

Revised and Approved November 13, 2017

BY-LAWS

of the

MOTOR VEHICLE PROTECTION PRODUCTS ASSOCIATION, INC.

ARTICLE I
NAME

Section 1: This Association shall be known as:

MOTOR VEHICLE PROTECTION PRODUCTS
ASSOCIATION, INC.

Section 2: This Association is a nonprofit corporation organized and existing under the laws of Delaware.

Section 3: The office of the Association shall be located wherever the Governing Board may determine.

ARTICLE II
PURPOSES

Section 1: The purpose of this Association shall be:

To promote, develop, establish and maintain a closer union and more complete organization of administrators, providers, sellers, and insurers of motor vehicle protection products, which may include but are not limited to paintless dent repair, windshield repair or replacement, tire and wheel repair or replacement, key or key-fob replacement, theft protection products, appearance care, and other products or services that may be approved by state regulators.

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To promote, develop and maintain the advancement of administrators and providers of protection products, by educational methods and to foster, increase and maintain the sale and use of protection products and to develop the protection product industry generally.

To initiate, encourage, develop and establish ethical practices in the protection product industry, in the relationship of administrators, providers, insurers, dealers, and distributors of protection products and to take any and all steps which may properly be considered to be advisable or necessary to eliminate unethical practices which may tend to bring administrators, providers, insurers, distributors, and dealers of protection products into disrepute.

To study the economic problems confronting the industry and in particular to conduct and carry on campaigns and undertakings and to do all such things and to take all such steps as from time to time shall be necessary or advisable for the purpose of maintaining standards and qualities in the protection product industry.

To promote and maintain better relations between administrators, providers, insurers, distributors, and dealers to the end that each will attain a fair return on their respective investments and to do anything and everything necessary, suitable, useful and proper for the accomplishment of any of the aforesaid purposes or the attainment of any of the aforesaid purposes.

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To enhance consumer confidence in protection product companies by upholding the Association's membership standards as described in ARTICLE III.

To promote a strong and viable protection product industry and to educate consumers, retail businesses, and other protection product sellers concerning responsible business practices relating to the protection product business.

To promote fair and equitable protection product regulation and legislation which provides the protection product industry regulatory certainty and creates a level playing-field for industry participants.

To take any and all steps to do any and all things under federal and state law to further the purposes of this Association.

Section 2: This Association shall not be conducted for the financial profit of its members but shall be conducted for the mutual benefit of its entire membership.

ARTICLE III **MEMBERSHIP**

Section 1: MEMBERSHIP. The Association has a single classification of membership – "Full Members" – consisting of businesses primarily engaged in the sale, administration, or insurance of protection products covering motor vehicles, which may include but are not limited to paintless dent repair, windshield repair or replacement, tire and wheel repair or replacement, key or key-fob replacement, theft protection products, appearance care, and other

products or services that may be approved by state regulators.

Additional membership classifications may be established from time to time by a majority vote of the Governing Board of the Association.

Section 2: ELIGIBILITY. Any business, including partnerships and corporations, engaged in the sale, administration, marketing, or underwriting of service contracts or protection products, which submits with its membership application any supporting documents required by the terms of the application, and meets all other membership standards imposed by ARTICLE III, shall be eligible for membership in this Association. To qualify for membership in the Association applicants must demonstrate that they are either a property and casualty insurer that is licensed, registered or otherwise authorized to do business in at least one state or possess a valid license or registration in one or more states as a motor vehicle service contract administrator, motor vehicle service contract provider, protection product provider, or its equivalent.

Section 3: ADMISSION TO MEMBERSHIP. Any business, partnership or corporation possessing the requisite qualifications for membership in this Association shall submit a membership application furnished for that purpose. Upon verifying that a membership applicant has submitted an application, any requisite supporting documents which satisfy the membership qualification standards set forth herein, and receipt of membership dues, the Governing Board shall admit the applicant into membership at its next regularly

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scheduled meeting. An applicant admitted to membership shall be so notified in writing.

An applicant whose application is denied due to non-qualification with these by-laws shall be so notified in writing. In the event that a membership application is denied because the application or supporting documents are incomplete or inadequate, the applicant shall be so notified in writing. A denied applicant shall have twenty (20) days after receiving notice denying its application to submit by certified mail to the Governing Board a request for a hearing before the Governing Board, a written statement and any additional documents which support its application. If a denied applicant timely requests a hearing, the Governing Board shall schedule and provide to the denied applicant notice of a hearing at a time agreed upon by the Governing Board and the denied applicant. Within sixty (60) days after the Governing Board has held a noticed hearing pursuant to a denied applicant's timely request, or within sixty (60) days after receiving a written statement and additional supporting documents from a denied applicant who does not timely request a hearing, the Governing Board shall reconsider the application, which shall be accepted or rejected based upon the applicant's compliance with the expressed standards and purposes set forth in these By-laws, and shall provide written notice of its decision to the applicant.

Section 4: MEMBERS IN GOOD STANDING. All members who maintain their

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membership by payment of dues as required by these by-laws and who otherwise meet the standards and comply with the purposes of these by-laws shall be considered in good standing and entitled to full privileges of membership.

Section 5: PROSCRIBED CONDUCT. Any member or protection product company applicant who commits or has committed one or more of the following acts shall be expelled from or denied membership in this Association:

(1) Submits to this Association or any other organization or entity an application containing any information which the member or applicant knows or should know to be false;

(2) Commits any act which contravenes any federal or state antitrust law(s);

(3) Commits any act which is deleterious to consumers who have purchased or seek to purchase protection products;

(4) Commits any act which is deleterious to the integrity, reputation, standards or best interests of this Association.

(5) Relinquishes or has/is successfully subjected to revocation proceedings for all licenses as an insurer, motor vehicle service contract provider, motor vehicle service contract administrator, motor vehicle service contract seller, protection products provider, protection products seller, or protection products administrator.

Section 6: SUBSCRIPTION TO BY-LAWS. Each member shall agree to be bound by these by-laws and all amendments thereto before being admitted to membership.

Section 7: EXPULSION FROM MEMBERSHIP. Any member of this Association may be expelled from membership by a majority vote of the Association Members on a finding by the membership that the member has violated any section or article of these by-laws or that the member has been guilty of conduct detrimental to the best interest of this Association. A member may be expelled from membership only at a duly constituted meeting of the Association, at which meeting the member shall have received at least ten (10) days' notice, and at which meeting the member may appear to offer defense. A quorum must be present at any meeting called for the expulsion of a member, and the motion to expel a member must have the support of two-thirds (2/3) of the voting members present at such meeting, excluding the member subject to the motion to expel, for adoption and execution by the Association. Such expulsion from membership shall be without recourse against this Association, its Officers, its Governing Board, or individual membership.

Section 8: RESIGNATION. Any member may resign by filing a written resignation with the Governing Board of the Association, but such resignation shall not relieve the resigning member of the obligation to pay the current year's dues in full, or any other charges theretofore accrued and unpaid.

Section 9: RE-ELECTION TO MEMBERSHIP. No member who has been expelled shall be eligible for re-election to membership for at least one year from the date of expulsion; such former member shall not be readmitted until all arrears in dues and/or other obligations to the Association have been paid.

Section 10: MEMBERSHIP NOT TRANSFERABLE. Memberships in this Association are not transferable, unless specifically agreed to in writing by the Governing Board.

ARTICLE IV
DUES AND ASSESSMENTS

Section 1: MEMBERSHIP DUES. The dues for membership shall be established by the Governing Board. The Governing Board shall determine the method of payment and period to be covered by the dues.

Section 2: TERMINATION. Any member failing to pay the dues within 30 days after they become due shall be notified in writing by the Governing Board by letter mailed to said member's last known address. If said dues are not fully paid within 30 days from mailing of said notice, the membership and all incidental rights and privileges of such member may be considered terminated without further notice.

Section 3: REINSTATEMENT. Any individual whose membership has been terminated for failure to pay dues may be considered for reinstatement upon submitting a new application for membership accompanied by a reinstatement fee as determined by the Governing Board.

Section 4: PAYMENT IN ADVANCE. All applications for membership must be accompanied with all necessary fees and dues. No memberships shall be accepted for a period of less than twelve months unless special permission is granted by the Governing Board.

Section 5: ASSESSMENTS. This Association shall raise no revenue other than that required to pay all of its legitimate expenses, including such unusual or extraordinary expenses as may be authorized and incurred from time to time at any regular or special meetings of the members or the Governing Board in furtherance of the business and objects of the Association. The monies so required shall be raised by just and equitable assessments which shall be levied from time to time against the members by the members at an annual or special meeting or by the Association. Within 30 days after the members or the Committee have levied an assessment, notice thereof shall be given to each and every member of the Association stating the amount of such assessment and the date or dates on which the same was ordered by the Governing Board or the members to be paid. Each and every member shall pay to the Vice President-Treasurer of the Association on the date or dates fixed the amount of the assessment and any installment or installments thereof against said member due on said date or dates in accordance with the terms of said levy and notice.

Section 6: DEFAULT. Thirty days' default in the payment of any assessment, of which

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assessment the member shall have been notified as herein provided, shall entitle the Governing Board, without notice to the member or members so in default, to discontinue the membership until the default in payment of such assessment or installments is cured. Each member shall be liable for and agrees as a condition of its membership to pay its proportionate share of the expense of carrying out the objects and purposes of the Association, but no newly elected member shall be required to pay any assessment or portion thereof levied prior to the date such member was admitted to membership in this Association.

ARTICLE V
MEETING OF MEMBERS

Section 1: ANNUAL MEETING. The annual meeting of this Association shall be held at such place and on such date as may be determined by the Governing Board.

Section 2: SPECIAL MEETINGS. Special meetings of the Association may be called by a member of the Governing Board at any time. A special meeting shall be called by the Governing Board upon receipt of a written request signed by not less than one-half of the members in good standing of the Association, stating the object of the proposed meeting. The business to be transacted at any special meeting shall be stated in the notice thereof, and no other business may be considered at that time. Special meetings may be held by telephone conference.

Section 3: NOTICE OF MEETINGS. Written notice of an annual or special meeting of

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the Association shall be mailed to the last known address of each member not less than ten (10) days before the date of such meeting is to commence. No failure or defect in the delivery of the notice shall invalidate the meeting or any procedure or action taken at the meeting. Written notice of telephone conferences shall be made prior to such conferences.

Section 4: QUORUM. At an annual or special meeting or telephone conference of the Association, a quorum shall consist of fifty percent (50%) of the members in good standing of the Association. If such quorum is not present at any meeting, a majority of the members present shall have power to adjourn the meeting at any time without further notice other than announcements at the meeting until the requisite number of members shall be present any action may be taken which might have been transacted at the meeting as originally noticed. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

Section 5: A. VOTING. All votes on issues affecting internal policy of the Association, or issues not specific to legislation or regulation of the protection products industry, shall be made by a quorum of all Association members voting. All votes on decisions to pursue legislation, to support or oppose legislation, or all matters relative to specific state or federal regulation of protection products or providers of protection products, shall be made by all voting Members. Each member in good standing shall be entitled to vote at all meetings of this

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Association on matters subject to the vote of the full membership. Each member may take part in the meeting and vote in person. Unless otherwise specifically provided by these by-laws, a majority vote of those members in good standing present at the meeting shall govern.

B. VOTING BY MAIL OR EMAIL. Proposals to be offered to the members for a mail or email vote, except election ballots, shall first be approved by the Governing Board. Votes shall be made by a quorum of all Association members. For purposes of a vote by mail or email, a quorum shall consist of fifty percent (50%) of the members in good standing of the Association responding in favor or against the matter at hand, or in abstention. If such quorum is not met for the vote, the result shall be nullified and another vote shall be held. In a mail or email vote, a majority of those voting shall determine the action.

Section 6: RULES OF ORDER. The meetings and proceedings of this Association shall be regulated and controlled according to the latest edition of Roberts Rules of Order for parliamentary procedure, except as may be otherwise provided by these by-laws.

ARTICLE VII
GOVERNING BOARD; ELECTIVE OFFICERS

Section 1: GOVERNING BOARD: The governing body of this Association shall be the Governing Board. The Governing Board shall be composed of the elective

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officers defined in Section 2 of this Article. The Governing Board shall have supervision, control and direction of the affairs of the Association, its committees and publications; shall determine its policies and changes therein; shall actively prosecute its objectives and supervise the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable.

Section 2: ELECTIVE OFFICERS. The elective officers shall be a named person who is an employee, partner, board member or owner of a member company in good standing. The elective officers shall consist of the President, the Vice President-Treasurer, and the Secretary.

Section 3: ELECTION. The elective officers set forth in this Article shall be elected by a plurality of the votes of the members of the Association at the Annual Meeting of the Association immediately following the expiration of each elective officer's term.

Section 4: TERM OF OFFICE. Each officer shall take office upon election and serve for a term of two years or until a successor shall have been duly elected and qualified.

Section 5: VACANCIES AND REMOVAL: If the office of any Governing Board member shall become vacant prior to the expiration of term for any cause, including but not limited to loss of eligibility under Section 2, the unexpired portion of the term shall be filled by a vote of the membership at the next annual or special

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meeting or telephone conference of the Association, whichever occurs first. The Governing Board may in its discretion and for cause, by affirmative vote of two-thirds of its members, instigate a vote to remove a Governing Board member from office at the next duly constituted meeting of the association.

Section 6: REIMBURSEMENT. Any officer or committee shall be entitled to claim any just out-of-pocket cash disbursements for postage and other disbursements necessary in carrying out the duties of their office. In the event of any special assignment requiring any expenditure in excess of \$50 they shall first seek the approval of the President. Nothing contained herein shall apply to the aforementioned expenses where a budget has been set and approved.

Section 7: COMPENSATION. Except as above provided, no elective officer, member of the Governing Board, or committee shall receive compensation other than reimbursement for expenses as approved by the Governing Board.

ARTICLE VIII **COMMITTEES**

Section 1: THE FINANCE/AUDIT COMMITTEE. The Finance/Audit Committee shall consist of the President, Vice President-Treasurer and one (1) other member of the Association, appointed by the Vice President-Treasurer. The Vice President-Treasurer shall serve as Chairperson. The Committee shall counsel with the President on the annual budget of the Association. The

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Committee may perform such other duties in connection with the finances of the Association as the Governing Board may determine from time to time.

Section 2: SPECIAL COMMITTEES. The President, with approval of the Governing Board, shall appoint such other committees, subcommittees or task forces as are necessary and which are not in conflict with other provisions of these by-laws, and the duties of any such committees shall be prescribed by the Governing Board upon their appointment.

ARTICLE IX **AMENDMENTS**

Section 1: PROPOSED AMENDMENTS. Proposed amendments to the by-laws may be submitted by the Governing Board or to the Governing Board by joint action of five (5) or more members in good standing for their review, preparation and recommendations prior to presentations to the membership. All such proposals and presentations shall outline the names and addresses of the proponents. The Governing Board shall present to the membership any duly proposed amendments to these by-laws, and accompany such presentation with recommendations.

Section 2: VOTING. These by-laws and any amendments or alterations thereof may be altered, amended or repealed by ballot at the annual or special meeting of the Association. Such ballot shall show the by-law as it exists and the proposed change of amendment, and there shall be a place thereon to mark approval or rejection of the proposed changes and a place for the signature of the voting

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member. Amendments to these by-laws shall be adopted if approved by a majority of those members voting.

Section 3: NO WAIVER. The provisions of this Article IX providing for amendments, alteration or repeal of these by-laws may not be waived in any manner whatsoever by the Governing Board or members assembled at the annual meeting.

ARTICLE X
GENERAL

Section 1: NOTICES. Any notice to members or to any officer or director shall be deemed sufficiently given if mailed, or sent by email, to the last post office or email address furnished to the Governing Board. All notices given by or on behalf of the Association shall be issued by the President on behalf of the Governing Board.

Section 2: INDEMNIFICATION. The Association shall provide indemnification to the full extent permitted by law, it being the policy of this Association to safeguard its Governing Board, officers, management and employees from expense and liability for actions they take in good faith in furtherance of the interests of the Association and its members.