member Directors. NACM's President / COO will also serve as an ex-officio member of the Committee without the right to vote.

### **Article X EXECUTIVE AND STAFF**

#### **10.1. NACM President / Chief Operating Officer.**

The Board will hire, employ, and terminate, if necessary, a salaried chief executive who will have the title of President / Chief Operating Officer (COO). The terms, conditions, and compensation of initial employment will be specified by the Board. An annual performance review will be conducted by the Chair. The on-going compensation review of NACM's President will be conducted by the Executive Committee.

### **10.2. Authority and Responsibility.**

The NACM President / COO will manage and direct all activities of NACM in accordance with these Bylaws and the policies set forth in the NACM Governance Policy. The NACM President / COO is an Officer of the corporation.

### **10.3. Vice Presidents.**

The Board of Directors may approve, upon recommendation of NACM's President / COO, one or more Vice President positions. The staff occupying these positions will be employees of NACM, whose duties and remuneration will be fixed by the President. Staff Vice Presidents will be Officers of NACM.

### **10.4. Corporate Secretary / Financial Officer.**

The Board will appoint, upon recommendation of NACM's President / COO, a Corporate Secretary / Financial Officer of NACM. Such Officer will be an employee of NACM, whose duties and remuneration will be fixed by NACM's President.

### **10.5. Recording Secretary.**

NACM's President / COO may appoint a recording secretary whose responsibility will be to properly record and report the proceedings of meetings.

## **ARTICLE XI FISCAL MATTERS**

### **11.1 Fiscal Period.**

The fiscal period will be established by the Board.

### **11.2. Establishment of Dues.**

National dues for all classes of Affiliated membership will be established by the Board in accordance with Article X of the NACM Affiliation Agreement.

### **11.3. Liability Insurance.**

Liability insurance coverage will be furnished for NACM's Board, employees and volunteers.

### **11.4. Budget and Use of Funds.**

The Board will approve an annual operating budget covering all activities of NACM and its subsidiaries. NACM will use its funds only to accomplish the objectives and purposes of NACM.

### **11.5. Accounting.**

NACM will undergo an annual audit by an independent, third-party audit firm, recommended by NACM's President / COO and NACM's Corporate Secretary / Financial Officer, and approved by the Board. Within ninety (90) days of the fiscal year end, the Auditors will deliver a financial report to the Board for the fiscal year just concluded. Upon the Board's approval, the audited financials will be made available to the members.

## **ARTICLE XII AMENDMENTS**

### **12.1. Proposal.**

Any proposal for the amendment of these Bylaws may be submitted in writing to NACM's Corporate Secretary / Financial Officer by the NACM Board, or by fifty-one percent (51%) or more of the Affiliates in good standing, signed by their respective Affiliate COOs and Chairs, or by fifteen percent (15%) of the total eligible voting Affiliated Members, based on total membership as of the last day of the prior quarter. Not more than fifteen percent (15%) of the required fifteen percent (15%) of eligible voting members may come from any one Affiliate. If the proposal is made by the NACM Board of Directors, it will be reviewed with the Affiliate COOs before it is filed in the office of the Corporate Secretary / Financial Officer.

### **12.2. Review.**

Once a proposal for the amendment of these Bylaws has been filed in the office of NACM's Corporate Secretary / Financial Officer, the proposal will be sent to the Bylaws Amendment Review Committee. This Committee will consider the amendment and submit its findings in a written report to the Board within 90 days.

### **12.3. Notice and Membership Comment.**

Notice of such proposal, along with the Bylaws Amendment Review Committee's report, will be given in writing to the members, the NACM Board, and all Affiliate COOs in good standing three (3) months preceding the meeting at which such proposal is scheduled to be considered for approval by the Board. Instructions for submitting comments will be provided with the notice.

### **12.4. Reconsideration.**

If objections are received about such proposal, it will be reconsidered by the Bylaws Amendment Review Committee who will submit a new report to the Board within thirty (30) days.

### **12.5. Adoption.**

The Board will act on an amendment proposal only if it has been made in accordance with Sections 12.1, 12.2, 12.3, and 12.4. An affirmative vote of sixty-seven percent (67%) of the members of the Board is required to approve an amendment. The final Board action will be communicated in writing to all members and Affiliate COOs within thirty (30) days.

### **12.6. Recourse.**

Within thirty (30) days of the date of the notice to the members and Affiliate COOs of the Board's action on an amendment, the membership or the Affiliate COOs can seek to override such action.

Such override vote request may only be initiated if, within thirty (30) days, NACM's Corporate Secretary / Financial Officer receives individually written requests signed by fifty-one percent (51%) of NACM Affiliated members in good standing or by fifty-one percent (51%) of Affiliate COOs in good standing. The requests must be separate from any other submitted request. Of the fifty-one percent (51%) of NACM Affiliated members in good standing, not more than fifteen percent (15%) may come from any one Affiliate. The required number of members needed to meet the percentage requirement to call for an override vote by the general membership will be calculated based on the total NACM membership rolls on the last day of the prior calendar year quarter.

In the event of the receipt of the requisite number of individually written submissions requesting an override vote, NACM's Corporate Secretary / Financial Officer will communicate the notice of the request for override vote including all relevant information concerning the Board of Directors' action to be overridden along with voting instructions. Each member and Affiliate COO in good standing of NACM will be eligible to cast one (1) vote.

The deadline for the receipt of the ballots for the override vote will be thirty (30) days after the date of the communication.

To affect such an override, NACM's Corporate Secretary / Financial Officer must timely receive override ballots from a required percentage of Affiliated members and Affiliate COOs, in good standing, in favor of such override. Fifty-one (51%) percent of all Affiliated members and Affiliate COOs in good standing are required to cast a vote, of which, sixty-seven percent (67%) of Affiliated members and Affiliate COOs voting must vote in favor of the override.

NACM's Corporate Secretary / Financial Officer will immediately notify the Board of Directors and the membership of the result of said vote. Once communicated, the results of the vote will go into effect immediately.

## **ARTICLE XIII**

### **PARLIAMENTARY AUTHORITY**

#### **13.1. Rules of Order.**

The rules contained in the newly revised edition of *Robert's Rules of Order* will govern the conduct of NACM's meetings in all cases to which they are applicable and in which they are not inconsistent with the Bylaws, policies, and any special rules NACM may adopt.

## **ARTICLE XIV**

### **DISSOLUTION**

#### **14.1 Dissolution.**

Upon NACM's dissolution, the Board will decide how any remaining assets will be distributed, following NACM's Articles of Incorporation.