

National Chemical Credit Association
Bylaws
(a Delaware nonstock corporation)

ARTICLE 1 – NAME

The name of this organization is the NATIONAL CHEMICAL CREDIT ASSOCIATION, Inc.

ARTICLE II – PURPOSE

The Corporation is organized and shall be operated exclusively as a business league as defined in § 501(c)(6) of the Internal Revenue Code of 1986, as amended, and, within such limits, shall provide a forum to exchange and discuss accurate and up-to-date historical credit information in a legal, ethical and confidential manner, whereby members are empowered to make individual credit decisions. The Association encourages discussion at meetings relating to credit management policies and procedures for the purpose of continual education of members.

The Association has two categories of membership as described in Article IV below. "Submitting Members" provide to the Association each month an electronic summary of their credit experience in accordance with the monthly "Guidelines for Reporting Credit Experience" as established by the Executive Board ("Credit Guidelines"). This experience is then summarized by the Servicing Secretary and is made accessible to Submitting Members on the Association's website. "Educational Members" are those members who cannot provide the monthly summary of their credit experience electronically. Education Members share their credit experience by means of a Division Clearance list. Prior to each scheduled divisional meeting, the Association requests the names of current or prospective customers from members of each division to create the Division Clearance List. Once complete, the list is circulated to the Division's Educational membership for credit experience input pursuant to the Credit Guidelines. The information is then collated into a single report (the "Report") which is available to all Division members at the scheduled meeting and on the Association's website.

The Association encourages education of members by sponsoring forums and discussions about credit techniques, including Credit Analysis, Management Reporting as well as work environment issues that address job satisfaction and stress management.

ARTICLE III – DIVISIONS

Section I – General

The Association is divided into the following divisions:

- Chemical and Plastics Division
- International Division

Additional divisions may be created or any division discontinued at such time and on such terms as the Executive Board recommends. **Division changes are subject to ratification by the members of the Association.**

Section II – Officers

Each Division shall elect from its membership such officers as outlined in the Division's Membership Rules.

An officer of this Division shall be deemed to have resigned as such concurrent with the time he/she is no longer employed in the member's Credit Department related to the Division he/she serves upon receipt of written resignation.

Section III – Membership Rules

Each Division shall adopt Membership Rules necessary to govern its members and regulate its affairs, consistent with the Association's Bylaws.

The Division Membership Rules shall identify the officers of the Division, responsibilities and election guidelines.

The Division Membership Rules shall set minimum requirements for attendance, any breach of which shall be cause for suspension from the Division or such other disciplinary action, as the officers of the Division may, deem to be necessary and appropriate.

Standing committees, including **a nominating committee** will be provided for in each Division's Membership Rules.

The Division Membership Rules shall require all Submitting Members to contribute electronically each month via electronic exchange input all pertinent ledger experience as set forth in the Credit Guidelines. The Division Membership Rules shall require all Educational Members to contribute in writing or electronically all pertinent ledger experience on names submitted for discussion at all divisional meetings as set forth in the Credit Guidelines. All related credit

experience and financial data shall be shared provided that it has not been received in confidence. Members shall inform the Division Secretary in writing when Ledger Experience information is inaccurately reported on the Division Report.

Failure to comply with the provision of a Division's Membership Rules shall be cause for disciplinary action including suspension from receiving credit reports and/or electronic access to the Associations' database, and revocation of membership as the officers of the Division and the Executive Board may find appropriate. The Chairperson of the Division shall report any disciplinary action taken against a member to the Servicing Secretary who will advise the Executive Board.

ARTICLE IV – MEMBERSHIP

Section I -- General

The members of the Association must: (1) be major producers or distributors of chemical or plastic products having substantial national distribution; (2) have a professional Credit & Collection group separate and distinct from sales; (3) serve a portfolio of customers common to the membership of the Association such that the credit experience of these customers will be useful to the membership of the Association; and (4) sell primarily to customers that are not members of the Association. Additionally, all members joining the International Division must be engaged in substantial multinational distribution of chemical or plastic products.

All members of the Association must agree to abide by the Association's Bylaws and Division Membership Rules, the Association's Antitrust Guidelines as well as any other membership guidelines established by the Executive Board at the time the new member's application for membership is approved or at the time of the member's annual membership renewal.

Section II -- Application for Membership

Requirements for membership to the Association and individual Divisions are set forth in the Membership Guidelines as adopted by the Executive Board. All Applications for membership shall be submitted to the Association's Servicing Secretary by completing the Association's application form. Applicants will have to agree to abide by the membership guidelines set forth in these Bylaws, Division Membership Rules, and Antitrust Laws. A copy of the application shall be forwarded to the Chairperson and Secretary of the corresponding Divisions. Upon review, the Division officers shall present the application to the Executive Board for approval.

The affirmative vote of a majority of the members in attendance of the Executive Board meeting shall be required to accept an applicant. The Servicing Secretary will inform the applicant

of the Board's action on the application. Re-application for membership may not be considered until the expiration of twelve (12) months from the date of rejection.

Section III – Categories of Membership

Members shall either be Submitting Members or Educational Members. **Submitting Members** are those members that provide, on or before the 15th of every month, a monthly summary of their relevant credit experience in accordance with the Credit Guidelines. Submitting Members will have continuing access to all electronic reports created by the Association summarizing the Credit Experience submitted by the Association's Members including the Association's Electronic Credit Exchange Database. **Educational Members** are those members who for any reason are unable to provide a monthly electronic summary of all of their relevant credit experience in accordance with the Credit Guidelines. Educational members will not have access to the Association's Electronic Credit Exchange Database. Educational members, however, are required to submit in writing their credit experience concerning the names of current or prospective customers on the Division Clearance List created before each Division Meeting. Educational Members will have access to the Clearance list which will be distributed at the Division Meeting and posted on the Association's website.

Section IV – Membership Dues

Each member shall pay annual dues in the amount determined by the Executive Board.

ARTICLE V – VOTING

Section I – General

Submitting and Educational Members each have the same voting rights. Unless otherwise indicated, a simple majority of affirmative votes by members attending a regularly scheduled meeting, provided a quorum as determined under the Division Membership Rules is present, or a majority of the entire membership of the Division, if voting by mail, shall be sufficient to pass the item under vote.

Section II – Association

As related to matter affecting the Association as a whole, each member firm shall be entitled to one vote regardless of the number of divisions in which membership is held.

Section III – Division

As related to matters pertaining to individual divisions each member of the division shall be entitled to one vote.

ARTICLE VI – COMPLIANCE

Section I – Confidentiality of Information

Reports received by the Association and its discussion thereof **shall be kept in confidence** and are for the exclusive use of the credit departments of association members. Each member shall protect this mutually confidential information from indiscriminate use. **A member violating this section shall be liable for disciplinary action, including suspension from receiving Reports and expulsion in accordance with the procedure outlined in Section III of this Article.**

Section II – Review of Divisional Disciplinary Action

Any member disciplined may appeal the action to the Executive Board by filing an appeal in writing with the Servicing Secretary who will forward the appeal to the members of the Executive Board. The appeal will be reviewed at the next Executive Board Meeting. **A majority vote of the members of the Executive Board present shall be required to modify any disciplinary action.** The Chairperson of the Executive Board shall then promptly communicate in writing to the disciplined member of the action taken by the Executive Board concerning the appeal.

Section III – Expulsion

Any member may be expelled for conduct, which endangers the welfare, interests or character of the Association. Any member having a complaint against another member shall file charges in writing with the Chairperson of the involved division and the Chairperson of the Executive Board who upon reasonable notice, shall hear the charges and any defense, and make a report with recommendations to the Executive Board. If charges under this Section or Section I above are sustained by a two-third vote of the Executive Board, the offending member shall be expelled, censored or otherwise disciplined as the Executive Board may determine.

ARTICLE VII – EXECUTIVE BOARD

Section I – General

The governing body of the Association shall be known as the Executive Board. It shall have exclusive jurisdiction over matters referred to in these Bylaws and matters affecting the general welfare of the Association.

Section II – Membership

The Executive Board shall be comprised of a duly elected Chairperson, Treasurer and the officers and the immediate Past Chairpersons of all divisions, all of whom shall be expected to attend Executive Board Meetings (note exception in final paragraph of this section). Voting power on the Executive Board shall be limited to the Board Chairperson, Treasurer, Immediate Past Chair, and an At Large Delegate nominated by the Board Chairperson and approved by the Board for one year term, along with representatives from all divisions, present and future, according to the following table:

<u>Number of fee paying Members as of the End of Last Fiscal Year</u>	<u>Number of/and Representative(s)</u>
1-25	(3) Chairperson/Immediate Past Chair/Vice Chairperson
26-50	(4) Chairperson/Immediate Past Chair/Vice Chairperson/Secretary or Treasurer
51-Plus	(5) Chairperson/Immediate Past Chair/Vice Chairperson/Membership Chair/Secretary or Treasurer

When the immediate Past Chairperson is unable or unwilling to serve in a voting capacity, the officers of the involved division together with the Chairperson of the Executive Board shall appoint the respective successor to assume office upon resignation or retirement.

If a voting officer is absent, his/her voting right may be transferred to the next ranking officer of the division present at the meeting. Such officer shall have the right to vote in place of the absent member; in the case of the member at Large; the Chairperson may appoint another non-voting Executive Board member to vote in his or her place instead.

No person shall be entitled to cast more than one vote per subject at any time during an Executive Board Meeting.

An Executive Board member shall be deemed to have resigned as such concurrent with the time he/she is no longer employed in the member's Credit Department or in a financial capacity by a member company of the division he or she represents on the Executive Board.

Voting members are required to attend all Executive Board Meetings.

The Executive Board may request the resignation of voting members who fail to attend one or more meetings of the Executive Board. In any such case, the Chairperson shall notify the corresponding Division of such action and request the Division to promptly appoint the next ranking officer as a replacement to serve for the balance of the term.

An Executive Board member's term begins on the first day of July, following their election, and finishes at the time their respective successors assume office or upon their earlier resignation or retirement.

Section III – Officers

The candidates for Chairperson shall be nominated by a nominating committee consisting of the Chairperson of each of the divisions plus up to three more voting members chosen by the agreement of all division Chairpersons and the existing Chair. The nominating committee shall report their nomination(s) to the Executive Board at the Executive Board meeting held immediately prior to the annual conference. The voting members of the Executive Board shall elect the Chairperson promptly after the report of the nominating committee has been received. No person who has not been nominated by the nominating committee shall be considered for election. The term of the Chairperson of the Executive Board shall be two years; self-succession is not permitted. As of the time the Chairperson assumes office, the Chairperson shall have served as Chairperson of a division or have served at least two one-year terms as the At Large Delegate to the Executive Board duly nominated and approved under Article VII, Section II of these Bylaws. The Chairperson-elect need not be a member of the Executive Board at the time of Election. During a term as Chairperson, the incumbent shall not serve as an officer of any division or represent any division on the Executive Board. Any Chairperson shall be deemed to have resigned as stated in Section II of this Article.

The Chairperson of the Executive Board shall preside at all meetings of the Executive Board. In the incumbent's absence the voting members present at any time meeting shall select a Chairperson for that meeting. At the direction of the Chairperson, or in the absence of the Chairperson at the direction of the Executive Board, another officer or member of the Executive Board shall be empowered to sign any and all agreements binding the Association.

The newly elected Chairperson shall nominate the Treasurer. The voting members of the Executive Board shall approve the nomination by a majority vote. The term of the Association's Treasurer shall be two years, and the Treasurer shall serve no more than two terms in succession. The Treasurer need not be a member of the Executive Board at the time of the election and may not concurrently serve as officer of a Division.

The Association's Treasurer has the authority to make disbursements for the Association and all of its Divisions, shall keep record of all receipts and disbursements and shall present a Treasurer's Report to the Executive Board at each scheduled Board Meeting. The Treasurer's responsibilities are outlined in the Treasury's Guidelines approved by the Executive Board in June 1999.

If any officer of the Executive Board shall for any reason fail to complete his/her term in office, the Executive Board shall have the power to appoint a similarly qualified successor to serve for the balance of the current fiscal year and until a successor shall have been elected for a full term.

The Executive Board shall annually elect such other officers, if any, as the executive Board may determine.

Section IV – Quorum, Voting

A quorum at any Executive Board Meeting is defined by the presence of two-thirds of the voting members of the Board.

Except as otherwise provided herein, the vote of a majority of the voting members present at any meeting thereof shall be sufficient to approve any action, to ratify, and to adopt any prior action taken in the name of the Association.

Section V – Meetings, Notices

The Executive Board shall hold not less than four regular meetings during each fiscal year, one of which shall be held at the site of and immediately prior to the Association's annual conference. The Executive Chair shall publish a schedule of such meetings to coincide with divisional meetings of the Association.

Special meetings of the Executive Board may be called by the Executive Chair or by the Servicing Secretary at the request of two-thirds of the voting members of the Executive Board.

Notice of the time, place and purpose of any such special meeting and agendas for each regular meeting shall be published to all members of the Executive Board on not less than a fifteen day notice.

Section VI – Responsibilities

In addition to the duties elsewhere placed upon it, the Executive Board shall have the following responsibilities:

1. To appoint, compensate and outline the duties of the Executive Secretary, Association Counsel and others retained by the Association. These require annual review. Servicing Secretary changes require a simple majority vote (by written ballot) of the Association's Membership;
2. To Appoint the Annual Conference Chairperson or Conference Committee;
3. To establish dues, fees and other charges of each division and the Association with the intent of covering all out-of pocket costs associated with the operation of the Association;
4. To dispose of any remaining assets of the Association in the event of its dissolution and the satisfaction of any deficits, pursuant to Article XI;
5. The Executive Chair shall appoint an Audit Committee, a Membership Committee and such other committees as the Executive Board may deem necessary or appropriate;
6. To approve contracts agreements on behalf of the Association.

Section VII – No Compensation

No member or officer of the Executive Board shall be compensated for their services for acting as such.

Section VIII – No Individual Liability

No officer of any division or of the Executive Board, member of the Executive Board, member company, nor any person acting on behalf of the Association shall be individually liable for or have any individual obligation to pay or satisfy any debt or obligation, contingent or otherwise of the Association or any division.

Section IX – Indemnification

Any member who while acting in the capacity of a member of the Association causes any loss or damage to the Association or violates any law, rule or regulation applicable to the membership including the anti-trust laws, shall reimburse the Association and any member affected thereby for its and their loss, costs and expenses incurred in connection therewith including the fees and expenses of counsel for the Association and affected member.

ARTICLE VIII – FINANCES

The dues, fees and charges levied by the Executive Board and/or any division not paid within 30 days of the due date shall be reported to the Executive Board which, upon a majority vote, may require the resignation of the member from the division and/or the Association but shall not affect such member's obligation to pay dues, fees and charges incurred during their terms as a member.

ARTICLE IX – FISCAL YEAR

The calendar year of the Association shall commence on July 1st and terminate on June 30th.

ARTICLE X – AMENDMENTS

Any member of the Association may propose an amendment to these Bylaws. The proposed amendment shall be mailed to the members of the Executive Board together with the agenda for its next regularly scheduled meeting. Upon approval of a two-third vote of the Executive Board, notice of the proposed amendment shall be mailed to the members of the Association.

The proposed amendment shall be discussed at the next regularly scheduled divisional meetings, after which the proposed amendment shall be voted upon by mail ballot to all members of the Association.

The affirmative vote of two-thirds of the members shall be required for adoption. Any amendment so adopted shall become effective immediately unless otherwise specified.

ARTICLE XI – DISTRIBUTIONS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to any private individual. Upon the dissolution of the Association, its assets shall be distributed to one or more exempt organizations described in § 501(c)(3) or § 501(c)(6) of the Internal Revenue Code of 1986, as amended, and as selected by the Executive Board in its sole discretion.

ARTICLE XII – APPLICATION OF DELAWARE LAW

The provisions of the General Corporation Law of the State of Delaware shall apply to the extent not otherwise provided for in these Bylaws or the Certificate of Incorporation of the Association.

ARTICLE XIII – CONFLICT OF INTEREST POLICY

Section I - Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of the Association and to protect the Association's interest when it is contemplating entering a transaction that might benefit the private interest of a director, an officer, the top management or top financial official, or a key employee.

Section II - Definitions

Insiders. The following are considered insiders for the purposes of this policy: each member of the Executive Board, the officers of the Association, any key employee (whose total compensation is more than \$150,000 and who has significant responsibilities or influence over the Association).

Interest means any material financial interest, whether through commitment, investment, relationship, obligation, involvement or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the Association, a sale, loan, or exchange transaction with the Association.

A conflict of interest is present when, in the judgment of the body or individual determining whether a conflict exists, an insider or person related to the insider by family or business relationship ("interested person") has a material financial interest in the transaction such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the Association.

Transaction means any transaction, agreement, or arrangement between an interested person and the Association, or between the Association and any third party where an interested person has a material financial interest in the transaction or any party to it.

Section III - Procedures

1. Duty to Disclose

Each interested person shall disclose to the Executive Board all material facts regarding his, her, or its interest (including relevant affiliations) in the transaction. The interested person shall make that disclosure promptly upon learning of the proposed transaction.

2. Determining Whether a Conflict of Interest Exists

With regard to an interested person, the Executive Board shall determine if a conflict of interest exists.

3. Procedures for Addressing a Conflict of Interest

The Executive Board shall follow the procedures set forth in Section IV in order to decide what measures are needed to protect the Association's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an insider who is a director, the director shall not vote on any transaction in which the director has an interest, and the remaining Board members shall decide the matter.

Section IV - Review by the Executive Board

The Executive Board may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), and may deliberate and vote on the transaction in their presence. The Board shall ascertain that all material facts regarding the transaction and the interested person's conflict of interest have been disclosed to the Board and shall compile appropriate data to ascertain whether the proposed transaction is just and reasonable to the Association.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in the Association's best interest, for its own benefit, and whether it is just and reasonable to the Association; the transaction can be approved by the Board by majority vote of those present at a meeting for which quorum requirements have been met, without counting the vote of any interested directors. Interested or common directors may be counted in determining the presence of a quorum at such meeting.

Section V - Records of Proceedings

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each interested person who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of

interest; any alternative transactions considered; the members of the Board who were present during the debate on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

Section VII - Violations

If the Board has reasonable cause to believe that an insider of the Association has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Board determines that the insider has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

Section VIII - Annual Reviews

To ensure that the Association operates in a manner consistent with its status as an organization exempt from federal income tax, the Board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.