

BYLAWS

IHA Credit Group

January 2003

Revised

March 2003

# IHA Credit Group

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### ARTICLE I

#### Name of Association

1. This association shall be known as the IHA Credit Group
2. The Group is affiliated with the International Housewares Association, a trade association open to companies which are suppliers of housewares and related items.

### ARTICLE II

#### Purposes

1. The primary purpose of this Group is to provide through the use of group meetings and reporting a means of exchange of historical credit information. This information may consist of statistical information or data of actual credit experience with an individual debtor or debtors which results in a Payment Experience Report and verbal exchanges of incidental factual credit information and other past historical credit experience lawfully acquired and disseminated by cooperative effort.
2. The information generated and distributed is for the use of Association members only. However, upon a vote of approval of two-thirds (2/3) of the members present in good standing where a quorum is constituted, an exchange of credit experience among designated credit groups maybe conducted. The resulting composite Payment Experience Report may be furnished by the Association Coordinator to those credit groups, which are expressly authorized by the IHA Credit Group.
3. Each participant in the group meeting shall be directly interested in credit information in the housewares industry and no participant shall violate the confidential nature of such information.
4. Each member shall exercise his or her independent judgement with respect to any credit decision relating to any customer.
5. The Group may promote educational programs and discussions, which will assist credit persons in the performance of their duties.

### ARTICLE III

#### Standards

1. This organization shall not engage in or participate in any agreement or understanding expressed or implied:
  - a. To fix or determine to whom sales are to be made or credit is to be extended,

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- b. To establish joint or uniform prices, discounts, terms, and conditions under which sales are to be made or credit is to be extended,
  - c. To concertedly refuse to sell merchandise or extend credit to an account,
  - d. To undertake any other activity jointly with respect to any account discussed before the group.
2. No member may plan, discuss with, or reveal, either explicitly or implicitly, any future actions or policies which might be taken by a member individually with respect to prices, terms of sale, including credit policies as to late charges, etc., discounts, allowances, or any other activity with respect to any account.
3. No member may exchange or collect information as to prospective prices, proposed credit policies and planned terms or conditions of sale.
4. No member may act in concert or agree with respect to any of the foregoing topics, whether at an official meeting of the group or in private meetings or talks before or after official functions.
5. It shall be the responsibility of each member and the Association to prevent and disallow the above activities.
6. Meetings will be conducted in strict accord with the laws governing the exchange of credit information, and it is the responsibility of each participating member to be thoroughly familiar with and abide by those laws.
7. Any violation of the above shall subject a member to immediate censure by the President or presiding officer and a hearing by the Executive Committee shall be held for the purpose of determining whether membership in the group shall be continued. The Executive Committee recommendation shall be presented to the full membership at the next regular business meeting for a vote of expulsion or other action.

## ARTICLE IV

### Payment Experience Reports and Meetings

1. Payment Experience Reports will be ordered as needed with fifty (50) instant update reports to be included in the annual fee. Additional reports will be billed to the member ordering them at the end of each month.
2. Regular discussion meetings shall be held a minimum of two (2) times each year at such time and in such place as the membership shall determine. The Executive Committee for good cause shall adopt a schedule of meetings for the following year at the first meeting of

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each fiscal year, such schedule subject to change. Business meetings may be held on any Group meeting date.

### ARTICLE V

#### Membership

1. Any manufacturers or manufacturer's exclusive distributor / marketer in North America of consumer housewares products with a business address in the United States, Canada or Mexico shall be eligible for membership. Such a company must sell and extend credit to accounts with such sales volume so that its credit experience and need for historical credit information is extensive enough to be of mutual benefit as a source of historical credit information.
2. Members of the IHA Credit Group must also hold membership in the International Housewares Association.
3. Membership shall be vested in the company, not in the individual representative. When the context of these Bylaws dictates, the term "member" shall be defined as the company or its representative or both in order to give the provision reasonable and practical interpretation.
4. The company must have the ability to report payment experience information electronically on a monthly basis. New members have thirty (30) days to submit the first test file to Riemer Reporting Service and sixty (60) days to report electronically.
5. Manufacturers and exclusive national distributors / marketers accepted into membership shall designate to the Association Coordinator their accredited representative and alternates, if any. Manufacturers accepted into membership shall designate to the Association Coordinator their accredited representative and alternates, if any. The representative and alternates must be individuals whose positions include the responsibility of credit administration; such individuals must not have marketing responsibilities as their exclusive duty. Any exception to the above must be approved by a majority of the members in good standing, present and voting.
6. In the event that the regular or alternate representative cannot attend a meeting, a member may send a substitute prearranged by a telephone call or a letter of introduction to the President or Association Coordinator, either of whom is authorized to pass upon such substitute. The substitute must conform to the requirements set forth in Article V, paragraph 5.
7. A subsidiary of an existing member company will be considered as a separate entity and must apply for separate membership. Divisions and branches of any existing member are regarded as part of the member company and are entitled to one vote but may be assigned separate reporting numbers.

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### ARTICLE VI

#### Application and Election to Membership

1. Any member may present the name of any eligible applicant for membership to the President. The prospective member shall be furnished a membership application form and a copy of the Bylaws of the IHA Credit Group. A representative of the applicant may be invited to attend a group meeting as a guest.
2. When the completed application form is received, it will be forwarded to the IHA for review. Upon IHA approval and upon receipt of the annual fee by Riemer Reporting Service, the applicant will be notified of its acceptance as a member of the IHA Credit Group.

### ARTICLE VII

#### Good Standing

1. Any member shall be deemed not in good standing if he/she:
  - a. Fails to attend in person or by personal representative at least one (1) of the two (2) regularly scheduled meetings, within a twelve (12) month period.

-or-
  - b. Fails to submit payment experience information electronically on a monthly basis.

-or-
  - c. Fails to pay his group expenses within sixty (60) days after billing,

-or-
  - d. Makes public or available any information developed by the group to associations, companies, or individuals, other than those directly involved in the members' credit function, prospective members, or members of credit groups specifically authorized by the IHA Credit Group to receive their credit information through participation in an exchange program.

-or -
  - e. Makes or issues any slanderous or libelous statements in the discussion at the meetings,

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- or -

- f. Makes use of the information developed at the meetings in any way other than solely for credit purposes.

## ARTICLE VIII

### Resignation, Expulsion, and Readmission

1. It shall be the duty of the Association Coordinator to notify a member in writing whenever it appears that the member has defaulted its good standing. Upon confirmation of the default, the President shall bring the name of the member to the attention of the full membership at the next regular meeting for a vote of expulsion or other action. The member who is the subject of the vote shall not be entitled to vote on the matter but shall be extended the opportunity to state its position.
2. During the interim period when a member has been notified of its default of good standing, it shall not be entitled to receive any Payment Experience Reports until the matter has been considered and decided at the next regular meeting.
3. A default of good standing based upon violations of Article VIII, paragraphs 1.a., 1.b., or 1.c., may be excused by majority vote of the membership or cured by lapse of sufficient time within which the defaulting member may bring itself into compliance with the Article. Default based on violations of any other provisions of these Bylaws may be excused only by majority vote of the members in good standing at any meeting.
4. A member, in good standing, desiring to resign from the Association, shall submit its resignation in writing to the Association Coordinator. A member ceasing to be a manufacturer or national distributor in the IHA Credit Group shall be obligated to submit its resignation forthwith.
5. Any expelled member may, no earlier than six (6) months after expulsion, reapply for admission to the group. Such application shall be conditioned upon prior payment of all obligations due to the group and application in accordance with Article VI.
6. A member twice expelled from the group shall no longer be eligible for membership therein.

## ARTICLE IX

### Officers

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1. The officers shall consist of a President and a Vice-President. These officers, together with the immediate Past President/Counselor, shall constitute the Executive Committee. The Association Coordinator shall sit without vote as a member of the Executive Committee. The officers shall be elected bi-annually in the odd-numbered years and shall hold office for a term of two (2) years and until their successors are duly elected and qualified.
2. Subject to the limitations of these Bylaws, the Executive Committee shall have authority in the interim between business meetings to act upon all matters pertaining to the welfare of the group, which action shall be reported to the members at the next meeting. All meetings of the Executive Committee shall be open to any member wishing to attend, unless, for good cause, the Executive Committee announces that a specific meeting shall be closed.
3. The President shall, at the meeting preceding the first meeting of the calendar year for election of officers, appoint a committee of not less than three (3) nor more than five (5) members in good standing, one of whom shall be designated chairperson. It shall be the duty of the nominating committee to present, at the first meeting of the calendar year, nominees for offices. In the event that either of the two elected positions in Article IX, paragraph 1, becomes vacant for any reason, the nominating committee shall, at the next business meeting after the creation of the vacancy, present a nominee or nominees to fill said vacancy for the unexpired portion of the term.
4. Balloting for any office for which there are two or more nominees shall be by secret ballot. Balloting for any offices for which there is only one nominee may be by any convenient method. The results of the balloting shall be reported to the membership prior to adjournment, said report not subject to challenge after adjournment.
5. Immediately after the installation of the officers, the immediate Past President shall be offered the Past President's position on the Executive Committee. Should such person decline, the position shall, in turn, be offered to all Past Presidents in order of their immediacy until the position is accepted, provided that the position shall not be offered to a Past President who is not: (a) a regular or alternate member, or (b) a member in good standing. Should no eligible Past President accept the position, a member at large elected by the membership at the earliest opportunity shall fill the same.
6. No individual shall be nominated as an officer who has not been a member in good standing for one (1) year prior to taking office.
7. The resignation of an officer will be effective immediately upon receipt of communication to any other officer.

## ARTICLE X

### Duties of Officers

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1. The President shall uphold the Bylaws of the group. He/she shall preside at all meetings of the Association. He/she shall have the power to appoint committees to further the purpose of the Association and shall perform such other duties as the members may from time to time direct.
2. The Vice-President shall exercise all the powers and authority and perform all the duties of the President in the event of the President's absence, disability, or refusal to act. Upon the resignation or removal of the President, the Vice-President shall immediately assume the duties of the President. He shall also perform such other duties as the members may from time to time direct.
3. Riemer Reporting Service has been selected by IHA and provides an Association Coordinator described as follows:
  - a. He/she need not be a qualified member of the group.
  - b. He/she should be an experienced stenographer.
  - c. His/her duties shall be:
    - (1) To issue calls for regular discussion meetings;
    - (2) To prepare Payment Experience Reports to be presented to each member showing composite payment experience on names submitted for discussion and/or clearance;
    - (3) To record and furnish each member a copy of the summarized minutes of the meeting;
    - (4) To be responsible for the custody of the monies and accounts of the group and to submit them for periodic audit by any person or persons duly authorized by the President;
    - (5) To handle any correspondence of the group as directed by the officers.

### ARTICLE XI

#### Committees

1. The President, shall determine the Standing and/or Special Committees required. The President, however, shall fix the number of members for such committees and shall appoint the members to it. The President shall determine the term of any Standing and/or Special Committee, but in no event shall any committee continue beyond the term of that President.

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2. Each Standing and/or Special Committee shall be responsible to and shall report to the President.

### ARTICLE XII

#### Voting and Quorums

1. Each member shall be entitled to one vote on any question properly presented before the group.
2. Twenty-five per cent (25%) of the members in good standing shall constitute a quorum at any business, regular, or special meeting.
3. In all matters, unless otherwise stated, a vote refers to the majority of the members present at any regular meeting, a quorum being present.
4. Voting may be by written ballot or vocal, as determined by the membership in each instance.

### ARTICLE XIII

#### Dues

1. There will be no dues for membership in this Association. Bills for all expenses incurred shall be rendered to the Association Coordinator who shall pay the same. The pro-rata share of such expenses shall be billed by the Association Coordinator to each member. Whether or not a member shall be in attendance or represented at any meeting, such member shall be required to pay its pro-rata share of the expenses incurred in the holding of each meeting.
2. An annual fee will be billed each year at the beginning of the membership year, which will cover the cost of the Credit Reports and Services to be provided. The annual fee is payable to Riemer Reporting Service within 30 days of the invoice date.
3. Members requiring additional copies of the printed Payment Experience Report shall be charged an additional fee.

### ARTICLE XIV

#### Amendments

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1. These Bylaws may be ratified, adopted, altered, amended, or repealed by three-fourths (3/4) vote of the members in good standing present at any business meeting where a quorum is constituted, provided that written notice stating the proposed action and containing the text of the change shall have been mailed to all members at least ten days prior to the meeting at which said action is to be submitted for a vote. Voting may be written ballot or vocal, as determined by the membership in each instance.

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