

Bylaws of National Association of Shell Marketers, Inc.

Adopted September 21, 1974

Amended November 11, 1974, September 17, 1975, September 15, 1976, February 22, 1977, June 22, 1977, December 6, 1978, December 3, 1979, July 17, 1980, July 21, 1981, July 19, 1982, January 29, 1986, March 10, 1987, May 14, 1989, May 4, 1991, March 25, 1993, March 11, 1994, May 1, 1998, May 10, 1999, September 17, 2003, October 10, 2006, October 22, 2009, May 11, 2010, December 1, 2010, February 4, 2013, December 9, 2013, October 18, 2016, November 1, 2017, July 24, 2018 and July 23, 2019.

ARTICLE I Name and Objectives of Corporation

Section 1. **Name.** This Corporation shall be known as the National Association of Shell Marketers, Inc.

Section 2. **Objectives.** The objectives of the Corporation shall be: to further and to promote a better understanding of the problems existing in, and to approach solutions thereto common to the businessmen engaged in, the petroleum industry.

ARTICLE II Office

The principal office of the Corporation shall be located in Lexington, Kentucky. The Corporation may have one or more offices in other locations, as determined by the Board of Directors.

ARTICLE III Membership

Section 1. **Classes, Qualifications and Privileges.**

- a) The classes of membership shall be Regular, Associate and Refiner.
- b) The qualifications for each class of membership shall be as follows:
 - (1) Regular membership shall consist of: (i) any company that has a current Shell-branded wholesale distribution agreement for motor fuels with Shell Oil Products US or one of its licensees; or (ii) any company that has a current Shell-branded wholesale distribution agreement for motor fuels with a Shell marketer.
 - (2) Associate membership shall consist of any person or company that is engaged in a business or activity directly or indirectly related to the petroleum industry, to the Corporation or to its individual members.
 - (3) Refiner membership shall consist of any refiner that is engaged in the sale and distribution of Shell-branded motor fuels through wholesale distribution agreements with Shell marketers.
- c) In addition, each class of member must:

- (1) Submit a written Application for Membership in the Corporation; and
- (2) Tender payment of all membership fees, dues, and assessments as the same are determined and assessed by the Board of Directors.

d) Privileges of Membership for each class of member are as follows:

- (1) Regular members shall be entitled to all of the rights, benefits and privileges set out in these bylaws without exception.
- (2) Associate members shall enjoy the same rights, benefits and privileges as Regular members, except they shall not have the right to vote, hold office in the Corporation, receive legal aid provided to Regular members, or attend meetings restricted to one or more other classes of membership.
- (3) Refiner members shall be entitled to the same rights, benefits and privileges as Regular members, except that they shall not have the right to vote, hold office in the Corporation, receive legal aid provided to Regular members, or attend meetings restricted to one or more other classes of membership. Further, the Executive Committee may from time to time, in its sole discretion, exclude one or more Refiner members from particular benefits due to actual or potential conflicts of interest.

Section 2. Resignation. Any member may withdraw from the Corporation by giving written notice of such intention to the Executive Director, which notice shall be presented to the Board of Directors at the first meeting after its receipt. Resignation shall not relieve the resigning Member from the payment of dues for the expired portion of the Member’s current cycle billing year, or give the resigning Member any right to a rebate of dues paid.

Section 3. Suspension or Termination of Membership. The membership of a member in the Corporation may be suspended for a period or may be terminated for good cause, such for as violation of any of the Bylaws or Rules of the Corporation, for conduct prejudicial to the best interests of the Corporation, or for a default in the payment of membership dues. Suspension or termination shall be by majority vote of the Board of Directors, provided that a written statement of the charges shall have been mailed and/or sent via email or facsimile transmission to the member under charges at least 15 days before the effective date of the suspension or termination. If requested, the member under charges shall be given an opportunity to present a defense to the Board of Directors prior to the effective date of such suspension or termination.

Section 4. Membership Areas. For the purpose of representation of the general membership on the Board of Directors, the Corporation shall be divided into six membership areas in which members reside or have their business:

- Northeast (CT, DE, ME, MA, MD, NH, NJ, NY, PA, RI, VT, WV)
- Southeast (AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA)
- North Central (IL, IA, IN, MI, MN, ND, NE, OH, SD, WI)
- South Central (CO, KS, MO, OK, TX)
- Northwest (AK, ID, MT, OR, WA, WY)
- Southwest (AZ, CA, HI, NM, NV, UT)

These regions may be reevaluated from time to time by the Board of Directors to facilitate geographical representation on committees and for administrative purposes.

Section 5. Membership Term. The membership year shall be the same as the fiscal year.

ARTICLE IV

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE V

Dues

Section 1. **Dues.** The Board of Directors may determine, from time to time, the amount of the membership fee, if any, for each class of membership, as well as any other dues or assessments that may be payable to the Corporation by its members. Such other assessments shall be equal as to each member within each membership class, and shall be assessed from time to time, as necessary, to meet the expenses of the Corporation. Initial membership dues may be pro-rated within the current membership year as of the month of joining.

Section 2. **Notice of Determination.** The Corporation, at the beginning of each membership year, shall give notice in writing to each member of the Corporation of the amount of dues assessed for that membership year and the amount of dues, if any, unpaid for the previous year.

Section 3. **Default.** Members will be considered to be in default in the payment of membership dues if dues are not paid by March 31st of the current year.

ARTICLE VI

Meetings

Section 1. **Biennial Meetings.** The Regular members of the Corporation shall hold a meeting no less than once every other year. Written notice of the meeting shall be mailed, emailed, personally delivered or faxed by the Executive Director or the Chairman, or by the designee of either. If mailed or emailed, the notice shall be addressed to the member at his/her most recent post office or email address as it appears in the records of the Corporation. If faxed, the notice shall be sent to the member at his/her most recent fax number as it appears in the records of the Corporation. The notice shall state the manner and/or place of the meeting, together with the day and hour of the meeting, and shall be delivered by the above means not less than seven nor more than 50 days before the date of the meeting.

Section 2. **Special Meetings.** Special meetings may be called by the Executive Director, the Chairman or the Board of Directors. Upon the written request of twenty Regular members, the Board of Directors shall call a special meeting to consider a specific subject or subjects. Notice for any special meeting is to be given in the same manner as for the annual meeting. No business other than that specified in the notice of meeting shall be transacted at any special meeting of the members of the Corporation.

Section 3. **Location and Alternative Manner of Meetings.** Notwithstanding the provisions of any of the foregoing sections, a meeting of the Regular members of this Corporation may be held at any time and at any place within or without Lexington, Kentucky. In addition, an Annual Meeting or a Special Meeting may be held by telephone or by other means as long as every attendee may participate by use of any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in a meeting by this is deemed to be present in person at the meeting.

Section 4. Quorum. The presence in person or by proxy of twenty-five percent (25%) of the Regular members of the Corporation entitled to vote shall be necessary to constitute a quorum for the transaction of business.

Section 5. Voting. Every Regular member of the Corporation shall be entitled to one vote. The vote of the majority shall decide any question decided upon by vote of the Regular members. A Regular member may vote in person or by proxy. The annual election of officers and directors of the Corporation may be conducted by use of ballots and proxies emailed to the Regular members.

Section 6. Proxies. Every Regular member of the Corporation entitled to vote at any meeting thereof may vote by proxy. A proxy shall be in writing and revocable at the pleasure of the member executing it. The proxy shall be invalid after 11 months from the date of its execution unless otherwise specified in the proxy.

Section 7. Attendance. Every member of the Corporation entitled to vote at any meeting thereof may participate at any meeting by use of any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE VII

Directors

Section 1. Number. The property, affairs, activities, and concerns of the Corporation shall be vested in a Board of Directors, chosen from each membership area as qualified by Section 2 of this Article, below. The members of the Board, upon election, shall enter upon the performance of their duties at the beginning of the fiscal year immediately following their election and shall continue in office until their successors shall be duly elected and qualified.

Section 2. Election, Qualification, and Term. At a duly-convened meeting of Regular members, or at such other time and manner as the Executive Committee may designate, the members shall elect the Board of Directors. Each director shall be a representative from his/her respective membership area and shall be elected to a one-year term corresponding to the fiscal year immediately following the meeting. Any director may be re-elected. In the period between annual meetings, the Board of Directors may make interim appointments to constitute its membership consistent with the provisions of Article III, Section 4, and in accordance with Section 2 of this Article.

Section 3. Duties of Directors. The duties of the Board of Directors include, but are not limited to: (1) holding meetings at such times and places as it thinks proper; (2) admitting members and suspending or expelling them by ballot; (3) appointing committees on particular subjects from the members of the Board, or from other members of the Corporation; (4) auditing bills and disbursing the funds of the Corporation; (5) adopting resolutions and policy statements representing the positions of NASM; (6) carrying on correspondence and communicating with other corporations interested in the petroleum industry; (7) employing agents; (8) contracting for professional and technical services; (9) devising and carrying into execution such other measures as it deems proper and expedient to promote the objects of the Corporation and to best protect the interest and welfare of the members.

Section 4. Meeting of Board of Directors. Meetings of the Board of Directors shall be held at such times, places and/or manner as may be determined by the Executive Committee. Notice of a meeting shall be communicated in the same manner as provided in Article VI, Section 1, to each director at least 10 days before the time appointed for the meeting. The Executive Director or the Chairman may, when he/she deems necessary, issue a call for a special meeting of the Board, and only five days' notice shall be required for such

special meetings. The notice need not specify the purpose of this meeting.

- a) Mail/Email/Fax Ballot: For the purpose of considering proposals duly recommended by the Executive Committee, the Executive Director or the Chairman may, at the direction of the Executive Committee, submit the proposal to the entire Board of Directors by mail, email or fax with a written explanation of the reason and purpose of the proposal including a ballot on which the director may record his/her vote "For" or "Against" the proposal and return it by U.S. Postal Service mail, email or fax to the Executive Director or his/her designee. A quorum shall be constituted when a majority of the Board of Directors has voted on the proposal and a simple majority of those voting "For" or "Against" shall pass or reject the proposal.

- (1) Amendment: A proposal submitted for ballot by mail, email or fax may be amended provided the proposed amendment is submitted in writing over the signature of two or more directors, accompanied by a written statement giving the purpose and reasons for the amendment and the proposed amendment is voted on in the same manner as the basic proposal.

Section 5. Quorum. A majority of the Board of Directors, including duly qualified alternates, shall constitute a quorum for the transaction of business. In the absence of the Chairman and Vice Chairmen, the quorum present may choose a Chairman for the meeting. If a quorum is not present, a lesser number may adjourn the meeting to a later day.

Section 6. Attendance. Directors may attend, participate and vote at any meeting of the Board of Directors by use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 7. Absence; Proxies. It shall be a Director's duty, upon receipt of a notice of a meeting, to advise the Secretary or his/her designee as soon as possible, but not later than the date of the meeting, of his/her ability to attend or his/her reason for not attending. Should any member of the Board of Directors absent himself unreasonably from three consecutive meetings of the Board without sending a communication to the Chairman or Executive Director stating his/her reason for so doing, and if his/her reason should not be accepted by the members of the Board, his/her seat on the Board may be declared vacant, and the Chairman may forthwith proceed to fill the vacancy. A Director may attend a meeting of the Board of Directors and have his/her vote cast at the meeting by proxy. A proxy shall be in writing and revocable at the pleasure of the Director executing it. The proxy shall be invalid after 11 months from the date of its execution unless otherwise specified in the proxy.

Section 8. Vacancies. Whenever any vacancy occurs in the Board of Directors by death, resignation, or otherwise, it may be filled by a majority vote of the remaining members of the Board at a regular meeting, at a special meeting called for that purpose, or by mail/email/fax ballot. If the vacancy is so filled, the person so chosen shall hold office for the unexpired term of his/her predecessor in office.

Section 9. Removal of Directors. Any one or more of the directors may be removed either with or without cause, at any time, by a vote of a majority of the members of the Corporation, at any special meeting called for that purpose or by mail, email or fax ballot.

ARTICLE VIII

Officers

Section 1. Number. The Officers of this Corporation shall be a Chairman, a Vice Chairman, a Secretary, a Treasurer, and an Executive Director who will be appointed by the Board of Directors and assigned specific duties as specified in Section 3, below.

Section 2. Election and Term. The officers of the Corporation shall be elected in the same manner, and at the same time, and for the same term as the Board of Directors as provided in Article VII, Section 2, of the Bylaws. Ex-officio officers may run for a position on the Board again at any time. Any two or more offices may be held by the same person, except the offices of Chairman and Secretary or Treasurer.

Section 3. Duties of Officers. The duties and powers of the officers of the Corporation shall be as follows:

Chairman of the Board

The Chairman shall preside at the meetings of the Corporation, the Board of Directors and the Executive Committee, and shall be a member ex-officio, with right to vote, on all committees. He/she shall also, at the annual meeting of the Corporation and such other times as he/she deems proper, communicate to the Corporation or to the Board of Directors such matters and make such suggestions as may, in his/her opinion, tend to promote the prosperity and welfare and increase the usefulness of the Corporation and shall perform such other duties as are necessarily incident to the office of the Chairman.

Vice Chairmen

In case of the death or absence of the Chairman, or of his/her inability from any cause to act, the Vice Chairman shall perform the duties of his/her office.

Secretary

The Secretary or his/her designee shall: work with the Executive Director and Chairman as appropriate to oversee the keeping of the general records of NASM; attend meetings of the Board of Directors, the Executive Committee and other committees of the Corporation and ensure that appropriate records of their doings are maintained; and ensure that a list of the members of the Corporation is maintained and updated as appropriate. In case of absence or disability of the Secretary, the Executive Committee may appoint a Secretary *pro tempore*.

Treasurer

The Treasurer shall work with the Executive Director, the Chairman and/or their designee to oversee monies received and expended for the use of the Corporation and shall make or authorize disbursements, other than those approved in the annual budget, only upon vouchers approved by the Executive Director or the Chairman. He/she shall ensure that all sums received by the Corporation are deposited in a bank, banks, trust company, or brokerage firm account approved by the Executive Committee, and make a report at the annual meeting of the transactions and condition of the Corporation or when called upon by the Chairman. Funds may be drawn only upon the signatures of the Treasurer, the Chairman, the Executive Director, or a designated staff member, subject to restrictions in the Bank Resolution and provided that none shall have authority to solely issue a check to themselves as payee.

The funds, books, and vouchers of the Corporation shall at all times be under the supervision of the

Treasurer and the Executive Committee and subject to their inspection and control.

Executive Director

The Executive Director shall be appointed as provided in Section 1 of this Article to perform the functions of Chief Operating Officer of the Corporation, and shall manage the activities of the Corporation as directed by the Chairman, the Executive Committee and the Board of Directors.

The Executive Director may be delegated specific authority by the Board of Directors as to Corporation policies, operation of daily activities of the Corporation, announcement of meetings and the taking of mail, email, or fax ballots and to perform such other functions delegated to him/her by the officers, the Executive Committee and Committee chairmen within their specific authority. The extent of his/her authority to disburse funds of the Corporation shall be specified in the Resolution of the Board of Directors which names the depository to be used by the Corporation and certifies to the depository the names and signatures of the persons authorized to sign and issue checks against the Corporation's account.

Section 4. **Audit.** Prior to the close of the fiscal year, the Executive Committee shall cause an audit or other appropriate financial analysis of the Corporation's books and financial records to be made and shall report same to the next annual meeting. The cost of such audit or analysis shall be paid out of the Treasury of the Corporation.

Section 5. **Directors and Officers Insurance.** The Corporation will keep and maintain directors and officers liability insurance with limits, deductibles and coverage features approved by the Chairman, Treasurer and Executive Director.

Section 6. **Vacancies.** All vacancies in any office shall be filled by appointment by the Board of Directors. The term of any officer by appointment shall terminate when the term of office of his/her predecessor would have terminated.

ARTICLE IX **Committees**

Section 1. **Executive Committee.** The Executive Committee shall consist of the officers and the immediate past chairman of the Corporation.

Section 2. **Duties and Limitations of Executive Committee.** The Executive Committee may appoint such employees and contract for professional and technical services as may be necessary to conduct the business of the Corporation. The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the Corporation, and shall have the responsibility for oversight of the budget for the current fiscal year and preparation of a proposed budget for the next fiscal year. The proposed budget for the next fiscal year shall be submitted by the Executive Committee for approval by the Board of Directors at the annual fall meeting. A quorum of the Executive Committee and its authority to transact business by mail, email or fax ballot shall be the same as provided for the Board of Directors in Article VII, Sections 4, 5 and 6.

Section 3. **Special Committees.** The Chairman may, at any time, appoint other committees on any subject for which there are not standing committees.

Section 4. Committee Quorum. A majority of any committee of the Corporation shall constitute a quorum for the transaction of business, unless any committee shall by a majority vote of its entire membership decide otherwise.

Section 5. Committee Vacancies. The various committees shall have the power to fill vacancies in their membership by appointment.

ARTICLE X
INDUSTRY ADVISORY COUNCIL

Section 1. Members. The Industry Advisory Council (IAC) shall consist of no more than seven (7) representatives of NASM Supplier Associate member companies in good standing. NASM’s Board of Directors’ Chair shall name the IAC Chairperson and Vice Chairperson and the remaining members of the IAC during the first Board of Directors meeting of each calendar year. NASM’s Chairman shall serve as an ex-officio, non-voting member of the IAC.

Section 2. Constitution and Meetings. The IAC shall meet annually either in-person or via a videoconference or traditional conference call. The IAC’s officers shall consist of a Chairperson and Vice Chairperson appointed as described in Section 1. The Chairperson shall preside over meetings of the IAC and shall serve as the IAC’s liaison to the Board of Directors when making reports or issuing guidance and shall serve as a non-voting member of NASM’s Board of Directors. NASM’s Board of Directors may excuse the IAC Chairperson, when necessary, upon moving into executive session.

Section 3. Duties and Limitations. The IAC shall represent the viewpoints and considerations of NASM’s vibrant supplier associate membership category. NASM staff will work with the IAC’s leadership to determine an appropriate agenda and assist in assembling any necessary reports or work product. The IAC shall serve in an advisory capacity to NASM’s Board of Directors and Executive Committee for the ongoing development of synergies between NASM’s primary categories of membership.

All members of the IAC must represent companies in good standing with NASM. IAC members serve at the pleasure of NASM’s Board of Directors and can be removed for reasons including but not limited to non-compliance, excessive absences, and no longer being an employee of the member company. Pending board approval, the NASM Chair may replace an IAC member who has been removed for any reason.

Only one (1) representative from a company may serve on the IAC at one time.

ARTICLE XI
Dissolution

Section 1. Dissolution. The Corporation may be dissolved and cease to do business by a vote of the membership at any meeting called or announced to include that purpose and conducted in accordance with Article VI, Sections 1 through 6. Dissolution shall then be effected as provided by laws of the Commonwealth of Virginia governing the dissolution of Corporations.

Section 2. Dues Refund. Upon dissolution of the Corporation, the Treasurer or the Executive Director, after payment of all debts and obligations of the Corporation, shall refund to each member in good standing an amount equal to the ratio that the dues paid by that member for that fiscal year is to the total dues paid by all members for that fiscal year multiplied by the remainder in the Treasury.

ARTICLE XII

Seal

The seal of the Corporation shall be as more particularly shown in the following impression:



ARTICLE XIII
Amendments

The Bylaws may be amended, repealed, or altered in whole or in part by a majority vote at any duly organized meeting of the members of the Board of Directors or of the members of the Corporation. The proposed change shall be mailed, emailed or faxed to the last recorded post office or email address or fax number of each director or member at least 10 days before the time of the meeting which is to consider the change.