

**Constitution and Bylaws
Of the
Railway Supply Institute Incorporated**

August 3, 2012

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Article One – NAME

The name of this organization under the not for profit laws of the State of Illinois shall be the Railway Supply Institute, Incorporated (RSI).

Article Two – PURPOSE

The purpose of the RSI shall be:

Section One. To provide a permanent organization of railway suppliers and affiliated Organizations to support the goals and objectives of the members as developed by its Board of Directors.

Section Two. To represent the interests of the membership with federal, state and local governments.

Section Three. To hold periodic meetings and exhibitions for its members, customers and other railroad organizations. Such meetings may include educational and technical sessions that focus on industry research and development, as well as trade shows to allow members to exhibit their products.

Section Four. To provide, through advisory project committees, the ability for its members to meet and collectively work on behalf of the industry. Project Committees will operate under rules approved by the Board of Directors.

Section Five. To perform other such lawful activities as determined by its Board of Directors.

Article Three – MEMBERSHIP AND REPRESENTATION

Section One. Membership in the RSI shall be open to companies and organizations which are actively interested in the well-being of our nation's freight and passenger railroads, freight shippers, and rail rapid transit systems.

- (a) **REGULAR MEMBERS.** Regular members shall be companies and organizations which provide goods and services to our nation's freight and passenger railroad industry and other railway supply companies.

- (b) **SPECIAL MEMBERS.** Special members shall include but not be limited to railroads, financial institutions, law firms, publishing companies and other entities and institutions that share the purpose and goals of the RSI but may not directly sell to or represent the railroad

industry. The Board of Directors will have sole discretion in determining which companies are eligible for membership under this category. Special members shall not be eligible to serve on the Board of Directors of the RSI.

The Board of Directors may create other membership categories as necessary.

Section Two. For the purpose of representation on the Board of Directors, regular members shall be divided into two (2) classes (small regular member companies and large regular member companies) based upon the volume of their business with the North American railroad industry. The Board of Directors shall periodically determine the business volume which will distinguish between large and small company members to assure that it is appropriate. The special members shall constitute a separate membership class.

Section Three. Each member company or organization shall appoint an individual to represent it at all regular and special meetings of the membership and to cast its vote at such meetings. This representative shall be known as a "Contact Officer". The Contact Officer may be changed upon written notification to the RSI. In the event of a vacancy, the member company shall, within thirty (30) days, appoint a replacement.

Section Four. There shall be an Annual Meeting of the membership at a time and place determined by the Board of Directors. Special meetings for any purpose can be called by the Board of Directors on thirty (30) days written notice to the membership stating the purpose(s) of the meeting or as set forth in Article Ten hereof.

Section Five. Membership in the RSI shall be requested in writing and signed by the applicant on a form furnished by the RSI.

Section Six. The Board of Directors may, for good cause, deny membership to any applicant. The RSI President may also exercise discretion to deny membership to any applicant, should the RSI President determine that the applicant's membership in RSI would be inconsistent with RSI's organizational purpose or inconsistent with RSI's ability to support and represent the interests of companies and organizations that are actively interested in the well-being of the United States railway supply industry, freight and passenger railroads, freight shippers, and rail rapid transit systems, as stated in above.

Section Seven. The Board of Directors may remove any RSI member by a vote of two-thirds of the entire Board of Directors. In instituting any such proceeding, The Board of Directors must:

- (a) Provide the applicant or member with a written description of the reason or conduct the Board of Directors believes constitutes the basis for denial or removal; and
- (b) Permit the applicant or member the opportunity to appear before the Board of Directors directly or through counsel for the purpose of responding prior to any vote on a removal resolution by the Board of Directors.

Article Four - ANNUAL DUES AND OTHER FEES

Section One. Annual dues and any special fees for regular and special members shall be set by the Board of Directors and payable as determined by the Board of Directors. The Board of Directors may define and collect other fees that it deems appropriate.

Section Two. Membership in the RSI shall terminate upon failure to pay membership fees as set by the Board of Directors. The Board of Directors may also require additional fees prior to reinstatement of membership, at its sole discretion.

Article Five – BOARD OF DIRECTORS

Section One. The business and governance of the RSI shall be managed by a Board of Directors. The Board of Directors shall consist of a Chairman, Vice Chairman and Secretary-Treasurer, nine (9) Member Directors and the immediate past Chairman. In addition, The Board of Directors may appoint, upon an affirmative majority vote of the Directors present, Special Directors from the railroad-related associations that are Members of RSI. The Special Directors shall have the same voting rights as Member Directors and officers, will be appointed for one-year terms, may be appointed for successive one-year terms, but shall not be eligible to serve as an officer. The trade press may be invited as observers to Board of Director meetings but shall have no voting rights. The membership of the Board of Directors shall, as much as possible, be divided equally between the two classes of membership outlined in Article Three, Section 2.

Section Two. The Board of Directors may change the total number of Directors upon an affirmative seventy-five (75%) percent vote of the Directors present at the meeting.

Section Three. The term of office of the Member Directors shall be three (3) years and the Directors may serve until their qualified successors are duly elected. Member Directors shall be elected at each Annual Meeting sufficient to replace the Directors who are retiring. No retiring Director shall be eligible for re-election as a Director for one (1) year after his or her term has expired.

Section Four. No person shall be eligible to be an Officer or Member Director unless he or she is employed by a regular member in good standing of the RSI. When any Officer or Director shall cease to be employed by the RSI member, he or she may continue to serve on the Board for thirty (30) days or until a replacement can be named, whichever first occurs.

Section Five. Any vacancy on the Board of Directors shall be filled by a Contact Officer of a regular member selected by the Board of Directors. The Board of Directors shall strive to fill the vacancy with a Contact Officer from the same membership class as the membership class of the departed Board member. The Director so elected shall serve out the unexpired term of his or her predecessor. Upon expiration of the original term, he or she will be eligible for immediate nomination as a Director and be able to serve a full three-year term.

Section Six. The Board of Directors shall meet with at least fourteen (14) days prior written notice at a time and place determined by the Chairman. A majority of the members of the Board of Directors shall constitute a quorum. Two-thirds of the members of the Board of Directors may call a meeting of the Board, at such time and place as they determine, with at least fourteen (14) days prior written notice to all Board Members. In the transaction of business, a majority of the votes cast by those Member Directors present shall be required to pass a resolution. In the event of a tie vote, unless otherwise stipulated by the By-Laws, the resolution will fail.

Section Seven. The Board of Directors shall meet at least three (3) times a year to conduct the business of the association. Special meetings may be called if needed.

Section Eight. The Board of Directors shall have the power to employ a person to act as President of the RSI and such other staff as it considers necessary on terms and conditions of employment it considers appropriate. The President shall be in charge of the day-to-day operation of the RSI and also shall oversee staff. The President's responsibilities shall be under the jurisdiction of the Board of Directors. It may hire other professionals to consult with the Board of Directors at its discretion.

Section Nine. The Board of Directors may remove any Member Director, Special Director or Officer by a vote of two-thirds of the entire Board of Directors. The Board of Directors must however in instituting any such proceeding:

- a) Provide the Member Director, Special Director or Officer with a written description of the charge or conduct which the Board of Directors believes constitutes the basis for removal; and
- b) Permit the Member Director, Special Director or Officer so Charged to appear before the Board directly or through counsel for the purpose of responding to the charges prior to any vote on the removal resolution by the Board of Directors.

Article Six – OFFICERS

Section One. The Officers of the RSI shall be Chairman, Vice Chairman and Secretary-Treasurer. No Officer shall be eligible to succeed himself or herself. Officers shall serve without remuneration. The line of progression to the chairmanship shall be Secretary-Treasurer, Vice Chairman and Chairman.

Section Two. The term of office for each Officer shall be one (1) year, and until their successors are duly elected. After being elected, an Officer shall progress to the next higher office annually without further vote.

Section Three. A new Secretary-Treasurer shall be elected annually by the Board of Director by secret ballot from the group of Member Directors who are in their final year as Directors. No person shall be eligible to be an Officer until he or she has served at least one (1) full year on the Board of Directors and at the time of his or her election is a member of the Board of Directors. If on the first vote, one candidate does not receive a majority of the votes, the candidate receiving the least number of votes shall be eliminated and the Board of Directors shall vote again. In each vote, if there is an even number of Directors voting, the Chairman shall cast two (2) votes. In the event that there are no eligible candidates, the Board may nominate, as Secretary – Treasurer, a Board member in their first or second year as a Board member with preference given to members serving in their second year.

Section Four. If any of the Officer positions becomes vacant, the holder of the lower office shall assume the duties of the next higher office while continuing the duties of his or her office until a replacement is elected. In the event of the Secretary-Treasurer position becoming vacant, the Vice Chairman shall assume the duties of the Secretary Treasurer until the position is filled.

Section Five. The Board of Directors shall procure appropriate insurance covering officers, Member Directors and employees authorized to handle money or property of the RSI. Such insurance shall be paid for by the RSI.

Article Seven – NOMINATIONS AND ELECTIONS OF DIRECTORS

Section One. Member Directors shall be elected by a majority vote of members of the RSI present at the Annual meeting. New Directors shall assume office at the start of the next fiscal year (January 1) but are eligible to attend Board meetings as guests until their term begins.

Section Two. Each year, the Chairman shall appoint a committee to make recommendations for nomination for new Member Directors. The Committee shall strive to recommend candidates from the same class as each of the retiring Directors. Candidates shall reflect the diversity of the industry. The Committee shall strive to recommend two (2) candidates for each vacancy. The Board of Directors shall then select from the nominees a slate of candidates to fill each vacancy. The slate of candidates selected shall be provided to each member company with the notice of the Annual Meeting. The slate of candidates shall be elected by secret ballot. In the event an even number of Directors are voting, the Chairman shall cast two (2) votes. After each vote, the candidate with the least number of votes shall be eliminated until the number of candidates to be slated has each received a majority vote.

Section Three. Any group of 30 or more regular members of the RSI may nominate a slate of one (1) or more candidates for the Board of Directors who qualify under Articles Five and Seven to be elected at the next Annual Meeting, providing such nominations must be in writing, duly signed and filed with the Secretary-Treasurer at least fifteen (15) days prior to the Annual Meeting. The Secretary Treasurer shall present such slate of nominees to the members at the Annual Meeting.

Article Eight – DUTIES OF OFFICERS

Section One. The Chairman shall preside at all meetings of the RSI and of the Board of Directors. The Chairman shall be ex-officio member of all RSI Board Committees.

Section Two. The Vice Chairman shall perform the duties of the Chairman in his or her absence.

Section Three. The Secretary-Treasurer shall have charge of all corporate books, records and papers, and shall oversee all financial transactions and investments. He or she shall give a financial report at each meeting of the Board of Directors. The day-to-day financial transactions and obligations of the RSI shall be the responsibility of the President. In the absence of a President, the Secretary-Treasurer will assume the financial oversight duties until a President is named.

Article Nine - BOARD COMMITTEES

Section One. The standing committees of the Board of Directors shall be the Executive Committee, the Finance Committee, the Program Committee, the Government Relations Committee and the Membership Committee. Unless otherwise proscribed, the Chairman of the Board of Directors will name Committee Chairman and, with the advice of the Committee Chairman, assign Member Directors to serve on the various Committees.

Section Two. The Executive Committee shall consist of the Officers, and Immediate Past Chairman. The Executive Committee shall have general supervision over the activities of the RSI, act when it is impractical to have a meeting of the Board of Directors, and have emergency spending authority up to \$50,000. Any spending decisions shall be reported to the Board of Directors no later than at its next meeting.

Section Three. The Finance Committee shall consist of the Secretary-Treasurer and at least two (2) additional Member Directors. The Secretary-Treasurer shall chair the Finance Committee. The Finance Committee shall have general supervision of the RSI's finances and investments, and shall oversee the annual audit.

Section Four. The Program Committee shall consist of a Chairman and at least two (2) additional Member Directors and have general oversight of the RSI meetings and exhibitions.

Section Five. The Government Relations Committee shall consist of a Chairman and at least two (2) additional Member Directors and have oversight of the government relations activities of the RSI.

Section Six. The Membership Committee shall consist of a Chairman and at least two (2) additional Member Directors and shall have oversight of membership renewal, membership recruitment and shall advise the full Board of Directors on membership dues policies.

Article Ten – ANNUAL MEMBERS MEETING

Section One. There shall be an Annual Meeting of the RSI at a time and place determined by the Board of Directors. The membership shall be so advised at least 30 days prior to the meeting by notice to the Contact Officer for each member.

Section Two. A Special meeting of the RSI may be held at any time on call of two-thirds of the members of the Board of Directors or thirty (30) members in good standing in the RSI upon thirty (30) days prior written notice. If such a Special meeting is called, it shall be held in Chicago, Washington, DC or in conjunction with another RSI meeting.

Section Three. At any Annual or Special meeting of the RSI, thirty (30) members in person or by proxy shall constitute a quorum for the transaction of business. At such meeting, each member shall be entitled to one (1) vote.

Section Four. In the transaction of business, a majority of votes cast by the RSI members Contact Officers present at a meeting of the membership shall be required to pass a resolution except as otherwise herein provided. Members may vote by proxy. Proxies will be disseminated by the RSI at least thirty (30) days prior to a meeting of the membership.

Section Five. The Annual meeting shall be conducted in accordance with an agenda prepared by the Chairman. The Roberts Rules of Order shall govern all meetings of the RSI in all cases to which they are applicable and not contrary to the RSI By-Laws.

Article Eleven – CONFLICT OF INTEREST

Officers, Directors and members of the RSI shall be mindful of the purposes and goals of the RSI and shall, at all times, maintain the highest ethical standards and avoid any conflict of interest or any appearance of impropriety in the activities they undertake in their role as Officer, Director or member.

Article Twelve – AMENDMENTS

Section One. The Board of Directors, by a two-thirds vote of all Directors, may amend these By-Laws.

Section Two. Within thirty (30) days of the approval of an amendment of these By-Laws by the Board of Directors, the President shall notify the membership in writing of such amendment with an explanation of the reason for the amendment. Such notification shall be delivered to the Contact Officer.

Section Three. If within thirty (30) days of the notification of an amendment of these By-Laws by the Board of Directors, the Contact Officers for thirty (30%) percent of the of RSI members request that the amendment be reconsidered, such amendment will be presented for approval at a meeting of the RSI members.

Section Four. Scrivener errors within these By-Laws may be corrected by a majority vote of the Board of Directors without approval of the membership.