

ATMA® BY-LAWS

ARTICLE I

Name

The name of the Association shall be American Textile Machinery Association.

ARTICLE II

The principal office of the Association shall be in such location in the United States as the Board of Directors may designate from time to time.

ARTICLE III

Members and Their Election

Section 1. Eligibility and Classes of Members

A. Members

Any firm, corporation, or clearly definable operating unit thereof, in the United States, which, in the judgment of a majority of the Board of Directors is substantially engaged in the supplying of complete machines, parts for or machinery accessory to machines, used in the textile establishments for, but not limited to, actual manufacture or processing of fiber, filament, yarn, or fabric is eligible for membership.

For the purposes of this section "substantially engaged in supplying" shall mean:

1. The member is substantially engaged in manufacture in the United States of the above products; or
2. The member has a substantial facility in the United States with product inventory, from which facility the member performs sales, distribution and service functions.

For purposes of this section "substantial facility" means no less than 1,500 square feet of permanent non-residential property dedicated to business conduct, year-round.

For the purpose of this section, "manufacture in the United States" includes assembly in the United States of components manufactured by others so long as engineering, product design, or software are created and controlled by the member company ownership.

For the purposes of this section "substantially engaged in" shall mean:

1. At least 25 percent of applicant's total annual sales from the U.S. facility are derived from the activities described above; or
2. At least \$500,000 of applicant's total annual sales are derived from the activities described above.

Not qualified are agencies and used machinery concerns.

Membership must be in the name of the principal whose designated voting executive representation must be U.S.-based.

No change in a member's activities after the member's election that would render the member ineligible for membership under the standards set forth herein shall affect the member's membership status, provided that the member remains in the textile machinery business or the business of supplying parts for or machinery accessory to the machinery described herein.

B. Affiliate Members

Any individual who, in the judgment of a majority of the Board of Directors,

1. supports the purposes and activities of the Association,
2. has his or her principal office in the United States,
3. is engaged in academic or business activity related to the textile machinery industry, and
4. is neither an officer nor an employee of any firm, corporation, or clearly definable operating unit thereof which is eligible for membership in the Association, is eligible for affiliate membership in ATMA[®], but only for so long as such related activity shall continue. Affiliate members shall have all the rights and privileges of members except:
 - a. the right to vote in the affairs of or at committee, annual or special meetings of the Association, and
 - b. the right to serve as Officers or members of the Board of the Association.

- C. The word "member" as used in these By-Laws shall include affiliate members except wherever reference is made to the matter of voting for a Director or Directors or in the affairs or at the meetings of the Association, or as otherwise provided in these By-Laws.

Section 2. Election

- A. Members shall be elected by a majority vote of the Board of Directors, based on information submitted by the applicant, or additional information developed through investigation.

Section 3. Representatives: Voting Rights

- A. Each member shall appoint and certify to the Executive Vice President of the Association a representative (such as the proprietor in case of individual ownership, a member of the firm in case of a partnership, or the president, or other authorized officer in case of a corporation) who shall represent, vote, and act for the member in all the affairs of the Association. Each member shall have one vote at meetings of the Association. A member may appoint (from among its staff) additional or alternate representatives, but such appointment shall not increase said member's voting power. Nothing in this section should be interpreted as stating that additional or alternate representatives of any member company may not serve as directors of the Association in accordance with provisions of Article V of these Bylaws.

Section 4. Resignation/Suspension/Expulsion

- A. A member may resign from the Association at any time by written resignation delivered to the Executive Vice President of the Association and by paying in full all of its dues or other obligations to the Association including those of the current fiscal year. No resignation shall be effective until such dues and other obligations have been paid.

- B. Any member failing to pay the annual dues prescribed by the Board of Directors according to Article IV, Section 1, may upon a two-thirds vote of the Board of Directors be suspended from membership for such period as the Board may determine, or expelled, and for the period of any such suspension shall forfeit all rights and privileges of membership. Any member, for cause other than failure to pay annual dues, may, upon a two-thirds vote of the Board of Directors, be suspended or expelled from membership; but no such action shall be taken until such member shall have been furnished a full statement of the charges against him and shall have been provided adequate opportunity for a hearing thereon. Causes for suspension or expulsion include:
1. violation of any By-Law of the Association or of any rules lawfully made by or under the authority of the Board of Directors;
 2. conduct prejudicial to the best interests of the Association.
- C. A member which has resigned or been expelled from the Association shall not be entitled to rejoin the Association for a period of two years from the date of resignation or expulsion except upon such terms and conditions as the Board of Directors shall deem appropriate under all of the circumstances of the particular case.

ARTICLE IV

Dues

Section 1. Dues

- A. Each member shall, so long as such membership shall continue, pay annually, in advance, upon receipt of notice from the Treasurer, amounts from time to time fixed as dues by the Board of Directors. Such dues, which need not be uniform, may be based on such factors, standards or classifications as the Board of Directors shall deem equitable and appropriate and may provide for minimum and maximum amounts.

No member shall be excused from paying the dues provided for above in this Section 1 by reason of any relationship of such member to another member whether as parent, direct or indirect subsidiary, affiliate or division of such other member.

No assessment additional to annual dues shall be made in any year upon the members, unless such assessment shall have been authorized by a majority vote of the members present at a regular or special meeting of the Association duly called for the purpose.

Section 2. Employee Report

- A. Whenever called for by the Board of Directors, each member shall report to the Executive Vice President the total number of employees on its payroll (including every class of shop worker, office employee, salesman, and executive) engaged primarily, whether directly or indirectly, in the production or distribution of machinery of the type described in Section 1 of Article III hereof or in the keeping of records with respect to such production or distribution, or in performing any other function incidental to such production or distribution.

ARTICLE V

Officers and Directors: Their Election and Duties

Section 1. Officers and Directors

- A. The Officers of the Association shall be a Chairman, up to two (2) Vice Chairmen, a Treasurer, a President, an Executive Vice President, a Secretary, an Assistant Treasurer and up to two (2) Staff Vice Presidents. The Board of Directors of the Association shall consist of not less than six (6) Directors chosen from members' certified, additional, or alternate representatives, with such representatives representing the whole Association as well as the immediate past Chairman.
- B. Any Offices (other than the offices of Chairman, Secretary and Treasurer) may be combined and filled by the same person, at the discretion of the Board of Directors.

Section 2. Term of Office

- A. The initial Directors of the Association shall hold office for the terms specified in the Articles of Incorporation of the Association and until their respective successors are chosen and qualified. The members shall annually re-elect or elect successors to those Directors whose terms then expire to hold office for the term of three years and until their respective successors are chosen and qualified. More than one representative of an ATMA[®] member may be elected and may serve as an ATMA[®] Director. Except for Officers, nominees for office, and the immediate past Chairman, any Director who has served for three consecutive three-year terms shall not be eligible for reelection until one year has elapsed. Directors shall be elected by a majority vote of the members present at the annual meeting of the Association or at any meeting duly held in lieu thereof. Immediately following said meeting and at the same place, there shall be a meeting of the Board of Directors (for which no call or notice shall be necessary) at which meeting the Board of Directors shall elect by majority vote from its own members the Chairman, up to two (2) Vice Chairmen and the Treasurer, and shall elect by a majority vote from staff, President, Executive Vice President, Secretary, Assistant Treasurer and up to two (2) Staff Vice Presidents.
- B. The term of every Officer elected as above provided shall continue for one year and until his successor is duly elected and qualified.

Section 3. Chairman

- A. A. The Chairman shall preside over all meetings of the Association, the Board of Directors, and the Executive Committee. He shall be a member, ex-officio, with the right to vote, of all committees and he shall have such other powers and duties as the Board of Directors shall from time to time prescribe. He shall represent the best interests of the entire membership and the organization. He shall appoint Committee leadership. He identifies with the President in making reports on association matters, conditions, operations and basic policies and programs for consideration by the Board. He shares with the President public representation roles. The Chairman shall not be eligible for reelection for a consecutive term to the office of Chairman after having served two (2) full terms.

Section 4. Vice Chairmen

- A. A. The Vice Chairmen shall assist the Chairman in discharging his duties. Immediately following the election of the Officers, the Executive Committee shall designate the Vice Chairmen, if more than one is elected, who, during the absence or incapacity of the Chairman, shall have all powers and be charged with all the duties of the Chairman,

including presiding over the meetings of the Board of Directors and the membership and carrying out the directions of the Board of Directors or Executive Committee. Vice Chairmen shall not be eligible for reelection to the office of Vice Chairman after having served two (2) full terms.

Section 5. Treasurer

- A. The Treasurer shall keep an account of all monies received and expended for the use of the Association. He shall not incur indebtedness in excess of the routine expenses of the Association unless otherwise expressly authorized by the Board of Directors. All indebtedness incurred by him shall be by and on behalf of the Association and not of its individual members. He shall render an account of his transactions to the Annual Meeting of the Association and upon his retirement from office. He shall annually submit his accounts and figures to a certified public accountant designated by the Board of Directors in sufficient time so that they may be audited and presented to said Board at least five days prior to the Annual Meeting of the Association. The duties of the Treasurer, in whole or in part, may be assigned by the Board of Directors to an Assistant Treasurer.

Section 6. President and Chief Executive Officer

- A. A. The Board of Directors shall employ a President and Chief Executive Officer to administer its affairs. Such President shall be an officer of the Association, but shall have no financial interest or other participation in any company in the industry. The President shall be primarily accountable for accomplishments and fiscal integrity of the Association. He shall advance strategic plans and policies for Board consideration. He will represent the Association's positions and interests with external organizations and share spokesman roles with the Chairman. The President generally will plan, organize, direct and coordinate the staff and outside counsel to assure that objectives are attained and member needs are met.

The duties and responsibilities of the President shall be established from time to time by action of the Board of Directors, to whom the chief staff executive shall be directly responsible. A performance evaluation and compensation review will be conducted on an annual basis by the Executive Committee with the President during the budgetary planning process.

Section 7. Executive Vice President

- A. The Executive Vice President as chief operations officer shall attend meetings of the Association, the Board of Directors and the Executive Committee; shall assist the Chairman, President and the Board of Directors in conducting correspondence. He is generally responsible for internal and staff operations functions in liaison with the Chairman and President and fulfills designated operational functions externally. He shall carry into execution all orders, votes, and resolves not otherwise committed; shall keep a list of the members of the Association; collect the dues, and pay them over to the Treasurer; shall notify Officers and members of the Association of their election; shall prepare under the direction of the President an annual report of the transactions and conditions of the Association; he will discharge the duties of the President in his absence. The Staff Vice President(s) shall perform all duties and functions assigned by the Executive Vice President.

Section 8. Secretary

- A. The Secretary shall have custody of the seal of the Association and shall keep minutes of all meetings of the members and of the Board of Directors at which he shall be present, shall give notice of meetings of the members and of the Board of Directors and shall perform all duties commonly incident to his office. In the event of the absence of the Secretary from any

meeting of the members or the Board of Directors, the meeting may appoint a Temporary Secretary to keep the records of such meeting and perform such other duties in connection with that office as the meeting may prescribe.

Section 9. Board of Directors

- A. The Board of Directors shall have the general management and control of all the property and affairs of the Association, and shall exercise all of the powers of the Association except such as are conferred upon the members by law, by the Articles of Incorporation or by these By-Laws. Without limiting the generality of the foregoing, the Board of Directors shall have full power, subject to the provisions of these By-Laws, to fix the duties and compensation of all officers, employees and agents of the Association.

Section 10. Executive Committee; Other Committees

- A. The Executive Committee shall be comprised of the immediate past Chairman, the Chairman, the Vice Chairmen, the Treasurer and the President. The Executive Committee shall have and may exercise such powers, which may include powers vested in the Board of Directors, as are delegated (to the extent permitted by law) to the Executive Committee by the Board of Directors. The Board of Directors also may authorize at any time other committees, which they shall deem appropriate. These committees shall have and may exercise such powers, which may include powers vested in the Board of Directors, as are delegated (to the extent permitted by law) to them by the Board of Directors.
- B. The members of committees other than the Executive Committee shall hold office subject to the pleasure of the Board of Directors and the Board may at any time remove one or more members of any such committee and elect as aforesaid another person in lieu of any member so removed. The Board of Directors may also designate one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting of such committee.
- C. The manner of conducting the business of the Executive Committee and of any such other committee, whether at a meeting or otherwise, including the calling of meetings, shall be as determined from time to time by the members of each committee. A majority of the members of each committee in office for the time being shall constitute a quorum for the transaction of business at a meeting, but in the absence of a quorum, less than a quorum may adjourn a meeting to another time without further notice.

Section 11. Vacancies

- A. In case a vacancy shall occur from any cause in any office or in the Board of Directors, including a vacancy resulting from enlargement of the Board, the Board of Directors (or the remaining Directors, although less than a quorum) may fill such vacancy by the affirmative vote of a majority of the Directors in office. Any vacancy in any office or in the Board of Directors also may be filled by the members at any regular or special meeting unless such vacancy shall have been previously filled by the Board of Directors. An Officer or Director so elected by the Board of Directors or the members to fill such vacancy shall hold office only until the next meeting of the members or Directors at which the office would regularly be filled and until a successor is chosen and qualified.

Section 12. Removal

- A. Any Officer or Director may be removed in the manner and subject to the terms and conditions provided by law.

Section 13. Resignation

- A. Any Officer or Director may resign his office at any time by written resignation delivered to any other officer of the Association, and an acceptance thereof shall not be necessary to make such resignation effective unless so stated in the resignation.

Section 14. Nominating Committee

- A. The Chairman shall each year, before the Annual Meeting, appoint a Nominating Committee. The Nominating Committee shall include at least one (1) current Officer and four (4) Directors. Each class of Directors must be represented on the Nominating Committee. The Committee shall select a list of nominees for Directors, which list shall be mailed to each member of the Association with the notice of the Annual Meeting. The Committee also shall select a list of nominees for Officers, which list shall be presented at the meeting of the Board scheduled for electing Officers.
- B. Any ten (10) or more members may make other nomination or nominations for the Board of Directors by filing the same with the Executive Vice President of the Association not less than five (5) days before the Annual Meeting. The Secretary shall send to each member of the Association, at least three (3) days before the Annual Meeting, a list of all nominations duly filed with him as aforesaid by members.

Section 15. Miscellaneous Duties and Powers

- A. In addition to the foregoing specifically enumerated duties and powers, the several Officers of the Association shall be charged with such other duties and shall have such other powers (to the extent permitted by law) as may be delegated to them by the Board of Directors or any officer herein authorized so to do or as may be imposed upon them by law.

ARTICLE VI

Meeting of the Board of Directors

Section 1. Meeting of Directors

- A. A regular meeting of the Board of Directors shall be held every year immediately after the Annual Meeting of members or the special meeting of members held in lieu of such Annual Meeting at the same place as such annual or special meeting, for the election of officers and for the transaction of such other business as may properly come before such meeting. Any other regular meetings may be held at such time and place as may be fixed from time to time by the Board of Directors. Special meetings of the Board of Directors may be called by the President, or by any five (5) Directors. Any regular or special meeting of the Board of Directors may be held either within or without the District of Columbia.

Section 2. Notice

- A. Notice of the time and place of each regular meeting (other than the regular meeting immediately after the Annual Meeting of members) and of each special meeting of the Board of Directors shall be given by the Secretary or Officer calling the meeting, orally, or by telephone, cable or telegraph at least forty-eight (48) hours before the meeting, except as stated below in this Section 2. Notice may also be given by mail and notice mailed to a Director at his usual and last known place of business or residence at least five (5) days before the time of the meeting shall be sufficient notice. Furthermore, any notice received by a Director in time to enable him to attend the meeting concerning which such notice is given shall be likewise sufficient. Notice of a meeting need not be given to any Director if a written

waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any Director who attends a meeting without protesting the lack of notice at or prior to the commencement of the meeting. Any business whatever may be transacted at a meeting of the Board, although it may not have been specified in the notice or waiver of the notice of the meeting. No notice shall be necessary of an adjourned meeting of the Board of Directors.

Section 3. Quorum

- A. Except as otherwise provided in Section 10 of Article V hereof, a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; but in absence of a quorum, less than a quorum may, without further notice, adjourn a meeting to a future date from time to time or dissolve a meeting which has been called. Except as otherwise expressly provided by law, the Articles of Incorporation or by these By-Laws, the affirmative vote of a majority of any quorum shall be sufficient to transact any business which may properly come before the meeting.

Section 4. Action Without a Meeting

- A. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken by mail ballot if written consent to proceeding in such a manner is obtained from three-fourths of the members of the Board of Directors.

ARTICLE VII

Meeting of the Members

Section 1. Annual Meeting

- A. The Annual Meeting of members shall be held in every year on a day, other than a legal holiday, during the months of February through May, as determined by the Board of Directors, at such hour and place within or without the District of Columbia as fixed by the Board of Directors. At such Annual Meeting, the members shall elect Directors, hear the report of the Treasurer, and transact such other business as may properly come before the meeting. In the event that for any reason the Annual Meeting shall not be held as herein provided, a subsequent special meeting of the members shall be held in lieu of and for the purposes of the Annual Meeting with all the force and effect of an Annual Meeting and for such other purposes as may be specified in the notice of said special meeting.

Section 2. Special Meeting

- A. Special meetings of the members may be called at any time by the Chairman, the President, the Secretary, the Board of Directors, or by at least ten (10) members of the Association entitled to vote at such meeting, stating the time, place and purposes of the meeting. Special meetings of members may be held at such hour and such place within or without the District of Columbia as shall be fixed by the Board of Directors.

Section 3. Notice

- A. A written or printed notice of any annual or special meeting of the members, stating the place, day, hour and purposes thereof, shall be given by or at the direction of the Secretary at least ten (10) days before the date of the meeting (or such earlier date as shall be required by law) to each member by leaving such notice with the member or at his usual place of business or by mailing the same, postage prepaid, addressed to him at his address as last recorded on the books of the Association. Notice of a meeting need not be given to a

member if a written waiver of notice executed before or after the meeting by such member, or his attorney there unto authorized, is filed with the records of the meeting, or to any member who attends a meeting without protesting the lack of notice at or prior to the commencement of the meeting.

Section 4. Quorum

- A. At any meeting of the members, a majority of the members present by representative or by proxy of representative, shall constitute a quorum for the transaction of business; but in the absence of a quorum less than a quorum may adjourn a meeting to a future date from time to time or dissolve a meeting which has been called. If a meeting is adjourned to a future date, it may be held as so adjourned without further notice. At any such adjourned meeting at which a quorum shall be represented, any business may be transacted which might have been transacted at the meeting as originally called. Regardless of any irregularity or defect in call or notice or giving of notice, any meeting, wherever held at which a quorum is present shall be deemed in all respects a legal meeting.

Section 5. Vote Required

- A. If a quorum is represented at the meeting, the affirmative vote of a majority of the members represented at the meeting shall be sufficient to transact any business unless the matter is one upon which by express provision of law or of the Articles of Incorporation or By-Laws of the Association, as amended, a different vote is required or permitted, in which case such express provisions shall govern. Any election by members shall be determined by a plurality of the votes cast by the members entitled to vote at the election.

Section 6. Action Without a Meeting

- A. Any action to be taken by the members may be taken without a meeting if all members entitled to vote on the matter consent to the action by a writing filed with the records of the meetings of the members. Such consent shall be treated for all purposes as a vote.

ARTICLE VIII

Office and Seal

Section 1. Location

- A. The Association shall have such offices in addition to its principal office as the Board of Directors or the members may from time to time designate.

Section 2. Seal

- A. The corporate seal shall be in such form as the Board of Directors may from time to time determine. Until otherwise determined by said Board, said seal shall be circular and there shall appear thereon the name of the Association and the year and place of its incorporation.

ARTICLE IX

Miscellaneous

Section 1. Bonds

- A. The Board of Directors may from time to time require from any one or more of the officers or agents of the Association that he or they shall give bond for the faithful performance of duties in such form, in such sum and with such sureties as said Board may determine; and the premiums for all such bonds shall be paid by the Association.

Section 2. Fiscal Year

- A. Unless otherwise fixed by the Board of Directors, the fiscal year of the Association shall end on the last day of January in each year.

Section 3. Voting Stock in Other Corporations

- A. Whenever the Association shall own stock of another corporation, the Chairman or the President, acting either in person or by proxy, may exercise in the name and on behalf of the Association all voting and subscription rights thereof, as directed by the Board.

Section 4. Execution of Certifications

- A. Any action taken by the members or Board of Directors at any meeting may be certified by the officer whose duty it is to keep the minutes of such meeting or by the officer or Director keeping the records thereof or presiding thereat; and any such certificate shall be conclusive evidence for all purposes that the action so certified was taken.

Section 5. Articles of Incorporation

- A. The term "Articles of Incorporation" as used herein shall mean the original Articles of Incorporation of the Association and any and all amendments, additions and supplements thereto.

Section 6. Personal Liability

- A. Neither the Board of Directors nor any member or Officer, shall have power to bind the members or the individual Directors or officers of the Association, personally. All persons or corporations extending credit to contracting with, or having any claims against the Association shall look only to the funds and property of the Association for payment of any such contract or claim or for the payment of any debt, damage, judgment or decree, or of any money that may otherwise become due or payable to them from the Association, so that neither the members nor the Directors nor the officers, present or future, shall be personally liable therefore.

ARTICLE X

Amendment and Repeal

- A. The By-Laws of the Association may be altered, amended or repealed by two-thirds vote of the members of the Association at a regular or special meeting duly called for that purpose; or by two-thirds vote of the Board of Directors, at a regular or special meeting, provided that written notice of the proposed alteration, amendment, or repeal shall have been sent to the members of the Association at least ten (10) days before said meeting of the Board, and

provided that prior to said meeting ten (10) members of the Association shall not have objected in writing and requested the Secretary to call a special meeting of the Association to consider the same.

Bylaws were amended by the Board of Directors on February 25, 1999. Proper notice of the Bylaws change was provided to members prior to Annual Meeting.

Bylaws were subsequently amended by members at the 2000 Annual Meeting.

Bylaws were amended by the Board of Directors on February 6, 2002. Proper notice of the Bylaws change was provided to members prior to the Annual Meeting.

Bylaws were amended by members at the 2004 Annual Meeting.

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