



Proposed Revisions to the NLA Bylaws

Summary of Changes:

The NLA Bylaw revisions were proposed by the Bylaws Committee and approved by the Board of Directors. This set of 15 changes includes simple language cleanup, clarifying membership category definitions, clarifying voting procedures and quorums, adding examples of what constitutes “cause” for removal of a Board member, clarifying that members nor Board members may vote by proxy, and other minor revisions.

Proposed Change #1: Article 1, Section B. Office:

Existing Language

Section B. Office: The principal office of the NLA shall be located at such a location determined by the Board of Directors of NLA (“Board” or “Board of Directors”). All references hereinafter to “Board” or “Board of Directors” shall relate solely to the eighteen (18) representatives of Operator members, as defined in Article 3 Section A.1 hereof, who are elected by the Operator Members to seats on the Board and shall not apply to the six (6) individuals representing Supplier/Manufacturer Members, as defined in Article 3 Section A.3 hereof, who shall function in an ex officio, non-voting capacity with respect to the Board.

Proposed Language

Section B. Office: The principal office of the NLA shall be located at such a location determined by the Board of Directors of NLA (“Board” or “Board of Directors”). All references hereinafter to “Board” or “Board of Directors” shall relate solely to the eighteen (18) representatives of Operator members, as defined in Article 3 Section A.1 hereof, who are elected by the Operator Members to seats on the Board and shall not apply to the six (6) individuals representing Supplier Members or Manufacturer Members, as defined in Article 3 Sections A.3 and A.4 hereof, who shall function in an ex officio, non-voting capacity with respect to the Board.

Explanation: Simple language cleanup

Proposed Change #2: Article 3, Section A, 1. Operator Member

Existing Language

a. Is engaged in offering chauffeured transportation and owns, operates, or controls one or more vehicles and complies with applicable regulations, licensing, and insurance requirements." operates one or more motor vehicles.

Proposed Language

a. Is engaged in offering chauffeured transportation and owns, operates, or controls one or more vehicles and complies with applicable governmental regulations, licensing, and insurance requirements.

Explanation: Simple language cleanup

Proposed Change #3: Article 3, Section A, 2. Association Member

Existing Language

ASSOCIATION MEMBER: The designation "Association Member" shall apply to a group of chauffeured transportation business owners and/or operators consisting of a minimum of five (5) owners and/or operators who have so organized their association on a non-profit basis. An Association Member shall be deemed qualified for Association Member status in NLA once it has furnished NLA with the following:

- a. Its articles/certificate of incorporation and any amendments thereto;
- b. Its Federal Tax Identification Number;
- c. Its bylaws and any amendments thereto;
- d. Its code of ethics;
- e. A copy of the letter it received from the United States Internal Revenue Service that has determined that such association is exempt from income taxation;
- f. A list identifying each of its current officers;
- g. A list identifying each of its current directors;
- h. A complete list of its current members; and
- i. Payment of the dues established for this particular class of member as set by the Board of Directors.

Proposed Language

ASSOCIATION MEMBER: The designation "Association Member" shall apply to a group of chauffeured transportation business owners and/or operators consisting of owners and/or operators who have so organized their association on a non-profit basis. An Association Member shall be considered a single member of the NLA regardless of the number of owners and/or operators and

- a. Has paid its dues set by the Board of Directors.

Explanation: Simplifies the membership criteria as the NLA does not collect the information from Association members curry to become a member but may for Association Grant or other program.

Proposed Change #4: Article 3, Section A, 3. Supplier Member

Existing Language

3. **SUPPLIER/MANUFACTURER MEMBER:** The designation "Supplier/Manufacturer Member" shall be distinguished and identified as two (2) separate groups.

Those two (2) groups shall be 1) Allied Vendors and Dealers and 2) Manufacturers, Coachbuilders and Livery Networks (i.e., traditional and contractual booking-to-trip relationships with internationally branded transportation companies for the purpose of outsourcing to smaller services in a distinct market, typically one (1) to three (3) companies per region). Those designations shall apply to individuals, partnerships and legal entities for whom the Publication and Opposition Period has passed and who meet the following qualifications:

- a. Own or operate a trade or allied business which provides products, merchandise or services related to, necessary for, or reasonably required by those owning or operating chauffeured transportation businesses; and
- b. Have paid the dues established for this particular class of member by the Board of Directors.

Proposed Language

3. **Supplier Member:** The designation of "Supplier Member" shall mean any person or business entity that regularly deals in or contracts to supply, sell, provide, or replace goods, equipment or services regularly used by operators in the industry. A Supplier Member must have paid the dues set by the Board of Directors.

4. **Manufacturer Member:** The designation of Manufacturer Member shall mean vehicle manufacturers, upfitters, coachbuilders and livery networks (i.e., a livery network means a traditional and contractual booking-to-trip relationships with internationally branded transportation companies for the purpose of outsourcing to smaller services in a distinct market, typically one (1) to three (3) companies per region). A Manufacturer Member must have paid the dues set by the Board of Directors.

Explanation: Language cleanup and making a distinction between Supplier and Manufacturer Members.

Proposed Change #5: Article 3, Section B, Termination and/or Transfer of Membership

Existing Language

Section B. Termination and/or Transfer of Membership: Any Operator Member who shall cease to be an owner of a chauffeured transportation business shall automatically cease to be a member of NLA.

Proposed Language

Section B. Termination and/or Transfer of Membership: Any Member who fails to meet the requirements of membership hereunder shall automatically cease to be a member of NLA.

Explanation: Clarifying that it applies to all members, not just operators.

Proposed Change #6: Article 3, Section C, 3. Reinstatement

Existing Language

Section D. Reinstatement: Any former member who has resigned or has been suspended for nonpayment of dues and who desires to be reinstated with a continuous membership must make payment of all dues in arrears.

Proposed Language

Section D. Reinstatement: Any former member who has resigned or has been suspended for nonpayment of dues and who desires to be reinstated retroactively to establish a continuous membership must make payment of all dues in arrears.

Explanation: Simple language cleanup

Proposed Change #7: Article 3, Section D, Membership Directory

Existing Language

Section D. Membership Directory: The NLA membership directory shall be published annually.

Proposed Language

Section D. Membership Database: By applying for membership with the NLA, each member acknowledges, agrees, and consents to the NLA's creation, implementation, use, and maintenance of an online, searchable database of members containing public contact information.

Explanation: We do not publish a print directory annually any longer but still could if NLA chooses to. Also added language that members consent to be added to the online database.

Proposed Change #8: Article 5, Section A, Meetings and Membership

Existing Language

Section A. Meetings and Membership; Attendance; Quorum: An annual meeting of the NLA shall be held in each calendar year on such date, time, and place (including virtually) as shall be determined by the Board of Directors. Board of Directors may call special meetings of the NLA on such dates and at such times and places as it determines. Each Operator Member, Association Member, and Supplier/Manufacturer Member who is not delinquent in the payment of its dues to NLA may attend all meetings of NLA's membership. Ten percent (10%) of the voting members of the NLA must be present in person, to include as a virtual attendee, or by proxy to constitute a quorum. A quorum is required for the transaction of business at any regular or special meeting. Unless otherwise specified herein, a majority vote of those present in person or by proxy at each regular or special meeting shall be necessary to take any action requiring a vote. Except as otherwise described in Article 5, Sections D and F or Article 15, meetings or voting of members by electronic or digital methods may be permitted at the discretion of the NLA Board of Directors. Such electronic or digital methods must be conducted by neutral, third party providers that adhere to secure processes, ongoing monitoring, auditing, encryption and authentication protection.

Proposed Language

1. An annual meeting of the NLA shall be held in each calendar year on such date, time, and place (including virtually) as shall be determined by the Board of Directors. Board of Directors may call special meetings of the NLA on such dates and at such times and places as it determines. The Board may reserve and restrict attendance for any and all meetings to members in good standing (active members whose dues are current).
2. To constitute a quorum at any meeting of the NLA members, whether annual or special, there must be at least ten percent (10%) of the total eligible voting members of the NLA present whether in person or virtually. No action may be taken at any member meeting in the absence of a quorum.
3. Unless otherwise specified herein to the contrary, a majority vote of all votes cast shall be necessary to approve corporate action placed to a vote of the members.
4. Except otherwise specified herein to the contrary, the Board may set standards for voting on official NLA business, including the mode and manner of all such votes. To the extent the Board elects to implement electronic or digital voting, such processes must be contracted to, overseen by, and certified by one or more neutral, third-party providers that adhere to secure processes, ongoing monitoring, auditing, encryption and authentication protection.

Explanation: Language cleanup, breaking up a long paragraph into shorter sentences, further clarifying a quorum, electronic voting, etc.

Proposed Change #9: Article 5, Section D, Voting; Proxies: Registration

Existing Language

Section D. Voting; Proxies: Registration: At each meeting of NLA's membership, each Operator Member who has paid NLA dues in full or has paid monthly installments for a minimum of the most recent six (6) consecutive months and is properly registered may cast one (1) vote, either in person or by proxy, on each matter brought before the NLA membership for a vote. If there is common ownership, management, or control over multiple Operator Members, such multiple members will be considered a single Operator Member for voting purposes, with the single designated member of the group being eligible to cast one (1) vote.

Association Members shall not be entitled to cast votes at NLA membership meetings.

Each Supplier/Manufacturer Member who has paid NLA dues in full or has paid monthly installments for a minimum of the most recent six (6) consecutive months and is properly registered may cast one (1) vote, either in person or by proxy, on any matter brought before the membership for a vote.

Registration shall be in such a manner as may be prescribed from time to time by the Board of Directors, and all proxies to be voted must be filed, in such form as the Board of Directors shall determine, with the NLA office prior to the commencement of the meeting. Balloting for the election of Directors shall, however, be conducted by mail or by electronic transmissions as determined by the Board of Directors. Once a Board election begins, there shall be no new eligible voters.

Proposed Language

Section D. Voting; No Proxies: Registration:

1. 1. Each Operator Member who has paid NLA dues in full or has paid monthly installments for a minimum of the most recent six (6) consecutive months and is properly registered may cast one (1) vote on each matter brought before the NLA membership for a vote. If there is common ownership, management, or control over multiple Operator Members, such multiple members will be considered a single Operator Member for voting purposes, with the single designated member of the group being eligible to cast one (1) vote.
2. 2. Association Members shall not be entitled to cast votes at NLA membership meetings.
3. 3. Each Supplier Member and/or Manufacturer Member who has paid NLA dues in full or has paid monthly installments for a minimum of the most recent six (6) consecutive months and is properly registered may cast one (1) vote on any matter brought before the membership for a vote with the exception of the Board of Directors election.

4. Registration shall be in such a manner as may be prescribed from time to time by the Board of Directors, in such form as the Board of Directors shall determine, with the NLA office prior to the commencement of the meeting. Balloting for the election of Directors shall, however, be conducted by mail or by electronic transmissions as determined by the Board of Directors. Once a Board election begins, there shall be no new eligible voters.

Explanation: Language cleanup and removed proxy language as it is too difficult to manage logistically and ensure accuracy.

Proposed Change #9: Article 6, Section C, Conduct

Existing Language

None.

Proposed Language

Section C. Conduct: All members of the Board of Directors are required, on an annual basis, to sign and acknowledge all dually-adopted Board policies and procedures governing Board conduct, standards, and behavior. Failure to comply with one's obligation hereunder shall constitute "cause" to immediately discipline such Board member up to and including termination and removal from the Board by a two-thirds vote of those Board Directors present.

Explanation: New language regarding Board policies and documents to be signed by each Board member annually.

Proposed Change #10: Article 6, Section F, Failure to Attend Meetings

Existing Language

Following an elected Director's third and each subsequent absence under either the excused or unexcused policy stated above, the Executive Committee shall advise the Board Director is out of compliance with the attendance policy. The Board shall vote to either remove the director from the Board or retain the director. This vote shall occur at the next meeting following the aforementioned third missed meeting. This policy only applies to regularly scheduled meetings.

Proposed Language

Following an elected Director's third and each subsequent absence under either the excused or unexcused policy stated above, the Executive Committee shall advise that the Board Director is out of compliance, which may constitute "cause" to remove the director if so determined by the Board in its sole and exclusive capacity. The Board shall vote to either remove the director from the Board or retain

the director as provided for in Section J. below. This vote shall occur at the next meeting following the aforementioned third missed meeting. This policy only applies to regularly scheduled meetings.

Explanation: Language cleanup further explaining that violations of the attendance policy are cause for removal from the Board.

Proposed Change #11: Article 6, Section H, Quorum

Existing Language

Section G. Quorum: A majority of directors shall constitute a quorum, which is required for the transaction of all business, except that a lesser number may adjourn any meeting to another time or place or may fill a vacancy in accordance with Article 6, Section D. Except as otherwise provided in these bylaws or by state or Federal law, a majority of a quorum of directors present shall have the power to act.

Proposed Language

Section G. Quorum: A majority of directors shall constitute a quorum, which is required for the transaction of all business, except that a lesser number may adjourn any meeting to another time or place or may fill a vacancy in accordance with Article 6, Section D. Except as otherwise provided in these bylaws or by state or Federal law, a majority of a quorum of directors present shall have the power to act. Board members may not vote by proxy.

Explanation: Removed Board members ability to vote by proxy. Voting by proxy does not give a Director the ability to engage in the discussion which may alter his/her opinion he/she had prior to meeting.

Proposed Change #12: Article 6, Section J, Removal of Directors

Existing Language

Section I. Removal of Directors: Any or all of the directors may be removed for cause by a vote of the members or by action of the Board. Directors may be removed without cause only by vote of at least two-thirds (2/3) of all the voting members of the NLA.

Proposed Language

Section J. Removal of Directors: Any or all of the directors may be removed prior to the expiration of their then-current term for cause by: (i) a majority vote of the members; or (ii) by affirmative of (majority, two-thirds, three-fourths, or unanimous) of the Board members not subject to removal. A Director may be removed without cause only at a member meeting by the affirmative vote of at least two-thirds (2/3) of all members.

For purposes of this paragraph, “cause” to remove a director means the occurrence of any one or more of the following events, or such other events that a reasonable person could consider adequate justification for termination of the director’s role as a director:

1. conduct of director reasonably supporting a claim that director has substantially abandoned his/her duties as a director of the NLA;
2. Director’s breach of any material term, covenant, or condition of this Agreement or failure to adhere to the NLA’s purpose, standards, processes, code of conduct, or mission and the director’s fails to cure his or her breach to the reasonable satisfaction of the NLA within thirty (30) days after written notice setting forth the specific nature of the breach;
3. Director’s willful or persistent breach of any term, covenant or condition of this Agreement;
4. Director’s: (A) conviction of any criminal felony or misdemeanor, other than a routine traffic violation, (B) participation in any dishonest act involving assets or income of the NLA, whether or not of a criminal nature, (C) participation in conduct having a reasonable prospect of materially damaging the NLA’s name or reputation in the public or industry, or (D) participation in any conduct that materially impairs the NLA’s status under any agreement or contract with any other person or entity; or
5. NLA’s inability to maintain professional insurance coverages at commercially reasonable rates either for a director or due to a director sitting on the NLA Board of Directors.

Explanation: Clarification language on what constitutes “cause” and how a Director may be removed.

Proposed Change #13: Article 7, Section A, President

Existing Language

Section A. President: The President shall be the principal executive officer of the NLA, and the President shall preside at all meetings of the NLA and the Board of Directors. The President shall also serve as the chair and as a voting member of the Executive Committee, but shall function in a non-voting, ex officio capacity on all other committees, the sole exception being that the President may not serve in any capacity on the Nominating Committee. Finally, the President shall be responsible for the general management of the affairs of the NLA and shall see that all orders and resolutions of the Board are carried into effect.

Proposed Language

Section A. President: The President shall be the principal executive officer of the NLA, and the President shall preside at all meetings of the NLA and the Board of Directors. The President shall also serve as the chair and as a voting member of the Executive Committee, and shall function in a non-voting, ex officio capacity on all other committees, the sole exception being that the President may not serve in any capacity on the Nominating Committee. Finally, the President shall be responsible for the general management of the affairs of the NLA and shall see that all orders and resolutions of the Board

are carried into effect. The President shall only vote when necessary to break a tie on matters voted on by the Board.

Explanation: Clearing up ambiguity on whether President votes or not – did not specify either way.

Proposed Change #14: Article 9, Executive Director

Existing Language

ARTICLE 9 EXECUTIVE DIRECTOR

The Executive Director must be approved by the Board of Directors and will be a paid position. The Executive Director shall report to the President, but shall be accountable to the Board of Directors. The Executive Director shall:

- (1) supervise the handling of all funds of the NLA and its accountable systems;
- (2) provide for a financial report prior to every Board of Directors' meeting;
- (3) provide for an annual audit;
- (4) sign and execute all contracts in the name of the NLA, excepting matters that constitute a conflict of interest or any other contractual conflict when countersigned by the President and the Treasurer;
- (5) maintain the NLA membership directory as directed by the Board of Directors, and
- (6) carry out any function mandated by the Board of Directors and so approved.

Proposed Language

ARTICLE 9 EXECUTIVE DIRECTOR

The Executive Director must be approved by the Board of Directors and will be a paid position. The Executive Director shall report to the President, but shall be accountable to the Board of Directors. The Executive Director shall:

- (1) supervise the handling of all funds of the NLA and its accountable systems;
- (2) provide for a monthly financial report for each month of the year.
- (3) provide for an annual audit;
- (4) sign and execute all contracts in the name of the NLA, excepting matters that constitute a conflict of interest or any other contractual conflict when countersigned by the President and the Treasurer;
- (5) maintain the NLA membership database and

- (6) carry out any function duly mandated by the Board of Directors.

Explanation: Language cleanup and some meetings might not have financials due to timing.

Proposed Change #15: Article 10, Section C. Budget

Existing Language

Section C. Budget: The Board of Directors shall adopt in advance of the next fiscal year an annual operating budget covering all activities of the NLA.

Proposed Language

Section C. Budget: The Board of Directors shall adopt an annual operating budget covering all activities of the NLA. The annual budget must be approved no later than March 31st of each calendar year.

Explanation: NLA typically approves budget at 1st in person meeting of year due to timing of dues, event revenue, etc.

Proposed Change #16: Article 10, Section D. Financial Reports

Existing Language

Section D. Financial Reports: The Treasurer shall furnish to the Board of Directors at the annual meeting of the Board of Directors a financial report of the NLA for the preceding calendar year, and at each meeting a financial update of the financial condition of the NLA.

Proposed Language

Section D. Financial Reports: The Treasurer shall present at the Annual Meeting of the members a financial report of the NLA for the preceding calendar year.

Explanation: Language cleanup.