



Bylaws

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PREAMBLE

ASSOCIATION

A group of people who voluntarily come together to:

*Solve common problems;
Meet common needs; and
Accomplish common goals.*

*An effective Association is one that recognizes and focuses
on the common self-interests of its members.*

The National Kitchen & Bath Association (NKBA), established in 1963, is the premiere non-profit trade association promoting the professionalism of the kitchen and bath industry.

I. NAME

The name of the Association shall be the National Kitchen & Bath Association (hereinafter referred to as the Association) or such other name as shall be approved by the Board of Directors from time to time.

II. OFFICES, CORPORATE SEAL

Section 2.01. Offices; Principal Office.

The address of the principal office of the Association shall be 687 Willow Grove Street, Hackettstown, New Jersey. The Board of Directors may, from time to time, change the location of the principal office, or establish additional offices for the Association, within or without the State of New Jersey.

Section 2.02. Registered Agent and Office.

The Board of Directors shall designate the address of the initial registered office of the Association and the initial registered agent of the Association. A different registered agent may be designated from time to time provided, however, that any such designation shall become effective only upon the filing of a statement of such change as required by law.

III. PURPOSE

The purpose of the National Kitchen & Bath Association is to enhance member success and excellence by promoting professionalism and ethical business practices, and providing leadership and direction for the kitchen and bath industry, worldwide.

The aims of the Association are to be carried out through any and all lawful activities, including others not specifically stated above but incidental thereto.

IV. MEMBERSHIP, DUES AND FEES

Section 4.01. General Membership.

Membership in the Association shall be available to any individual, firm, corporation or other legal entity that is affiliated with the kitchen and/or bath industry and meets the qualifications for

membership as set forth by the Board of Directors. Membership in any class shall be subject to the approval of the Board of Directors which may establish from time to time standards, dues and guidelines for membership.

Section 4.02. Denial of Membership.

In the event that membership in a particular membership category is denied, the applicant shall be so notified, and shall have the right to appeal the denial to the Board of Directors by notifying the Chairman of the Board of the Association in writing within thirty (30) days of receipt of written notice of the denial. The Chairman of the Board shall place the applicant's appeal on the agenda at the next regularly scheduled Board of Directors meeting. The applicant shall be permitted to appear in person and present the appeal at this meeting.

Section 4.03. Termination of Membership, Suspension and Expulsion.

Any member ceasing to qualify for membership as set forth in Section 4.01 including any additional criteria established by the Board of Directors, shall cease to be a member of the Association. Any member that fails to pay dues, assessments or other financial obligations may be terminated from membership. Specific procedures for consideration of terminations, suspensions and expulsions shall be established by the Board of Directors.

Section 4.04. Resignation.

Any member may resign by submitting a written resignation to national headquarters, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, or other charges theretofore accrued and unpaid.

Section 4.05. Dues, Fees and Assessments.

The Board of Directors may determine, from time to time, the amount of any fees and annual membership dues payable to the Association. In addition, the Board of Directors shall have the authority to impose special assessments and other financial obligations of the members.

V. MEETINGS OF THE MEMBERSHIP

Section 5.01. Annual Meeting.

There shall be an Annual Meeting of the membership of the Association at such time and place as the Board of Directors shall determine.

Section 5.02. Special Meetings.

A Special Meeting of the membership may be called at any time by the Board of Directors or upon the written request of at least 1/3 of the members of the Association. The date, time and place of Special Meetings of the membership shall be as determined by the Board of Directors and designated in the notice thereof, provided that such Special Meeting shall be held at a reasonable location and within a reasonable time after the call therefore.

Section 5.03. Notice of Meetings; Electronic Communications.

Notice of the date, time and place of all meetings of the membership shall be sent to each voting member of the Association not less than 30 days before the date of the meeting. For each Special Meeting, the notice therefore shall state briefly the purpose(s) of the meeting. Any communication from the Association to the members or from members to the Association, including meeting notices and ballots, may be made using a form of electronic transmission consented to by such member as it appears on the books and records of the Association, or

otherwise if allowed by law. In addition, any meeting may be conducted electronically, in whole or in part, if so directed by the Board of Directors and if allowed by law.

Section 5.04. Quorum.

The members of the Association entitled to cast a majority of votes present in person at a meeting shall constitute a quorum for the transaction of business at any Annual or Special Meeting of the members.

Section 5.05. Voting.

Each dues paying and Honorary Member of the Association, other than student members, shall be entitled to one (1) vote on any matter that is submitted to a vote of the membership.

Section 5.06. Manner of Acting.

The act of a majority of the members voting on any issue shall be the act of the members of the Association, unless the act of a greater number is required by law, by the Certificate of Incorporation or by these Bylaws.

VI. BOARD OF DIRECTORS

Section 6.01. Authority and Responsibility.

The governing body of the Association shall be the Board of Directors. The Board of Directors shall have general supervision, control and direction of the affairs of the Association and its committees and shall determine its policies or changes therein, shall actively pursue the organization's objectives and oversee the financial stability of the Association. The Board may adopt such rules and procedures for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to Committees or agents.

Section 6.02. Property.

No member of the Board of Directors will have any right, title or interest in or to the property of the Association.

Section 6.03. Number of Directors.

The Board of Directors shall consist of 9 members.

Section 6.04. Composition of the Board.

Except as set forth below, members of the Board of Directors must be voting members of the Association or full-time employees or owners of an Industry Member firm, corporation or entity in good standing. Notwithstanding the above, at the option of the Board, one member may be a non-voting member of the Association provided that he, or the entity he works for, would not be eligible to join as a voting member or Industry Member, as the case may be. No firm, corporation, entity or employer shall have more than 1 representative or employee serving on the Board of Directors simultaneously, nor shall there be any related family member serving on the Board of Directors at the same time.

Section 6.05. Term of Office.

The term of office for a member of the Board of Directors shall be 2 years. Members of the Board of Directors may be elected to no more than 2 consecutive terms and shall be ineligible to serve again on the Board for a period of five (5) years following any second term, whether consecutive

or otherwise. Notwithstanding the above, no member may be elected to serve more than 3 terms on the Board of Directors. Terms of the Board of Directors shall commence January 1st of each year.

Section 6.06. Election to Board of Directors.

Election to the Board of Directors shall be through a nomination process by the Leadership Recruitment Committee in accordance with the Rules and Procedures adopted by the Board.

Section 6.07. Meetings.

The Board of Directors shall hold at least 3 regular meetings each year, no less than 2 of which shall be in person, at such time and such place as the Board may prescribe. Notice of all such regular meetings shall be given to the Directors not less than thirty (30) days before the meeting is held. Special meetings of the Board of Directors may be convened by the Chairman or a majority vote of the Board of Directors, by notice mailed, delivered, telephoned, emailed or sent by other appropriate electronic transmission to each member of the Board, not less than seventy-two (72) hours before the meeting is held. Such meetings may be conducted by teleconference call, if practicable. Any meeting may be conducted electronically, in whole or in part, if so directed by the Board of Directors and if allowed by law.

Section 6.08. Quorum.

At any meeting of the Board of Directors, a 2/3 majority of the voting members of the Board shall constitute a quorum for the transaction of the business of the Association. If a quorum is not present, the Chair of the meeting may adjourn the proceeding from time to time until a quorum is present.

Section 6.09. Voting.

Voting rights of a Director shall not be delegated to another nor exercised by proxy.

Section 6.10. Absence.

Directors shall attend all scheduled meetings of the Board of Directors. If any member of the Board of Directors is unable to attend a meeting, he or she shall send prior written notice to the Chairman of the Board (unless such prior notice is not possible due to an emergency) advising of the absence and the reasons therefore. Any Director who shall have been absent from two (2) consecutive regular meetings of the Board of Directors shall be considered to have resigned and shall automatically vacate his or her seat on the Board of Directors. The vacancy shall be filled as provided by the Bylaws; however, the Director may apply to the Chairman within thirty (30) days of the resignation for reinstatement for good cause shown.

Section 6.11. Compensation.

Directors shall not receive any stated compensation for their services as Directors, but the Board of Directors may authorize reimbursement of expenses incurred in the performance of their duties.

Section 6.12. Voting by Mail.

Action taken by a mail, email or other appropriate electronically communicated ballot of the members of the Board of Directors shall be a valid action of the Board and shall be reported within forty-five (45) days after the vote so taken.

Section 6.13. Vacancies and Removal.

Any vacancy occurring on the Board of Directors shall be filled by the Board of Directors upon recommendation of the Leadership Recruitment Committee. A Director so appointed to fill a vacancy shall serve the unexpired term of their predecessor and shall be eligible for election to their own term of office in accordance with Section 6.05 above upon completion of that unexpired term.

Upon the recommendation of the Member Standards Committee, the Board of Directors may remove any Director for cause by an affirmative 2/3 vote of the full Board. A vote for removal shall occur only after the Director complained against has been notified of the recommendation for removal and has been given a reasonable opportunity to be heard, provided that notice of the Director's intent to be heard is provided to the Chairman of the Association in writing within thirty (30) days of receipt of written notice of the proposed action for removal.

Section 6.14. Resignation.

A Director may resign by giving written notice to the Chairman. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of acceptance by the Chairman.

Section 6.15. Termination of Membership.

If the status of any Director changes for any reason so that such Director is no longer eligible to serve on the Board of Directors, that Director shall be considered to have resigned. It is the Director's responsibility to report such change of status to the Chairman immediately upon its occurrence. Notwithstanding the above, however, if such Director is actively and continuously seeking employment that will regain eligibility to serve, then such resignation shall be stayed for a period not to exceed 90 days from the date that the Director's status had changed.

VII. OFFICERS

Section 7.01. Elected Officers.

The officers of the Association shall be the Chairman, Vice Chairman, and Secretary/Treasurer.

Section 7.02. Duties of Officers.

The elected officers shall have the following duties:

Section 7.02(a). Chairman. The Chairman shall be the principal executive officer of the Association and shall be responsible to the Board of Directors for the general supervision of the business of the Association. The Chairman shall preside at all meetings of the Board of Directors and at all meetings of the membership of the Association. The Chairman shall serve as ex-officio member, without vote, on all Councils and all Task Forces and Committees except the Leadership Recruitment Committee and Member Standards Committee.

Section 7.02(b). Vice Chairman. In the absence of the Chairman, the Vice Chairman shall preside at all meetings of the Board of Directors and members, and shall perform all duties assigned under these Bylaws or assigned to him or her by the Board of Directors. The Vice Chairman shall serve as part of the Finance Committee with the Secretary/Treasurer of the Board and one independent financial advisor.

Section 7.02(c). Secretary/Treasurer. The Secretary/Treasurer shall serve as the Chair of the Association's Finance Committee, present the annual budget to the Board of Directors, and cause annual financial statements, audits, and reports to be made, and shall record the proceedings of all meetings of the Board of Directors.

Section 7.03. Election, Qualifications.

At the last regularly scheduled meeting of the Board of the Directors each year, the Board shall elect its officers for the following year from those Board members who will be serving on the Board during that year.

Section 7.04. Compensation.

Officers shall not receive any stated compensation for their services as officers. The Board of Directors may authorize reimbursement of expenses incurred in the performance of their duties.

Section 7.05. Term of Office.

The term of office is 1 year. Officers are not eligible for re-election to the same office for more than two (2) years. Terms of the Officers shall commence January 1st of each year.

Section 7.06. Vacancy/Disability in Offices.

In the event of a vacancy/disability, for any cause, of the Chairman, as determined by the Board of Directors, the Vice Chairman shall assume the role of the Chairman at all meetings of the Board of Directors and members. For all other vacancies, the Board shall fill the vacancy by the appointment of an eligible Board member to serve in that position for the balance of the term thereof.

Section 7.07. Removal of Officers.

Any officer, whether elected or appointed, may be removed by an affirmative 2/3 vote of the full Board of Directors whenever, in the judgment of the Board of Directors, the best interests of the Association would be served.

VIII. TASK FORCES AND COMMITTEES

Task Forces and Committees shall be established as deemed necessary in accordance with the policies and procedures set forth in the governance policies.

IX. STANDING COMMITTEES

There shall be established the following Standing Committees which shall operate in accordance with the policies and procedures established by the Association

Section 9.01. Member Standards Committee.

The Member Standards Committee shall establish the standards by which all activities and actions of members of the Association are governed.

Section 9.02. Finance Committee.

The Finance Committee shall be responsible for the general oversight of the Association's finances, and recommend to the Board of Directors the approval of the annual operating budget and modifications to the investment policy and investment of surplus funds.

Section 9.03. CEO Evaluation Committee.

The CEO Evaluation Committee is established to review and evaluate the CEO's performance in meeting the goals and objectives that have been set for the CEO by the Board of Directors; recommend compensation, including benefits, based on this evaluation; and perform such other functions and duties consistent with the Association's Bylaws and Certificate of Incorporation as the CEO Evaluation Committee, or the Board of Directors may deem appropriate. The Committee shall report its recommendations to the Board of Directors of the Association.

Section 9.04. Leadership Recruitment Committee.

The Leadership Recruitment Committee is established to identify, solicit and recommend candidates to serve on the Board of Directors, the Leadership Recruitment Committee and the NKBA Generative Council.

Section 9.05. NKBA Generative Council.

The NKBA Generative Council is established to address and advise the Board of Directors on matters that have been presented to them by the Board and to provide a link between the membership of the Association and the Board of Directors to ensure that their needs are being appropriately met.

Section 9.06. KBIS Exhibitor Committee.

The NKBA Exhibitor Committee is established to provide a link between the exhibitors and attendees of KBIS and the Board of Directors to ensure that their needs are being appropriately monitored and evaluated. The Committee advises the Board on industry trends and makes recommendations for appropriate products, programs and services, to meet the needs of the exhibitors and attendees.

Section 9.07. Chapter Leadership Committee.

The Chapter Leadership Committee is established to provide a link between the grassroots of the Association, its chapters, and the national Board of Directors and National Staff. They are charged with monitoring member needs and wants at the chapter level and conveying these needs to the Board of Directors and National Staff.

X. CHAPTERS

The Board of Directors shall establish Chapters and Sub-Chapters within specific geographical boundaries. The Board of Directors shall adopt rules and regulations by which Chapters, Sub-Chapters and Student Chapters shall be chartered, governed and conduct their business and activities.

XI. CHIEF EXECUTIVE OFFICER

Section 11.01. Appointment.

The Board of Directors may employ a Chief Executive Officer whose terms and conditions of employment shall be specified by the Board of Directors.

Section 11.02. Authority and Responsibility.

The Chief Executive Officer shall:

Section 11.02(a). Be the paid chief executive of the Association and be responsible for all management functions;

Section 11.02(b). Manage and direct all activities of the Association as prescribed by the Board of Directors and be responsible to the Board of Directors;

Section 11.02(c). Define the duties of the staff and supervise their performance;

Section 11.02(d). Approve all expenditures and have charge of all purchases as approved by the Board of Directors;

Section 11.02(e). Be responsible for the final development and implementation of programs and services as approved by the Board of Directors;

Section 11.02(f). Serve as an ex officio member, without vote, on the Board of Directors and all Councils and Committees except the Member Standards Committee and CEO Evaluation Committee;

Section 11.02(g). Perform such other functions and duties as the Board of Directors may prescribe.

XII. LEGAL REPRESENTATION

Legal Counsel shall attend meetings as directed by the Chairman or CEO.

XIII. RESOLUTIONS

Any member of the Association may submit a matter for consideration to the Board of Directors as set forth in the governing policies and procedures established by the Board.

XIV. PARLIMENTARY AUTHORITY

The rules set forth in the current edition of Robert's Rules of Order, Newly Revised, shall govern the Association in all cases where they are applicable, and in which they are not inconsistent with the Bylaws or any special rules of order that the Association may adopt.

XV. WAIVER OF NOTICE

Whenever any notice is required to be given by the Certificate of Incorporation, the Bylaws or any of the corporate laws of the state of incorporation, such notice may be waived in writing, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein.

XVI. ACTION WITHOUT IN-PERSON MEETING

The Officers, Directors or members of any Council, Committee or Task Force may act without a meeting if, prior or subsequent to the action, each Officer, Director or member of the Committee or Task Force shall consent to the action in writing or by electronic transmission. The written consent or consents or electronic transmission or transmissions shall be filed with the minutes of the meeting.

The Officers, Directors or any member of a Council, Committee or Task Force may participate in a meeting by means of a telephone conference call or any other means of communication by which all persons participating in the meeting are able to hear each other.

XVII. AMENDMENTS

These Bylaws may be amended, repealed or altered, in whole or in part, by a majority vote of those members of the Association entitled to vote and present at any annual or special meeting of the membership, provided that such proposed amendment is recommended by the Board of Directors, and provided further that the proposed amendment is submitted by mail other means of electronic transmission to each member entitled to vote thereon at such member's mailing address, or electronic mail address at which the member has consented to receive notice, as it appears on the books and records of the Association at least thirty (30) days prior to the date of the meeting. Amendments to the Bylaws may also be made by a majority vote of the voting Members of the Association returning ballots, either by mail or other adopted means of electronic transmission, provided that the proposed amendment is recommended by the Board of Directors and provided further that such proposed amendment is submitted by mail or other means of electronic transmission to each Member entitled to vote thereon at such member's mailing address or electronic mail address when directed to a number or electronic mail address at which the member has consented to receive notice, as it appears on the books of the Association at least thirty (30) days prior to the closing date of the vote relating to the proposed amendment.

XVIII. DISSOLUTION

The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws, and no part of said funds shall inure, or be distributed, to the members of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, education, scientific, or philanthropic organizations to be selected by the Board of Directors.

XIX. INDEMNIFICATION

The Association shall indemnify any present or former Director, Officer, employee, member or agent of the Association, to the fullest extent possible as permitted by law, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlements, actually and reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, Officer, employee, member or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, except that the mandatory indemnification required by this

Article shall not apply (i) to a breach of the duty of loyalty to the Association; (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law; (iii) for a transaction from which such person derived an improper personal benefit; or (iv) against judgments, penalties, fines and settlements arising from any proceeding by or in the right of the Association, or against expenses in any such case, where such person shall be adjudged liable to the Association.

Service on the Board of Directors of the Association, or as a Director, Officer, employee, member or agent thereof, is deemed by this Association to have been undertaken and carried on in reliance by such persons on the full exercise by the Association of all powers of indemnification which are granted to it under this Article and the statutes of the state of incorporation, as amended from time to time. Accordingly, the Association shall exercise all of its powers whenever, as often as necessary and to the fullest extent possible, to indemnify such persons. Such indemnification shall be limited or denied only when and to the extent provided above unless the applicable state statutes or other applicable legal principles limit or deny the Association's authority to so act. This Article and the indemnification provisions of the laws of the state of incorporation (to the extent not otherwise governed by controlling precedent) shall be construed liberally in favor of the indemnification of such persons. The indemnification granted pursuant to this Section shall continue as to a person who has ceased to be a Director, Officer, employee, member or agent and shall inure to the benefit of his or her heirs, executors and administrators.

To effectuate the foregoing, the Association shall obtain such insurance as the Board of Directors shall from time to time determine as reasonable and necessary to protect the Association against losses caused by the fraudulent or dishonest acts of any Director, Officer, employee, member or agent thereof, to reimburse the Association for any obligation incurred thereby, and to indemnify the Directors, Officers, employees, members and agents pursuant to this Article and under all other circumstances as permitted by law.

XX. MISCELLANEOUS

Section 20.01. Bonding.

Any person entrusted with the handling of funds or property of the Association shall furnish, at the expense of the Association, a fidelity bond approved by the Board of Directors.

Section 20.02. Limitation of Liabilities.

Nothing herein shall constitute members of the Association as partners for any purpose. No Director, Officer, employee, member, or agent of the Association shall be liable for the acts or failures to act on the part of any other Director, Officer, employee, member, or agent of the Association. Nor shall any Director, Officer, employee, member, or agent be liable for acts or failures to act under these Bylaws, excepting only acts or omissions to act arising out of his or her willful malfeasance.

Section 20.03. Section Titles and Captions.

Section Titles or Captions contained in these Bylaws are inserted as a matter of convenience and for reference purposes only and in no way, define, limit, extend or describe the scope of these Bylaws or the intent of any provision hereof.