

NATIONAL STONE, SAND & GRAVEL ASSOCIATION



Natural building blocks for quality of life

BYLAWS

and

Resolution Concerning Antitrust Compliance Policies and Procedures

Amended July 2008

1605 KING STREET ■ ALEXANDRIA, VA 22314
703 525 8788 ■ 800 342 1415 ■ FAX 703 525 7782
WWW.NSSGA.ORG

**Bylaws of the
National Stone, Sand & Gravel Association**

Article I - Purpose

These bylaws will serve for the National Stone, Sand and Gravel Association (NSSGA) (the “**Association**”), and shall remain in effect until amended or superseding bylaws are adopted in accordance with Article VII, Section 1.

Article II - Members

1. Membership.

- A. Membership in the Association shall consist of the following classes: (a) Active Members, (b) Associate Members, (c) Manufacturers and Services Division, (d) Pulverized Minerals Division Members, (e) Affiliate Members and (f) Life Members.
- B. Any person, firm or corporation engaged in the production of aggregates for construction, agricultural or chemical uses shall be eligible to become an Active Member of the Association. Each Active Member shall be entitled to one vote through its authorized representative.
- C. Any person, firm or corporation engaged in the manufacturing of machinery, equipment and supplies used by Active Members in the production of their products, or any person, firm, or corporation providing professional design or consulting services for Active Members, or any trade or technical publication serving the interests of Active Members, or any person, firm or corporation that is a dealer or distributor of equipment to Active Members in the production of their products shall be eligible to become an associate member and a member of the Manufacturers and Services Division of the Association. Associate members shall not have voting rights, except as set forth in Article IV.
- D. Any person, firm or corporation who manufacturers and sells pulverized minerals, that meet the qualifications set by the Pulverized Minerals Division and approved by the NSSGA Board of Directors, shall be eligible to become a member of the Pulverized Minerals Division of the Association. Members of the Pulverized Minerals Division shall not have voting rights, except as set forth in Article IV.
- E. Any person, firm or corporation not actively engaged in the production or manufacture of products produced by Active Members, and not eligible to be a member of a Division, but

who has an active interest in the industry, shall be eligible, subject to the approval of the Board of Directors, to become an affiliate member of the Association. Affiliate members shall not have voting rights.

- F. Applications for membership shall be processed according to procedures and standards established by the Board. Any person eligible to become a member of any class shall be admitted to membership only in accordance with such procedures and standards.

Article III - Board of Directors, Executive Committee and Officers

VOTING MEMBERS OF THE BOARD OF DIRECTORS

1. COMPOSITION: There shall be no more than 72 elected or ex officio voting members of the Board of Directors ("**Voting Directors**"). Voting Directors shall include: six Officers (Chairman of the Board, First Vice Chairman of the Board, Second Vice Chairman of the Board, Secretary, Treasurer, and Immediate Past Chairman of the Board) and three classes of not more than 21 Voting Directors who are associated with member companies (in which at least one will be an international member) each will be elected for three-year terms (initially one, two, and three year terms, respectively) from among the domestic and international membership. The Chairman, Immediate Past Chairman, and senior-most Vice Chairman of the NSSGA Manufacturers and Services Division, and the Chairman of the Pulverized Minerals Division, all selected in accordance with Article IV of the Bylaws, shall serve as ex officio Voting Directors. No more than one officer or employee of any one member of the Association shall be a Voting Director, except that a second officer or employee of a member may be elected as a nonvoting member of the Board of Directors.
2. TERMS: No member of the Board may serve more than two full consecutive elected terms. Voting Directors terms shall commence when elected at the Board meeting during the annual convention and conclude the day before the Board meeting at the annual convention in the year in which their terms expire, unless the Voting Director has been elected during a special election to fill in a vacated Voting Director, in that case, the Voting Director's term will last until the term of the former Voting Director expires. There shall be a minimum of a one-year break before a Voting Director who had completed a maximum consecutive elected term may begin service upon re-election. An elected or ex officio Voting Director shall cease to be a Voting Director upon departure from a NSSGA member company.
3. QUORUM: A majority of Voting Directors of the Board shall constitute a quorum. Any matter approved at a meeting of the Board by a

majority of those Voting Directors present at a meeting at which there is a quorum shall constitute an act of the Association.

NON-VOTING EX-OFFICIO MEMBERS OF THE BOARD OF DIRECTORS

4. All past Chairmen of the Board of the Association and its predecessor organizations who are not Voting Directors shall be ex officio, non-voting members of the Board. Past Chairmen no longer active in the industry shall be entitled to complimentary registration for themselves and their spouses at the annual convention and at the summer Board meeting.
5. The Board of Directors may confer Honorary Life Membership to individuals who have given exemplary service to the industry on the national level. Nominations for Honorary Life Membership must first be submitted to the Nominating Committee for approval before being forwarded to the Board of Directors for action. Honorary Life Members shall be ex officio nonvoting members of the Board. All Honorary Life members no longer active in the industry and their spouses will receive complimentary registration for the Annual Convention and Summer Board of Directors Meetings. Honorary Life Members shall not have voting rights.
6. State aggregate associations shall be offered ex-officio non-voting representation on the Board of Directors, the composition and number to be set by the Board of Directors.
7. Each of the Vice Chairman At Large (if filled) and the President/CEO of the Association shall be an ex-officio nonvoting member of the Board.
8. All former Chairmen of the Board of Directors of the Manufacturers & Services Division, except the Immediate Past Chairman, shall be ex officio non-voting members of the NSSGA Board of Directors.

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

9. There shall be an Executive Committee of the Board of Directors consisting of 16 Voting Directors which shall include (a) the six Officers of the Board of Directors (Chairman of the Board, First Vice Chairman of the Board, Second Vice Chairman of the Board, Immediate Past Chairman of the Board, Secretary and Treasurer), chosen in accordance with the rules of this Section; (b) nine Directors who are producer company leaders (these nine Directors will be elected from the membership of the Board), one of the nine Directors must be a sand or gravel producer and two of the nine Directors must be small producer company members; and (c) the Chairman of the Manufacturers and Services Division, chosen in accordance with the rules set forth in Article IV.

10. Members of the Executive Committee shall serve terms of one year beginning on the last day of the annual convention at which they were elected or beginning with the date of their election fulfilling an unexpired term, and until such time as the Executive Committee member ceases to be a director of the Association. Each one-year term will conclude at the end of the next Annual Convention unless re-elected. No member may serve more than three consecutive full one-year terms on the Executive Committee without a break in service of at least one year, except those members elected to be an Officer. Election to complete an unexpired term shall not count against the three one-year term limitations.
11. A quorum of the Executive Committee shall be a majority of voting members (nine members). A quorum may be established through participation via telephone conference or other electronic participation. During the interval between meetings of the Board the Executive Committee shall have the power to do and perform any and all things the Board of Directors is empowered to do and perform, except authorize the sale or purchase of real estate.

NON-VOTING EX-OFFICIO MEMBERS OF THE EXECUTIVE COMMITTEE

12. The Vice Chairman-at-Large, if filled, the President/CEO of the Association, the Chairman of the Pulverized Minerals Division, the Immediate Past Chairman of the Manufacturers and Services Division, and the First Vice Chairman of the Manufacturers and Services Division shall be ex-officio non-voting members of the Executive Committee. The Chairmen of the standing Divisions of the Association shall also be ex-officio non-voting members of the Executive Committee. Other Chairmen of special committees and related subsidiary organizations may be designated ex-officio non-voting members of the Executive Committee by the Chairman of the Board.

THE OFFICERS OF THE BOARD OF DIRECTORS

13. The officers of the association shall be a Chairman, a First Vice Chairman, and a Second Vice Chairman nominated by the Nominating Committee and elected from among the Board of Directors by the Board of Directors; a Vice Chairman-at-Large (non-voting if filled); a Secretary and Treasurer nominated by the Nominating Committee and elected by the Board of Directors from the representatives of the membership at large; the President/CEO (non-voting) elected by the Board of Directors; and the Immediate Past Chairman of the Board of Directors is a voting ex officio officer, except as otherwise specified herein. Any person elected as an officer who is already a member of the Board shall vacate his or her existing seat on the Board and the vacant seat shall be filled.

- A. The Chairman of the Board shall serve a one-year term beginning on the last day of the annual convention at which the Chairman was elected or beginning on the date of his election fulfilling an unexpired term and concluding at the end of the next annual convention. The Chairman shall preside at all meetings of the Board of Directors, the Executive Committee of the Board of Directors, and the membership meetings of the Association. The Chairman can call special sessions of the Executive Committee. In addition, the Chairman shall assure that the President is complying with the policies and directives of the Board of Directors and perform such other duties as may be provided in these bylaws or by resolution of the Board of Directors.
- B. The President shall be a full-time employee of the Association and shall serve as the chief executive officer. The President shall be responsible for the faithful execution of the policies and directives of the Board of Directors; for the management, direction and supervision of the employees of the Association, including employment and discharge, and the fixing of compensation, subject to and upon conditions established by the Board of Directors; and for the routine conduct of the affairs of the Association, all to the end that the interests of the Association and its members are promoted. The President may employ and appoint employees to positions of vice president, assistant secretary, and assistant treasurer of the Association.
- C. The First Vice Chairman shall preside in the absence of the Chairman from any meeting of the Board of Directors or Executive Committee. The First and Second Vice Chairmen shall perform such duties as may be delegated by the Chairman or by resolution of the Board of Directors.
- D. The Secretary and The Treasurer shall perform the duties normally associated with such positions.
- E. There shall be established the non-voting officer position of Vice Chairman-at-Large to be filled at the discretion of the Nominating Committee and elected by the Board of Directors for a one-year term beginning the last day of the Annual Convention at which elected.
- F. The terms of the Vice Chairmen, Secretary and Treasurer shall be one year. The Vice Chairman-at-Large, if filled, and the Secretary and Treasurer may not serve more than three consecutive full one-year terms without a break in service of at least one year. The terms of the First Vice Chairman and Second Vice Chairman are for one year.

Article IV - Divisions and Committees

1. The Board may create at any time Divisions and Committees of the Association. The Board shall have ultimate control and direction of all Divisions and standing Committees. Chairmen of Divisions will be appointed by the Chairman of the Board of Directors, and report to the Board of Directors or the Executive Committee.
 - A. Two Divisions of the Association shall have the right to adopt Division bylaws, elect a Division Board of Directors and Division officers and recommend appropriate dues rates (including assessments for unique/special programs) for division members. These two divisions shall be the Manufacturers and Services Division and the Pulverized Minerals Division.

2. The Chairman of the Board may appoint special committees at any time on an as needed basis.
 - A. The Nominating Committee of the Association shall consist of: all Past-Chairmen [of the Board] active in the industry, three board members selected by the Chairman of the Board (who will serve three year staggered terms, initially one, two and 3-year terms respectively), and the current Chairman of the Board. The most Immediate Past Chairman of the Board will act as Chairman of the Nominating Committee. The Nominating Committee shall be responsible for: (a) recommending to the Board any changes to the Bylaws of the Association, (b) to identify individual candidates to serve as Chairman of the Board, First Vice Chairman of the Board, Second Vice Chairman of the Board, Secretary and Treasurer, elected members of the Executive Committee, and Directors. When nominating candidates, the committee will seek a balanced representation of the membership, including company size, location, and products, as well as, the candidate's commitment to participation, including representation of the industry before the federal government, member recruitment, state association activities, committee participation, and Board meeting attendance. Nominees may not necessarily be the CEO of a company, but the Nominating Committee is instructed to find candidates who have decision-making authority within their company structure.

Article V - Dues; Budget

1. The Board of Directors shall establish annual dues for each class of membership.

2. For the purposes of dues calculations, the entirety of a company's aggregate operations shall be considered and the following policies shall apply:
 - a. To be a member in good standing, members must include all internal and external aggregate sales when calculating membership dues. Dues are not based on tonnage produced. Internal transfers should be calculated on fair market value.
 - b. If a member acquires or merges with another member, they will continue to pay dues for each member as if they were separate companies for the year of the merger or acquisition and the two (2) years following the year of merger or acquisition.
 - c. Separate dues rates may be established for members producing, transporting, and selling aggregates outside the United States only.
 - d. The dues calculation for members producing aggregates outside the United States and importing them for use in the United States includes the revenues from such operations.
 - e. The dues calculation for members producing aggregates within the United States and exporting them for use outside the United States includes the revenues from such operations.
 - f. The dues calculation for a member acquired by a non-member company having existing aggregate operations includes the revenues from such operations together with the revenue of the member that was acquired.
 - g. The dues calculation for members acquiring non-member companies includes the internal and external sales from the non-member companies.
3. The Association shall operate on a calendar year. The Board of Directors shall approve an annual budget.

Article VI - Meetings of Members

1. There shall be at least one meeting of all members of the Association each year at a time and place designated by the Board of Directors ("**Annual Convention**").
2. Special meetings may be called by the Chairman of the Board, at the request of a majority of the Board of Directors or at the request of 30 percent of the Active Members.
3. Written notice of the date, time, and place, and in the case of a special meeting the purpose, of membership meetings of the Association, shall be mailed by the President to the address listed with the Association by each member at least 10 days and no more than 50 days before the date set for the meeting. Such notice shall be deemed to be delivered when deposited in the United States mail or given by any other means permitted by law.

4. Voting by members on any matter may be conducted by mail or any other means permitted by law.

Article VII - Amendments

1. These Bylaws may be amended or repealed by the affirmative vote of a majority of the members of the Board of Directors attending any legal meeting, provided that the call of the meeting contains an explanation of the proposed amendment or repeal.

Article VIII - Indemnification

1. The Association shall indemnify any person who was or is a party to any pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, against expenses including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to a criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
2. The indemnification provided pursuant to this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement or contract of insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

Article IX - Compliance

1. The Association shall conduct all its business, meetings and other affairs in strict compliance with applicable antitrust and trade regulation laws. Officers, Staff, Directors and Members are directed to adhere to

this policy when engaging in any Association activity and to immediately report to the Association's legal Counsel, for appropriate advice and action, any proposals, activities or incidents that may violate this antitrust compliance requirement. Any violation of this section is unequivocally contrary to Association policy and is cause for membership expulsion or employment termination.

Adopted – July 24, 2001
Amended – March 20, 2002
Amended – July 22, 2003
Amended – July 18, 2007
Amended – July 22, 2008