



# Bylaws



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## ARTICLE I- NAME

The name of this organization is the Association of Home Appliance Manufacturers.

## ARTICLE II- PURPOSES

The purposes of the Association are to promote the general welfare of the home appliance industry by providing services, such as industry statistical reporting and the establishment of appropriate standards; to improve its service to the public; to cooperate with government officials in the interest of national, state and local welfare and to carry out such other lawful trade association activities as the Board of Directors may determine.

## ARTICLE III- MEMBERSHIP

### ***Section 1. Membership Divisions***

The Association membership shall have the divisions listed below. A company may join any of the membership divisions for which it is eligible. A separate membership shall be set up in each division elected.

The membership unit of a firm or corporation shall be a parent corporation and that membership shall include all eligible divisions and subsidiaries under the parent control. The Board shall interpret, as necessary, the application of this definition to each individual situation.

“Manufacture,” as used in this Article means the processing of materials into forms different from those of the original materials. To be eligible for membership in AHAM, a company must actually be engaged in the manufacture of specified products and have introduced them into commerce. A company which buys products and sells them without change is not engaged in manufacture. A company which contracts out operation such as fabrication and/or assembly, but still retains control of the overall production process, including for example, performance of such major functions as research and development, design, ownership of tools and dies, production scheduling, quality control and wholesale distribution is considered to be engaged in manufacturing and is eligible for membership.

- a. *Regular Member Major Appliance Division.* Any person, firm or corporation engaged in the manufacture of major home appliances in the United States or in countries other than the United States and whose products are marketed in the United States, shall be eligible for Regular membership in the Association. The term major home appliance means large, energy-operated appliances used in the home and includes such products as: room air conditioners, dishwashers, disposers, compactors, home laundry equipment, refrigerators and freezers, dehumidifiers, ranges and microwave ovens. The Board of Directors, shall, from time to time, specify the exact list.
- b. *Regular Member Portable Appliance Division.* Any person, firm or corporation engaged in the manufacture of portable appliances in the United States or in countries other than the United States and whose products are marketed in the United States shall be eligible for Regular membership in the Association. The term portable appliance means small, energy-operated appliances used in the home and includes such products as: blenders, toasters, hair dryers, humidifiers and portable air heaters. The Board of Directors shall from time to time specify the exact list.
- c. *Regular Member Floor Care Division.* Any person, firm or corporation engaged in the manufacture of floor care appliances in the United States or in countries other than the United States and whose products are marketed in the United States shall be eligible for Regular membership in the Association. The term floor care appliances means energy operated products used in the home and includes such products as vacuum cleaners, central vacuum systems, extractors, and floor and carpet cleaning products. The Board of Directors shall from time to time specify the exact list.
- d. *Supplier Member Division.* Any person, firm or corporation which provides appliance product-related services or is engaged in the manufacture, in the United States or in any other country, of materials, parts or products closely related to or used with appliances shall be eligible for membership.

- e. *Honorary Member Division.* Any person who has actively participated in Association affairs for a period to be specified by the Board of Directors, may, if that active participation has ended, be elected to Honorary membership. No dues or assessments may be levied against Honorary members and they shall have no vote in Association affairs.

**Section 2. Election to Membership**

- f. *Regular and Supplier Members.* Any person, firm or corporation eligible for membership under Sections 1a, 1b, 1c, or 1d of this Article may make written application to the President who shall determine eligibility for membership in the appropriate division or divisions. The applicant may join any division or divisions for which it is eligible and will be accorded the rights of membership upon submitting information sufficient to determine appropriate dues and the payment of the first quarterly dues owed.
- g. *Honorary Members.* Persons eligible for Honorary membership under Section 1d of this Article shall be nominated and elected by a majority vote of the Board of Directors.

**Section 3. Official Representation**

Each member of the Association shall appoint one officer or other employee to be its official representative and to act officially for the member in Association affairs. This representative shall be designated in writing addressed to the Association's president. Notice of any change in official representation shall also be made in writing addressed to the Association's president.

**Section 4. Meetings**

Membership meetings shall be held at such time and place as the Board of Directors may determine, but at least once a year. At least ten days before a membership meeting is to be held, the official representative of each member must be notified in writing and provided with an agenda for the meeting. No action shall be taken at any such meeting with respect to any matter not listed on such agenda without a favorable two-thirds vote of the membership represented thereat.

**Section 5. Termination of Membership**

- a. *Voluntary Termination.* A membership may be terminated voluntarily on written notice from the member to the Association's president.
- b. *Involuntary Termination.* A membership may be terminated by the Board of Directors if a member is more than three months in arrears in the payment of Association dues or assessments or if a member no longer qualifies for the membership divisions to which it belonged.
- c. *Liability for Financial Obligations.* A person, firm or corporation whose membership in the Association is terminated in any way remains liable for the dues and assessments owed the Association at the time of termination.
- d. *Loss of Rights on Termination.* On termination of membership the former member loses the right to participate in Association affairs and all interest in or title to the Association's property.

**ARTICLE IV- DUES, ASSESSMENTS AND FISCAL YEAR**

**Section 1. Dues**

Dues necessary to carry out the activities of the Association for each fiscal year shall be assessed against the Regular members according to schedules recommended by the Board of Directors and approved by a two-thirds vote of the Regular Division members. A vote on the schedules of dues may be taken at an Association meeting, a division meeting or by mail ballot. Different schedules of dues may be formulated for the different divisions or departments. Supplier member dues are determined by the Board of Directors.

**Section 2. Assessments**

- a. Assessments may be proposed by the Board of Directors. Assessments may also be proposed by divisions, departments or other subdivisions of the membership. Such assessments must be unanimously approved by the members affected.

- b. Nothing in this section shall preclude voluntary assessments among any group or subgroup of members willing to participate in them.

**Section 3. Payment of Dues and Assessments**

Dues are payable quarterly for Regular Appliance members and shall be paid within thirty days after the close of the quarterly period. Dues are payable annually for Supplier members, and shall be payable within thirty days after the close of the calendar year. Assessments shall be payable as directed by the Board of Directors and approved by the division or other group of members affected.

**Section 4. Fiscal Year**

The Association's fiscal year shall be from January 1 through December 31.

**ARTICLE V- OFFICERS**

**Section 1. Officers**

The officers of the Association shall be a Chairman of the Board, a first vice chairman of the Board, a second vice chairman of the Board, and a treasurer to be elected to the Board of Directors; and a president to be appointed by the elected officers with the approval of the Board of Directors.

**Section 2. Election and Term of Elected Officers**

- a. *Nomination and Election.* The chairman and vice chairman of the Board shall be elected by the Board from its Regular membership. The treasurer shall be elected from the Board or from among other appropriate executives of Regular member companies. The election shall take place not later than thirty days after the opening of the fiscal year, either at the Board's first meeting of the fiscal year or by mail vote.

At least ten days prior to the meeting at which the election is to take place or prior to the mailing of a mail ballot for the election, and in no event more than twenty days after the opening of the fiscal year, a nominating committee shall present to the Directors a slate of candidates for the elective offices.

The nominating committee shall nominate the first vice chairman to succeed the chairman and the second vice chairman to succeed the first vice chairman, unless there are compelling and unusual reasons to do so otherwise.

Nominations may also be made at the Board meeting at which the election takes place or they may be submitted in writing and presented to the president prior to such a meeting or prior to the mailing of a ballot if an election is to be held by mail vote.

- b. *Term.* Elected officers shall serve for two years or until their successors are elected and qualified.
- c. *Vacancies.* If elected officers do not serve their respective full term, the Board of Directors shall elect successors for the unexpired portion of the terms.

**Section 3. Appointment of President**

The chairman and vice chairman of the Board and the Association's treasurer shall, with the approval of the Board of Directors, appoint a president to the Association. The president shall be the Association's chief administrative officer, serve on the Board of Directors, and shall receive a salary fixed by the Board of Directors.

**Section 4. Duties of Officers**

The officers' duties shall include those listed below and any others assigned them by the Board of Directors. Any action by an officer on behalf of the Association shall be subject to review by the Board of Directors. The president, the treasurer and any other officer, agent or employee of the Association who may handle Association monies or other valuable assets shall be bonded in an amount determined by the Board of Directors.

- a. *Chairman of the Board.* The Chairman of the Board shall be the principal elected officer of the Association. The chairman shall preside at meetings of the membership, of the Board and of the Executive Committee. The chairman shall represent the Association officially on occasions requiring such representation.
- b. *Vice Chairmen of the Board.* The vice chairmen shall perform the chairman's duties in the latter's absence or at the chairman's request. The vice chairmen shall also carry out such other duties as may be assigned them by the chairman or the Board of Directors.
- c. *Treasurer.* The treasurer shall receive and disburse all monies belonging to the Association; shall report at least annually to the Board of Directors and, working with the president, shall prepare an annual budget each year for submission to the Board, not later than thirty days after the opening of the fiscal year. The treasurer may organize a finance and budget committee to counsel with the treasurer on financial matters. The treasurer's duties may, with the approval of the Board of Directors and in a manner approved by it, be delegated in whole or in part to the president or a controller reporting to the president.
- d. *President.* The president shall be the Association's chief administrative officer. The president shall do what is necessary to implement the Association's programs, work with officers and members to develop and execute new plans, appoint committees, assist the committees in carrying out their programs and in finding new areas of service, administer the executive headquarters of the Association, employ personnel for such staff positions as the Board may approve and carry out such other duties as the Board of Directors may assign this office. The president shall be directly responsible to the Board and shall report at least semi-annually to it on the activities of the Association. The president shall be a voting member of the Board.

#### **Section 5.           Honorary Chairman**

All chairmen will, after their respective terms in office expire, be made honorary chairmen of the Board of Directors for life.

## **ARTICLE VI-   BOARD OF DIRECTORS**

#### **Section 1.           Membership**

The Board of Directors shall be composed of sixteen voting members. There may not be more than one voting member from a parent corporation or subsidiary. The AHAM President shall serve as a voting member of the Board during the term of his or her service in that position. Official representatives of Regular members (or their designees) and the chair of the Supplier Division shall be eligible to be nominated and elected to serve in the remaining fifteen voting positions on the Board. Honorary chairmen may meet with the Board and participate in discussions.

#### **Section 2.           Nomination and Election.**

- a. Directors shall be elected for terms of three years, one-third of which expires at the end of the current calendar year, one-third in the next year and one-third in the year after that.
- b. A slate of five candidates to replace those whose terms are expiring shall be drawn up by the nominating committee at least thirty days before the close of the calendar year and submitted by mail to the official representatives of the Regular member companies.
- c. Additional or competing nominations may be made at any time prior to closing the balloting for any election upon petition signed by any five official representatives of Regular member companies and must be submitted by mail to the official representatives of the Regular member companies.
- d. Balloting shall be by mail. A definitive election shall be declared and the balloting closed when the conditions set forth in Article XI, Section 5 have all been met.
- e. In selecting candidates for the Board of Directors' membership, consideration shall be given first to serving the best interest of the appliance industry as a whole, i.e., it is not the function of any individual Board member to represent a

special segment of the industry. There need be no fixed representation of any division, department or other subgroup but, of course, consideration shall be given to adequate representation for all elements.

- f. Vacancies in unexpired terms shall be filled for the unexpired portion through nomination and election as outlined above. The president may make appointments to fill vacancies pro tem until nomination and election can be accomplished.

### ***Section 3. Powers and Duties***

The Board of Directors is the governing body of the Association, subject always to control by the members. It shall carry out the duties assigned by these bylaws and take other action necessary to accomplish the purposes of the Association. It may adopt rules to accomplish those purposes, provided they do not conflict with these bylaws or the Association's certificate of incorporation. The Regular members may recall or modify any action of the Board of Directors or of any committee by a two-thirds vote at any meeting or by mail ballot as prescribed in Article XI, Section 5.

### ***Section 4. Meetings***

The Board of Directors may meet as needed to transact business of the Association. It may also act by mail vote. It must, however, hold assembled meetings at least twice each year. All directors must be notified in advance when a meeting is to be held and provided with an agenda for the meeting. Meetings may be called by the chairman of the Board of Directors and must be called at the request of any three members.

### ***Section 5. Executive Committee***

The chairman, the first vice chairman and second vice chairman of the Board of Directors, the two most recent past chairmen who are still active in the appliance industry and members of the Board of Directors, the Association's treasurer, its president and two directors elected by the Board shall constitute AHAM's Executive Committee. This committee may act for the Board as necessary between Board meetings. It shall perform such other duties as it deems necessary or the Board of Directors direct. The Board of Directors may review or change any Executive Committee action.

### ***Section 6. Ex Officio Board Members***

The chairs of the Major Appliance, Portable Appliance, Floor Care and Supplier Division Boards shall be ex-officio, non-voting advisors to the Board of Directors, if the individuals in these positions are not already serving in elected Board positions. Other worthy individuals may be elected as ex-officio members. These Board advisors are responsible for representing the interests of their respective boards to the Board and the Executive Committee. They shall receive agendas, minutes, and other mailings to the Board of Directors and they may attend and take part as members ex officio in Board meetings when matters affecting their respective boards are concerned; they shall be responsible for communication and other liaison between the Board and their respective boards.

## **ARTICLE VII- GENERAL COUNSEL**

The Board of Directors shall select a general counsel to supervise legal matters relating to the Association's activities and to bring about strict compliance with all applicable state, Federal and other laws. Counsel is to be employed for such term and at such compensation as the Board of Directors determines.

## **ARTICLE VIII- CERTIFIED PUBLIC ACCOUNTANT**

The Board of Directors shall designate an independent certified public accountant to be retained by the Association to audit periodically the books and financial records of the Association, to report to the Board of Directors in connection therewith and to act, when called upon, as repository for proprietary or confidential data and to undertake any other responsibilities and duties as the Board of Directors may determine.

## ARTICLE IX- CONFIDENTIALITY OF DATA

### **Section 1. Proprietary Data**

All proprietary data and information given by members, applicants or other to the certified public accountant, to laboratories or others under contract to the Association, or to any employee of the Association shall be kept strictly confidential. Only with the advance approval of the president and concurrence of the Association counsel, where a special need exists, may the certified public accountant, employees or other custodians of confidential data reveal and discuss any such data with counsel, employees, the laboratories or others under contract to the Association.

Such proprietary data: (1) shall not under any circumstances be disclosed to the elected officers or the Directors, committee members or other members; and (2) shall not under any circumstances be disclosed to any other person, in public or private capacity.

### **Section 2. Industry Compilations of Data**

Industry compilations of data shall be held confidential or distributed as is appropriate to the Association policy governing use of data. Such policy shall be developed by the participants in each program and, like all other activities, is subject to review by the Board of Directors.

## ARTICLE X- BOARDS, COUNCILS AND COMMITTEES

The boards, councils and committees enumerated below shall be established. The membership of all boards, councils and committees, the actions they take and the programs they develop are subject to review and direction by the Board of Directors.

### **Section 1. Divisional Executive Boards and Councils**

- a. *Divisional Executive Boards.* A Divisional Executive Board may be established in each of the membership divisions by the Board of Directors. The official representative of each member company in the division, or its designee, shall be a member of this executive board. The Divisional Executive Board may establish a steering committee and such other committees as it deems necessary to carry out the activities of the division.
- b. *Product Councils*
  - (1) A division may organize product councils as designated by the Board of Directors. A product council may be composed of manufacturers of a single product, such as air conditioners; or it may be composed of manufacturers of related products such as dishwashers and disposers, home laundry equipment, health and beauty care products, etc. Each Regular member company is automatically a member of each council within a division whose products the member manufactures or markets.
  - (2) Product councils may be established for each product department. The official representative or another member company executive designated by the official representative shall represent the member on the product council.
- c. *Other Executive Councils.* Other executive councils may be established by the Board of Directors or a Division Executive Board for important purposes of a general nature (such as an Engineering Council or a Government Relations Council). Responsibilities and duties of these councils shall be as determined by the board which establishes them.

### **Section 2. Committees**

In addition to committees established by the various boards, the following committees shall be organized:

- a. *Administrative Committees.* The Association shall have a nominating committee. It may have a finance and budget committee and such other administrative committees as may be created by the Board of Directors. The committees shall have those duties assigned to them by these bylaws and/or the Board of Directors.

- b. *Operating Committees.* The Association shall have such operating committees as approved by the Board of Directors, or as the Board on its own initiative, may from time to time establish. The function of these committees shall be to develop and execute general programs of a continuing nature to carry out the purposes of the Association.

**Section 3.           Task Forces**

The Association may have such task forces as the Board of Directors or the Divisional Executive Boards from time to time establish. The function of these task forces shall be to accomplish specific Association objectives identified by the authorizing board. Task forces must be reviewed and approved for continuation at least annually.

**ARTICLE XI-   RULES OF ORDER**

**Section 1.           Board and Committee members**

- a. The Board of Directors and Executive Committee members and officers shall be determined as specified in Article VI.
- b. The Divisional Executive Boards shall include all eligible companies as specified in Article X, Section 1a.
- c. Members of all other boards, councils, committees and task forces and their officers shall be appointed by the president. In making appointments, the president shall give consideration to the wishes of the group involved. Requests for membership on boards, committees, councils and task forces should be submitted in writing to the Association's president and designate the board or committee involved. Written notice should also be made to the Association's president to change a member company representative on a board, council, committee or task force. Appointments are subject to review and approval by the Board of Directors.

**Section 2.           Alternates**

Any official representative, board or committee member may designate an alternate or alternates by notifying the Association's president in writing. The alternates may be changed by written notice to the Association's president.

**Section 3.           Dues and Assessments**

Voting for dues and assessments shall be as specified in Article IV.

**Section 4.           Meetings**

- a. Board or committee positions may be determined at any meeting at which a quorum is present.
- b. A quorum for any meeting shall be representation of more than one-third of the voting member companies on the applicable board or committee member list.
- c. Action shall be determined by a majority of the voting members present at a meeting with a quorum.
- d. Action taken at a meeting at which a quorum is not present must be confirmed by mail ballot procedures.

**Section 5.           Mail Ballots**

- a. Board and committee action may be taken by mail ballot.
- b. Action shall require that a majority of the votes cast shall govern the action.

**Section 6.           Voting Units**

If more than one member of a board or committee is from one parent company, they shall cast but one vote.

However, parent company memberships in different Regular member divisions shall be counted as separate parent companies for such voting purposes (because Article III, Section 1, provides that they are separate memberships).

## **Section 7. Public Policy Voting Procedures – Major Appliance Division**

- a. A significant and highly valued function of the Association is its representation of the home appliance manufacturing industry in matters of public policy. Advocating, monitoring and reporting on public policy matters is a major benefit of membership dues. Public policy decisions by governments at the international, national, state and municipal level can have an enormous impact on the economic viability of the industry and individual members of the Association. It is in this spirit that AHAM should speak to the maximum extent practical with one voice.
- b. Therefore, notwithstanding Article XI, Section 4c and 5b, AHAM advocacy of a Major Appliance Division public policy position requires an affirmative vote of 75% of the weighted eligible voting members.

### **Definitions**

- (1) *Public policy position* shall mean the content of advocacy to any governmental body concerning appropriate action to be undertaken by that governmental body.
  - (2) *Weighted eligible voting members* are companies represented on the AHAM Board or Council in which the position is presented for consideration and with relative “weights” to votes being assigned in the same manner as the proportion of a member’s dues is calculated for the impacted product shipments affected by the issue.
  - (3) *Impacted product shipments* are the product categories, as represented by the membership of the Major Appliance Division Product Councils, whose manufacture or sale will be directly affected by the public policy position submitted to a vote of the appropriate Major Appliance Product Council.
- c. In the event a vote on a public policy position fails passage, the staff and resources of the Association shall not be used to advocate that position, but Association staff and resources shall remain available to member companies for the purpose of monitoring, reporting on and facilitating member discussion of the public policy matter.
  - d. Where a vote results in the Association’s adoption of a public policy position, the Association shall not recognize or express a minority view in communications with governmental bodies or in any public announcements except where required by the involved governmental body or where otherwise deemed to be in the Association’s interest as determined by a vote of the AHAM Board or Council in accordance with the voting provisions of Article XI, Section 7b.

## **Section 8. Agendas, Minutes and Records**

- a. Agendas shall be prepared for each meeting.
- b. Careful, accurate minutes records shall be kept of each meeting, reviewed by counsel and approved by the board or committee at its next meeting or by mail ballot.
- c. Actions by mail ballot and tallies of mail ballot votes shall be recorded as minutes of the action taken by the ballot and records kept in the same place as actions in meetings.

## **Section 9. Proxy Votes**

A vote at an Association or board or committee meeting may be exercised by proxy, provided written notice is delivered to the Association’s president before the opening of the meeting at which the proxy is to be exercised.

## **Section 10. Robert’s Rules of Order**

All meetings and other actions of the Association, its Board of Directors and its boards and committees shall be governed by these bylaws. In matters of parliamentary procedure not covered by these bylaws, decisions shall be made in accordance with the latest edition of Robert’s Rules of Order.

## **ARTICLE XII- INDEMNITY**

Any person made a party to any legal action by reason of the fact that he, his testator or intestate, is or was a director, officer or employee of the Association or of any corporation which he served at the Association's request, shall be indemnified by the Association against reasonable expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. This indemnification does not apply if a court determines that the legal action resulted because the officer, director or employee was negligent or guilty of misconduct in the performance of his duty for the Association, unless the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal action or proceedings, that the person had reasonable cause to believe that this or her conduct was unlawful. The right of indemnification established in this article does not exclude any other rights or benefits to which such director, officer or employee may be entitled, including protection or benefits under any insurance policy held by the Association.

## **ARTICLE XIII- OFFICIAL LANGUAGE**

The official language of the Association is English.

## **ARTICLE XIV- DISSOLUTION OR MERGER**

The Association may be dissolved or merged with another Association with the approval of two-thirds of the Regular members, present and voting or voting by proxy at a meeting called for the purpose of considering dissolution or merger. At least ten days' notice must be given of the holding of such a meeting and the notice shall state that the question of dissolution or merger will be considered at the meeting. On dissolution or merger, assets remaining after all outstanding financial obligations are met shall be distributed in a manner to be determined by the Board of Directors.

## **ARTICLE XV- AMENDMENTS**

Proposed amendments of these bylaws may be suggested by any member or by the Board of Directors. Each proposal shall be submitted to the Directors at least ten days before a Regular or special meeting at which it is to be voted upon; it may be submitted to the Directors by mail ballot. To become effective, a proposed amendment must be approved by a two-thirds vote of the Directors present at the meeting where the amendment is considered, or by a two-thirds vote of the Directors voting by mail.

The requirement that a proposed amendment be submitted to the Directors at least ten days before a meeting at which the proposal is to be considered may be waived by an affirmative vote of two-thirds of the Directors present at any meeting at which a proposed amendment is presented.