

NCBFAA Bylaws

National Customs Brokers & Forwarders Association of America, Inc.

Bylaws

Article I

(Name of Association)

This organization shall be known as the National Customs Brokers & Forwarders Association of America, Inc.

Article II

(Objectives)

The objectives of this not-for-profit association are: to promote the common business interests of Customs Brokers, Ocean Transportation Intermediaries (“OTI’s”), which includes Ocean Freight Forwarders and Non-Vessel Operating Common Carriers, and Indirect Air Carriers (IACs); to encourage the maintenance of professionalism within our industry; to maintain a standard of integrity and efficiency that will protect clients and the Government in the fair, reasonable and equitable administration of import and export laws and regulations; and, to develop acquaintance and good fellowship among the members.

Article III

(Membership)

Section 1. There shall be five classes of membership: Regular, Associate, Affiliate, Honorary and Affiliated Association.

Section 2. Regular Membership. (a) Regular Membership shall be restricted to companies, including sole proprietorships and partnerships, regularly engaged in business providing services to the public and located within the Customs Territory of the United States as either: (i) a licensed Customs Broker, (ii) a licensed OTI, and the OTI has posted any bond required by the Federal Maritime Commission or other successor agency, or (iii) an IAC approved by Transportation Security Administration. (b) Such persons, firms or corporations shall be admitted for membership as business organizations only, and in all matters coming before the Association but one vote will be permitted to each Regular member, including all of its branches, affiliates, subsidiaries or other related companies. No person, firm or corporation, however, may vote at any meeting except by a duly authorized representative of the Member; the President or person presiding at such meeting may call upon such representative to produce evidence as to the authorization of the representative by the Member. (c) There shall be no

restriction as to the number of representatives of any Regular Member firm who may attend meetings, but only one vote shall be permitted each Regular Member, as provided in Section 2(a), above. (d) Every applicant for membership must be proposed by one Regular Member and seconded by another Regular Member on a form provided for that purpose, which form shall contain the name, address and occupation of the applicant and the names of the Regular Members proposing and seconding the application. It shall be the duty of the Members proposing and seconding the application, to furnish information regarding the standing and character of the applicant. Such applications shall be referred to the Membership Committee, which shall report its findings to the Board. The Board may either elect or reject such applicant by a majority vote of those present and the applicant shall be advised of such election or rejection. (e) Any dispute concerning regular membership shall be decided by the Board.

Section 3. (a) *Associate Membership* shall be restricted to companies, including sole proprietorships and partnerships, located outside the limits of the Customs Territory of the United States, its possessions and territories, regularly engaged in business providing services to the public as Customs Brokers, OTI's, or International Air Cargo Agents. (b) Every applicant for admission as an Associate Member shall, upon the request of the Board, submit with the application, evidence of applicant's qualifications and integrity. (c) Associate Members may attend general membership meetings at the discretion of the President or the Board, but may not vote or hold office. (d) No Associate Member may utilize the membership in a manner contrary to any policy of the Association. (e) Associate Members must use the word Associate to describe membership in the Association in all printed material, advertisements and/or publications.

Section 4. (a) *Affiliate Membership* shall be restricted to companies, including sole proprietorships and partnerships, not licensed as Customs Brokers, OTI's, or International Air Freight Forwarders, but engaged in a business providing services to the public related to transportation or international-trade services. (b) Affiliate Members may attend general membership meetings at the discretion of the President or the Board, but may not vote or hold office. (c) No Affiliate Member may utilize the membership in a manner contrary to any policy of the Association. (d) Affiliate Members must use the word Affiliate to describe membership in the Association in all printed material, advertisements and/or publications.

Section 5. *Honorary Membership.* Honorary Membership may be conferred upon any person who in the opinion of the Board has rendered an outstanding contribution to the Customs Brokerage, OTI, and/or IAC industries.

Section 6. *Affiliated Association Membership.* Any association in the United States with a membership of persons, firms or corporations engaged in business as Customs Brokers, OTI's, and/or IACs may, upon written application to and an affirmative vote by the Board, be accepted for membership as an Affiliated Association and may designate a member to the National Advisory Committee (Article XI, Section 2). The Board may terminate such membership for good cause, by a two-thirds vote of those Directors present.

Article IV

(Censure, Suspension & Expulsion)

Section 1. Members shall comply with the laws pertaining to, and rules and regulations issued by, the Government agency by which the member is licensed or regulated.

Section 2. A Member may be censured, suspended or expelled when (a) it has been determined by an appropriate governmental agency that the Member has violated a federal law or regulation relating to the conduct of the member, such violation being sufficient for the denial, suspension or revocation of a license, or (b) the Member has been found guilty of a violation of a federal or state law involving moral turpitude, or (c) the Member engaged in activities or changes its status in such manner which would cause it to become ineligible or unacceptable if it were then applying for membership or (d) a member knowingly falsifies information to the Association.

Article V

(Membership Dues)

Section 1. The initiation fee and annual dues for all classes of membership shall be established from time to time by the Board.

Section 2. Any extraordinary expenses shall be provided for by a special assessment at a meeting of the Board, provided the Board members have been advised of such proposal ten days prior to the meeting.

Section 3. Annual dues shall be payable on January 1st each year, or in quarterly payments at the beginning of each quarter.

Section 4. For the purposes of assessment of dues, the definition of "employee" shall be determined by the Board.

Section 5. In the event that any Member shall fail to pay within three months any sums due the Association, his/her name may be posted as delinquent. A list of delinquent Members may be read at any general or special meeting. Any Member may be expelled for delinquency upon a majority vote of the Board. A Member thus expelled may be reinstated by a majority vote of the Board upon said Member having made payment of the delinquent amounts.

Section 6. The resignation of a Member shall not relieve it from payment of any accrued dues or assessments due.

Article VI

(Meetings)

Section 1. Meetings of the Association: (a) There shall be an Annual Meeting of the Association at such time and place as the President shall designate. (b) The membership meetings of this

Association shall be held periodically at such time and place as the President shall designate. (c) (i) Special-membership meetings of the Association shall be held either upon the call of the President, upon the written request of any three members of the Board, or upon the written request of any ten regular members, setting forth the purpose for which such special meeting is called; (ii) within twenty days from the receipt of a written request for such special meeting, a special meeting shall be called by the President; (iii) all notices of special meetings shall be issued to the members by mail or facsimile within ten days from the receipt of the written request and shall state the purpose(s) for which such meetings are called; no business shall be transacted at such meetings except that specified in the notice.

Section 2. Board meetings: (a) Meetings of the Board shall be held approximately every two months or at such time and place as the President shall designate. (b) The President or any three members of the Board, may call a special Board meeting. (c) The Executive Vice-President shall send written notice of all Board meetings to the members of the Board, with a copy of the agenda, at least ten days prior to any Board meeting. (d) The President may invite to Board meetings persons whose presence may be beneficial or interesting to the Board. (e) Each year, one regular meeting of the Board and any special meetings of the Board may, at the option of the President, be held by conference call or other technology approved by state law.

Article VII

(Officers and Board of Directors)

Section 1. (a) The Officers of the Association, each of whom must be a Regular Member or be regularly employed by a Regular Member firm, shall consist of a Chairperson, President, Vice-President, Treasurer and Secretary, and shall hold office for two years or until their respective successors are elected and qualify to take office. (b) A President upon retiring shall automatically become Chairperson of the Board until the retirement of his/her successor. A retired Chairperson of the Board, when not elected to any other office shall automatically become a Senior Counselor and a member of the Board, without vote. (c) The Executive Vice-President and staff may be appointed at per annum salaries fixed by the President, subject to approval by the Board.

Section 2. The Board shall consist of the officers named in Sections 1(a) of this Article, and eighteen Directors, each of whom shall be a Regular Member or an employee of a Regular Member, consisting of two Directors from each Area, as set forth under Article IX, Section 2, who are regularly employed in that area, and Senior Counselors per Section 1(b) of this Article.

Section 3. The Board shall have general charge and control of the affairs of the Association. It shall be empowered to approve all major expenses and to employ counsel whenever necessary, in the best interest of the Association. The Board shall arrange for the proper assessment, collection, safeguarding and auditing of all financial operations of the Association.

Section 4. Nine members of the Board, other than Senior Counselors, shall constitute a quorum at any meeting of the Board.

Section 5. (a) Directors shall be elected for a term of two years, and may be re-elected to consecutive terms, except that no individual shall serve more than four consecutive terms as a

Director representing an Area. (b) No two or more individuals employed by the same Member firm shall be elected or serve for concurrent terms as officers and/or as members of the Board, other than Senior Counselors.

Article VIII

(Election of Officers)

Section 1. The officers referred to in Article VII, Section 1(a), except the Chairperson, shall be elected at the Annual Meeting or any adjournment thereof, as provided herein.

Section 2. (a) Not later than 90 days prior to the annual meeting, the Nominating Committee shall file its report of nominations for the officers of the Association. The Executive Vice-President shall deliver by appropriate means approved by state law to each Regular Member of the Association a copy of the report of the Nominating Committee at least 75 days prior to the Annual Meeting. (b) The names of any additional persons, for which nominating petitions for any officer position, subscribed to by 20 Regular Members of the Association, and received at the Headquarters Office of the Association, by mail, facsimile, or email prior to the close of business 45 days prior to the Annual Meeting, shall also be placed on the ballot for the position for which the person was nominated.

Section 3. Nominations for officers of the Association shall be declared "closed" at the close of business, 45 days prior to the Annual Meeting.

Section 4. Not later than 30 days prior to the Annual Meeting, the Secretary shall deliver by appropriate means approved by state law a ballot containing the names of all persons nominated for each position, together with a proxy form, to each Regular Member.

Section 5. A vacancy in any office or on the Board may be filled for the un-expired time by a majority vote of the members of the Board. Such appointment will not be construed as a term under Article VII, Section 5 (a).

Article IX

(Election of Directors)

Section 1. There shall be nine geographical areas, as follows:

Area 1: Northern Border.

Area 2: Customs New York Region.

Area 3: Customs Northeast Region.

Area 4: Customs Southeast Region.

Area 5: Customs North Central Region.

Area 6: Customs Pacific Region, except for those Ports within Area 9.

Area 7: Customs South Central and Southwest Regions.

Area 8: Southern Border.

Area 9: Los Angeles, including the Ports of Los Angeles/Long Beach, LAX, Las Vegas and Port

Heuneme, Hawaii.

Section 2. (a) Each year, the Affiliated Association(s) located in each of the nine areas, may nominate a Director to represent the Members in that Area, for a two-year term; provided, that only one Director may serve from any one Association, unless no other Association exists in that area. (b) It shall also be the right of any ten Regular Members, who's home office is located in the same area, to nominate a Director to represent that area by subscribing their names to a nominating petitions. The petitions must be received at the Headquarters Office of the Association by mail, facsimile, or email prior to the close of business 45 days prior to the Annual meeting, in which case the nominee will be placed on the ballot.

Section 3. All nominations and nominating petitions must be submitted to and received by the Executive Vice-President not later than 45 days prior to the Annual Meeting.

Section 4. At least 30 days prior to the annual meeting, the Secretary shall have such nominations placed on a ballot and deliver by appropriate means approved by state law the ballot to all Regular Members in that geographical area.

Section 5. (a) Prior to the Annual Meeting of the membership, the Regular Members in each area shall vote for one Director for that area or, as provided under subsection 5(b) below, for a Director in another area, delivering the ballot by appropriate means approved by state law to the Executive Vice-President. (b) Any Regular Member in Customs Northeast, Pacific and North Central Regions may elect to be represented by a Director in a different geographical area by filing a letter designating the geographical area with the Secretary, at least 45 days prior to the election of the Directors. (c) At the Annual Meeting, the Executive Vice-President shall tally all marked ballots received prior to the Annual Meeting and shall announce the name of the Director elected for each area. (d) Each Director shall take office immediately following the Annual Meeting. (e) In the event of a dispute as to the interpretation of this Article, the decision of the Board shall be final.

Article X

(Duties of Officers)

Section 1. (a) The President shall preside at all meetings of the Association and Board and shall perform the duties and exercise the authority usually pertaining to this office, including the appointment of all committees, except as outlined in Article XII, Section 1(a), and shall cast the deciding vote in case of a tie. (b) During the absence of the President, the duties of that office shall fall upon the Chairperson and, in the absence of the President and the Chairperson, upon the Vice-President.

Section 2. (a) The Executive Vice-President shall: (i) be in charge of the Association's office and staff, (ii) keep a list of all Members of the Association and their addresses, (iii) keep a record of all meetings with the names and addresses of Members and guests present at all special and regular meetings of the National Association, as well as meetings of the Board and the National Advisory Committee, (iv) assist the President in compiling lists of such committee members as the President shall appoint, (v) arrange meetings of the committees, as well as meetings of the Board, (vi) in cooperation with the Treasurer, be responsible for billing and collection of dues and keeping the financial records of the

Association, and (vii) maintain the correspondence of the Association, replying promptly to all correspondence received, (viii) maintain all records of the Association, including copies of the Minutes of such meetings, and (ix) be responsible for taking and recording the Minutes of all meetings of the Association and the Board. (b) The Executive Vice-President shall be directly responsible to the President and shall assist the President in all possible ways and, if so directed, represent the President at meetings or speaking engagements and other functions the President is unable to attend.

Section 3. (a) The Treasurer shall (i) supervise the work of the Executive Vice-President in keeping an account of all dues and assessments or other monies received and the payment of bills, (ii) make a financial report at the Annual Meeting and at such other meetings as the President shall request, and (iii) perform all other duties usually pertaining to this office. (b) The Treasurer, as well as all other officers and employees may be required to give bond, in such form and such penalty as the Board may require, for the faithful performance of their duties. The expense of the bond will be paid from the funds of the Association.

Section 4. The Secretary shall (i) keep a record of all official transactions of the Association, (ii) supervise all details of the business of the Association, (iii) supervise the Executive Vice-President in maintaining a roster of members, notices of meetings, issuance of bulletins to members and (iv) perform such other duties as may be required.

Article XI

(Association Business)

Section 1. The presence of 60 members, in person or by proxy, shall constitute a quorum at any regular or special meeting of the Association.

Section 2. The regular order of business shall be as follows:

- Roll Call of Members
- Approval of Minutes of previous meeting
- Report of Executive Vice-President
- Report of Officers
- Report of Committees
- Unfinished Business
- New business
- Adjournment

Article XII

(Standing Committees)

Section 1. (a) The Principal-Standing Committees, which shall act on all matters pertaining to their special functions as indicated by name, are as follows:

- Customs Committee
- Nominating Committee

Transportation Committee

(b) The Principal-Standing Committees shall be organized as follows: The Chairperson and Vice-Chairperson shall be appointed by the President, subject to confirmation by the Board; each Committee shall consist of nine voting members, appointed by the Committee Chairperson, provided one voting member is appointed from each of the nine geographical areas. Only one individual from a member firm shall be appointed or serve in a voting capacity on any single Principal-Standing Committee. The Committee Chairperson shall be authorized to appoint other non-voting members to the committee.

Section 2. The Regular-Standing Committees shall be appointed by the President to act on all matters pertaining to their special functions as indicated by name and shall include, but not be limited to, the following:

Annual Conference
Auditing

Budget and Finance
Membership
Regulatory Agencies

Section 3. (a) A National-Advisory Committee shall consult with and advise the Board on all matters of general interest to the Members. (b) The National-Advisory Committee shall consist of representatives elected by the Affiliated Associations, provided that the firm employing each representative on the National Advisory Committee shall be a Regular Member of the National Customs Brokers & Forwarders Association of America, Inc. (c) Each Affiliated Association shall notify the Executive Vice-President annually of the name and address of its representative on the National-Advisory Committee. (d) Each member of the National-Advisory Committee shall act as liaison between the local or regional association and the National Customs Brokers & Forwarders Association of America, Inc. and shall keep the latter posted on all matters of local importance and on the sentiment of the region association on matters of national importance.

Article XIII

(Amendments)

Section 1. When not inconsistent with these Bylaws, Roberts Rules of Order shall govern all meetings of this Association.

Section 2. (a) These Bylaws may be amended or revised at any regular or special meeting of the Association, upon a majority vote of the members present or represented by written proxy, but such amendment shall not be considered unless written notice of the same shall have been submitted to all members at least 15 days prior to the vote. (b) All proposed changes shall be submitted to the Bylaws Committee for consideration, and the Bylaws Committee shall submit a report of its deliberations to the Board within 90 days after receipt of the proposal. The Board shall consider the report of the Bylaws Committee at its next meeting. If the Bylaws Committee fails to submit a report within the requisite period, the Board shall consider the proposed change to the Bylaws without the Committee's recommendation. If the Board has approved the proposed change, it shall be submitted to the membership in accordance with Section 2(a) above. (c) If the Board has not approved the proposed

change to the Bylaws, submitted in accordance with Section 2(b) above, upon petition signed by at least 20 Regular Members, the proposed change shall then be submitted to the membership in accordance with Section 2(a) above.

Article XIV

(Application of Funds)

The Association shall use its funds only to accomplish its objectives and purposes, and no part of said funds shall inure or be distributed to the Members or any part of them. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board.

Article XV

(Indemnification)

The Association may, by resolution of the Board, provide for indemnification by the Association of any and all of its Directors or Officers or former Directors or Officers against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding, in which they or any of them have been made parties, or a party, by reason of having been Directors or Officers of the Association, except in relation to matters as which such Director or Officer or former Director or Officer shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

Updated 2022