

National Association for Information Destruction, Inc.

By-laws

ARTICLE I

Name

The name of the Association shall be The National Association for Information Destruction (NAID)

ARTICLE II

Purpose

Section 1. PURPOSE AND GOALS: The purposes of the Association shall be:

1. To promote and encourage the highest standards of ethics for the information destruction industry.
2. To promote the interests and general welfare of the information destruction industry; to encourage efficiency and bring about improvement in such services; to extend the scope of the industry, and to encourage the use of the services provided by members by commerce, industry, education institutions, and government.
3. To create a wider recognition of the industry as meeting the needs of commerce, industry, education institutions, and government and its role in protecting the confidentiality of information and records.
4. To conduct and promote research regarding improved processes, materials and marketing for the information destruction industry.
5. To establish wider communications between companies engaged in the industry.
6. To conduct and promote such other logical activities that will enhance the economic growth of the information destruction industry.

Section 2. FURTHERANCE OF PURPOSES AND GOALS: In furtherance of these purposes and goals, the Association shall engage in all lawful activities necessary and proper to the furtherance of the purposes and goals set forth herein. The Association is organized as a not-for-profit corporation. All income from dues and other sources will be used for the fulfillment of its stated purposes as set forth in its Articles of Incorporation and in Section 1 of this Article. At no time will the property or earnings from activities of the Association be used for the individual benefit of any one member.

ARTICLE III

Membership

Section 1. ACTIVE MEMBERS: Any non-franchisee type firm or corporation actively engaged in providing information destruction to commerce, industry, education, and government and which operates its own on-site and/or off-site information destruction plant(s) and/or vehicle(s) may become an Active Member of the Association, subject to and bound by all the bylaws and policies of the Association as are in force at the time of the admission of such member or as revised or amended thereafter. Active Membership is not

automatically transferable. In the event of a change in a majority holding in ownership of the Active Member, the new ownership is responsible to notify NAID in writing no later than 30 days from the change of ownership or status, or before the next NAID general membership meeting, whichever should come first. The Membership Committee will determine the transferability and/or new status of the NAID Active Member location that is the subject of the ownership change no later than 60 days of the notification of change of ownership.

Section 2. FRANCHISEE MEMBERS: Any firm or corporation actively engaged in providing information destruction to commerce, industry, education and government and which operates its own on-site and/or off-site information destruction plant(s) and/or vehicle(s) in a franchisee or franchisee type relationship with another company may become a Franchisee Member of the Association, subject to and bound by all the bylaws and policies of the Association as are in force at the time of admission of such Franchisee Member or as revised or amended thereafter. Franchise Membership is not automatically transferable. In the event of a change in a majority holding in ownership of the Franchise Member, or in the event of any change to an ownership structure to an independent, unlicensed status, the Franchise Member-company is responsible to notify NAID in writing no later than 30 days from the change of ownership or status, or before the next NAID general membership meeting, whichever should come first. The Membership Committee will determine the transferability and/or new status of the NAID Franchise Member location that is the subject of the change in ownership or status no later than 60 days of the notification of such change.

Section 3. ASSOCIATE MEMBERS: Any firm or corporation which provides products and services to the Members of the Association or any firm or corporation that has an interest in the information destruction industry may become an Associate Member of the Association subject to and bound by all the bylaws and policies of the Association as are in force at the time of the admission of such member or as revised or amended thereafter as provided for herein. Associate members shall not be eligible to vote but may otherwise participate in its affairs.

Section 4. HONORARY MEMBERS: Honorary Members shall be such persons, as the Board of Directors shall elect for that honor. Such honorary Members shall not be eligible to vote or hold office in the Association.

Section 5. INDIVIDUAL MEMBERS: Individuals who formerly have been involved in the information destruction business and who wish to remain connected to the Association; and professionals involved in information and/or security management (i.e. records and information managers, MIS, ADP, and Security professionals, imaging specialists, archivists, healthcare administrators, legal administrators, librarians and educators) may apply to become individual members. Such members shall not be eligible to vote or hold office in the Association. The NAID Board of Directors may, by majority vote, grant NAID Individual Member status to people or organizations which do not qualify for NAID Membership under other membership categories.

Section 6. APPLICATIONS: Applications for membership and the appropriate dues payment will be received and reviewed by the Executive Director. When the Executive Director determines that the applicant company has met the minimum requirements for membership, the applicant will be admitted to the Association subject to review by the Membership Committee, which shall occur in a timely manner. In the event that the Membership Committee has some question about whether the applicant meets the

qualifications for membership, the applicant will be so notified in writing by the Executive Director and provided with an opportunity to clarify or augment their application. Should the applicant not wish to provide information that would clarify or augment their application as requested within thirty days (30), the Executive Director will refund the membership dues collected. Should the applicant wish to appeal a finding that they do not qualify for membership, they may appeal the decision to the Board of Directors within 30 days of said notification. Such an appeal shall be in writing and shall be filed with the Executive Director. In the event of an appeal, the Board will hear that appeal at their next regularly scheduled meeting and review any materials submitted for consideration at that time. The applicant may choose to attend the Board meeting and present their appeal in person, at their option. The decision made by the Board on any such appeal shall be final.

Section 7. CERTIFICATE OF MEMBERSHIP AND LOGOS: Each Active Member, excluding their franchisees, Franchisee Member and Associate Member approved for membership by the Executive Director and Membership Committee shall receive from Association Headquarters a membership certificate. Such certificate of membership is not transferable to any other company, corporation or entity. In addition, accepted Active Members, excluding their franchisees, Franchisee Members and Associate Members shall be authorized to use the logos of the Association. Member's use of logos or membership certificate shall not imply or mislead anyone regarding NAID membership or certification of any company, corporation or entity that is not a member in good standing with the Association. Such logos and membership certificate may be displayed and used so long as a member is a member in good standing and fulfills all requirements of membership. If membership is terminated for any reason, use of the logos and certificate shall cease. All use of the logos and membership certificate, or reference to the Association, shall be eliminated from stationery, truck advertising, literature or other material within thirty days, unless extended by the Board of Directors.

Section 8. TERMINATION OF MEMBERSHIP: Membership will continue until terminated by reason of resignation, nonpayment of dues, failure to meet membership criteria or termination by action of the Board of Directors for conduct deemed detrimental to the Association, a violation of these bylaws, or any established rule or practice of the Association.

Membership will automatically terminate whenever a member is 60 days in default of any dues or charges. In special circumstances, such termination may be reviewed and rescinded by the Board of Directors. Termination by action of the Board of directors will be a 2/3rd vote of the Board. For any reason other than non-payment of dues, the member involved will be given due notice and will be entitled to a hearing before the Board of Directors prior to termination of membership, upon written request to the Executive Director. Any member whose membership is terminated by the Board of Directors will be given prompt notice thereof by the Executive Director.

Section 9. REINSTATEMENT: Upon written request to the Executive Director, a firm or corporation whose membership in the Association has been terminated may ask the Board to reinstate them as a member. The Board of Directors may by a two-thirds affirmative vote reinstate such former member, or suspended member to membership upon such terms as the Board of Directors may deem appropriate.

ARTICLE IV

DUES AND ASSESSMENTS

Section 1. ANNUAL DUES: The Board of Directors shall determine from time to time the amount of initiation fee, if any, and annual dues payable by each classification of membership.

Section 2. PAYMENT OF DUES: Dues shall be paid annually on a calendar year basis. A member whose dues and/or assessment(s) are not current is not eligible to participate in the meetings, programs and services provided by the Association at the member rate.

Section 3. HONORARY MEMBER: There shall be no dues paid by Honorary Members.

ARTICLE V

MEMBERSHIP MEETINGS

Section 1. ANNUAL MEETING: An annual meeting of the members shall be held at any such time and place as determined by the Board of Directors. The purpose of said meeting shall be for presenting annual reports and transaction of any other business as may properly come before the membership.

Section 2. SPECIAL MEETINGS: Special meetings of the membership may be called either by the President or the Board of Directors for the purpose or purposes stated in the call of the meeting. Additional meetings of the Association's members may be called by the President upon written request of at least 25% of the Active Members of the Association. All special membership meetings will be held at such time and place as may be fixed by the President and/or the Board of Directors.

Section 3. NOTICE OF THE MEETINGS: Written notice stating the place, date and hour of any meeting of members shall be sent by the Executive Director to each member no less than ten (10) nor more than sixty (60) days before the date of such meeting, except that notice of a meeting to act on an amendment of the articles of incorporation, a plan of merger, a proposed sale of assets other than in the regular course of business or the discussion of the corporation shall be given not less than twenty-five (25) nor more than sixty (60) days before the date of such meeting. In case of a special meeting, or when required by statute or by these By-laws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid. If the meeting notice is delivered electronically, a record of the notification shall be kept and presented at the meeting. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 4. VOTING RIGHTS, QUORUM, AND MANNER OF ACTING: Each firm or corporation who is an Active Member shall be entitled to one vote. Votes are non-transferable and not subject to proxy. One tenth of the total voting Active Members of the Association will constitute a quorum for the transaction of business at any membership meeting. No business may be transacted without a quorum. The act of a majority of the

voting Active Members present at a meeting at which a quorum is present will be the act of the members, except where otherwise provided in these bylaws.

Section 5. ORDER OF BUSINESS: Roberts Rules of Order shall govern the order of business at all meetings of the Association and the Board of Directors unless otherwise determined by a majority vote of the voting Active Members present at a meeting. All questions of parliamentary procedures at any meeting are to be governed by Roberts Rules of Order. The Chair shall decide any questions as to the priority of business without debate in accordance with Roberts Rules of Order.

ARTICLE VI

Board of Directors

Section 1. AUTHORITY: The Board of Directors will have the responsibility for taking action necessary to further the purposes and objectives of the Association. The Board of Directors will have supervision, control, and direction of the property and affairs of the Association, and will determine its policies within the limits of these bylaws. The Board may delegate duties to any officer, committee, or employee of the Association and will have the power to determine who will be authorized to sign on behalf of the Association, documents and any and all contracts and will make such authorizations. The Board of Directors may adopt such rules and regulations for the conduct of its business as will be deemed advisable.

Section 2. NUMBER: The Board of Directors will comprise a total of eleven (11) individuals including the officers (President, President-Elect, Secretary, Treasurer and Past President), and six (6) elected directors. Directors shall be elected from all eligible Active member-company representatives as follows; one (1) director from among the representatives of Active member-companies paying the maximum amount of graduated dues, and five (5) directors from among representatives of the general population of Active member-companies without regard to size or geography.

Section 3. QUALIFICATIONS OF DIRECTORS: Any person, who is actively engaged in the information destruction business and who is either employed by a company which is an active member, or is an officer or owner of a company which is an active member, shall be eligible for election to the Board of Directors. Provided, however, if any member of the Board of Directors shall cease to be actively engaged in the information destruction business or the member's Active Member company is no longer in good standing with the Association, this individual shall no longer be eligible to continue as a Director or officer notwithstanding the fact that they may have been eligible at the time of their election. In case of such disqualification, the vacancy thus created shall be filled as hereinafter provided. A limit of one representative of an Active Member may serve on the Board of Directors at the same time. The Executive Director will be an ex-officio member of the Board of Directors without the right to vote. Franchisee Members are not qualified to run for positions on the Board of Directors.

Section 4. TERM OF OFFICE: The six (6) Elected Directors shall serve for a period of two (2) years and shall be ineligible for re-election for the term immediately thereafter. They will take office at the General Membership Meeting of the Association in the year of their election. Board members, including Directors and Officers are elected at the annual meeting of the Association when there are vacancies. A majority vote of Active Members present shall be necessary to elect, with the exception of the Director representing those NAID Member-companies paying the maximum amount of graduated dues which will be elected

by a majority vote of all the NAID Member-companies paying the maximum amount of graduated dues.

Section 5. MEETINGS OF THE DIRECTORS: Meetings of the Board of Directors maybe called by the President; a notice of such meetings shall be mailed or communicated electronically to the last recorded address of each director at least fifteen (15) days before the time appointed for such meetings. At the request in writing of four members of the Board of Directors, a call for a special meeting of the Board of Directors may be issued, and not less than three (3) days notice shall be required for such special meeting. There shall be a regular meeting of the Board immediately following the annual meeting of members.

Section 6. ATTENDANCE OF MEMBERS: Active Members of the Association in good standing shall be privileged to attend all meetings of the Board of Directors with the right to express their opinions, but not the right to vote.

Section 7. QUORUM FOR DIRECTORS MEETING: A majority of the Board of Directors shall constitute a quorum of the transaction of business. In the absence of the President and President-Elect, the quorum present shall choose a Chairman for the meeting. If a quorum is not present, a lesser number may adjourn the meeting to a later day, not more than ten (10) days later, without further notice.

Section 8. ABSENCE OF DIRECTORS: Any member of the Board of Directors who is unable to attend a Board meeting shall notify the President of his inability to attend. If a Director is absent from two meetings of the Board in any year, the President may declare their seat on the Board of Directors vacant, and the vacancy so created shall be filled as provided in Section 9.

Section 9. VACANCIES: Whenever any vacancy shall occur on the Board of Directors by death, resignation or otherwise, the same shall be filled by a majority vote of the remaining members of the Board of Directors at the next regular meeting of the Board, unless such vacancy occurs during a meeting, in which event the vacancy shall be filled at once. The person so chosen shall hold office for the full-unexpired portion of the term of his predecessor and shall be eligible for re-election for the term immediately thereafter. Any individual appointed to fill a vacancy on the Board of Directors shall have the requisite qualifications as defined herein.

SECTION 10. DIRECTORS INDEMNIFICATION: The Association shall indemnify and hold harmless each Director and each Officer of the Association against and from all loss, cost and reasonable expenses hereafter incurred by him/her in the payment, settlement and defense of any claim, suit or proceeding brought against him/her because he/she is or has been such Director or Officer, or because of any action alleged to have been taken or omitted by him/her as a Director or Officer. The rights of indemnification and exoneration occurring under this Article shall apply whether or not such person continues to be a Director or Officer at the time any loss, cost or expenses is suffered or incurred. Such rights shall not apply in relation to any matter: (1) as to which such Director or Officer shall be adjudged in final judgment in such suit or proceeding to be liable for willful misconduct or for his own negligence; or (2) as to which, if there is no final judgment, the members of the Association, at the time the subject is first presented to them for determination, by majority vote, determine that such Director or Officer has suffered or incurred such loss, cost or expense as the result of his willful misconduct or negligence.

The rights provided herein shall not be deemed exclusive of any other rights to which such person may otherwise be entitled, nor shall this provision restrict the right of the Association to indemnify or reimburse him/her in any proper case even though not specifically provided for herein. The rights provided for herein shall apply to persons who act or have acted at the request of this Association either as directors or officers of other associations in which this association is or has been interested as an investor, creditor, of for any other reason in the interest of the Members of the Association or in any other capacity.

SECTION 11. CONFLICTS OF INTEREST: It shall be inappropriate and a conflict of interest for any NAID Board member or the NAID Member-company they represent to act in a manner that is contrary or destructive to the purpose, goals, interests or mission of the association. The NAID Board of Directors shall therefore be responsible to develop, maintain, enforce and periodically review guidelines for exposing, determining and remedying such conflicts of interests as they may arise. Said guidelines should include elements of due diligence, due process, and remediation of the conflict of interest, including, where necessary, the removal of a Board member. Said guidelines shall be approved by a majority vote of the NAID Board of Directors.

ARTICLE VII

Officers and Executive Director

Section 1. OFFICERS: The Officers of this Association shall be President, President-Elect, Secretary and Treasurer.

Section 2. ELECTION: Active Members of the Association, by private ballot at a time and in a manner to be approved by the NAID Board of Directors, shall elect the officers and directors for a term as indicated herein. The position of President-Elect shall be for a term of one year after which the President-Elect shall automatically become the President for a one year term after which the President shall serve a 1 year term as the Past President. To be eligible to be nominated for, or elected or serve as the NAID President-elect, the individual must meet the requirements of having had 2 years of service on the NAID Board of Directors or as a committee chair within the previous 6 years. Once elected to the position of President-Elect, the person so elected will not be eligible for reelection to the position of President-Elect until serving in another elected position on the Board of Directors or having remained off the Board for 1 year upon completion of duties as Past President. "At the same time and in the same manner, the members of the Association shall exclusively elect either the Treasurer or Secretary to serve two-year terms in a manner such that said terms of service for the respective offices expire in alternate years.

A plurality vote of Active Members shall be necessary to elect.

Section 3. FIDELITY BOND: The Treasurer or any other person entrusted with the handling of funds or property of the Association, shall, at the discretion of the Board of Directors, furnish, at the expense of the Association, a fidelity bond in such sum as the Board of Directors shall prescribe.

Section 4. DUTIES OF THE OFFICERS: The duties and powers of the Officers of the Association shall be as follows.

PRESIDENT: The President will be the principal member of the Association and will have general supervision and control over the business and affairs of the Association. The President will call and preside at all meetings of the Association, and the Board of Directors. The President may sign any instruments which the Board of Directors may authorize to be executed and in general will perform such other duties as are incident to the office of President or which may be assigned by the Board of Directors. The President shall appoint the chair of each committee, unless stipulated otherwise by the bylaws, and shall be a member ex-officio, with the right to vote, of all committees, except the Nominating Committee. In the event of a vacancy in the position of the office of President that cannot be filled by a sitting President-elect, any appointee duly approved by the NAID Board of Directors, must meet the requirements of having had 2 years of service on the NAID Board of Directors or as a committee chair within the previous 6 years.

PRESIDENT-ELECT: In the absence of the President, or in the event of the President's inability or refusal to act, the President-Elect will perform the duties of the President, and when so acting will have all the powers of the President. The President-Elect shall be the Chair of the Membership Committee and will perform such other duties as may be assigned from time to time by the President or by the Board of Directors.

SECRETARY: It shall be the duty of the Secretary to attend all meetings of the Board of Directors and keep a written record of the proceedings; and monitor the implementation of decisions made by the Board of Directors.

TREASURER: The Treasurer will have general supervision and control over the fiscal affairs of the Association. The Treasurer will also be responsible for directing an annual audit of the Association's financial transactions. The financial records of the Association shall be open to all members of the Board of Directors at any time and also open to inspection by any member of the Association.

PAST PRESIDENT: The Past President is the person who has just completed their term as President. He/she will serve in advisory capacity to the Board with full voting rights. The Past President will be the chair of the Nominating Committee as provided for herein.

EXECUTIVE DIRECTOR: The Executive Director will be responsible for the administrative and day-to-day operation of the Association and may be either a salaried of the Association or an organization employed by the Board of Directors. The Executive Director will be responsible to the Board of Directors. The Executive Director will have the authority to execute contracts on behalf of the Association as approved by the Board of Directors and shall perform such other duties as may be assigned by the President or by the Board.

ARTICLE VIII

Committees

Section 1. APPOINTMENT OF COMMITTEES: All committees shall be appointed by the President, with the approval of the Board, except the Executive Committee and the Nominating Committee.

Section 2. EXECUTIVE COMMITTEE: The Committee shall consist of the duly elected officers of the Association and the Immediate Past President. This committee will act upon all matters pertaining to the Association between the Board meetings and such other duties as may from time to time be determined by the majority of the Board of Directors.

Section 3. NOMINATING COMMITTEE AND NOMINATING PROCEDURE: At the first meeting of the new Board of Directors after each annual membership meeting, the President shall appoint, subject to the approval of the Board of Directors, a Nominating Committee of two (2) members in addition to the Past President. The Past President shall serve as Chair of this committee. In the event of the disability of the Past President, the Directors shall designate which of the two other committee members shall serve as Chairman. In selecting the remaining two members of the Nominating Committee, consideration shall be given to geographic distribution. After the Nominating Committee has been appointed, notice shall be given to all members of this Association, in order that they may suggest to the Committee candidates for Officers and Directors of the following year. The Committee shall, by correspondence or otherwise, review the nominees for eligibility under the bylaws and obtain the nominees commitment to serve, if elected to the position nominated. If no nominees are submitted for an open position, the committee shall use its best effort to seek nominees from the Active Members in the best interest of the Association. The list of candidates shall be submitted to the Secretary of the Association no less than sixty (60) days before the annual membership meeting. A memo of such candidates with the notice of the annual meeting shall be sent to members. It will state that additional nominations may be made from the floor.

Section 4. MEMBERSHIP COMMITTEE: There shall be a Membership Committee for the Association that will be chaired by the President-Elect.

Section 5. COMMITTEE PROCEDURE: All Committees shall conduct operations and procedures in accordance to Roberts Rules of Order.

ARTICLE IX

Reimbursement for Expenses

Any member of the Association including Officers and members of the Board of Directors and any committee members, with the approval of the Board of Directors, may be reimbursed for any expenses incurred in connection with the performance of Association duties properly delegated to them.

ARTICLE X

Miscellaneous Provisions

Section 1. DISSOLUTION: Upon dissolution of the Association, it shall be the obligation of the Treasurer to insure that all debts and claims against the Association shall be paid. If there are any funds remaining after the payment of debts and obligations, it shall be distributed to one or more organized and qualified charities, education, and scientific or philanthropic organizations to be selected by the Board of Directors.

Section 2. EVIDENCE OF AUTHORITY: A certificate by the Secretary as to any action taken by the members, Directors, Executive Committee or any Officer or representative of the Association shall as to all persons who rely thereon in good faith be conclusive evidence of authority for such action.

Section 3. INTERPRETATION OF THE BY-LAWS: In the course of any meeting, regular or special, the President shall have the authority to make any necessary interpretation of the Bylaws. However, any member of the Board of Directors may make an appeal from any interpretation of the Bylaws of this Association. The decision of a majority of the Board of Directors, acting promptly upon such appeal, shall be final and conclusive. However, any member may bring the matter before the next annual membership meeting for discussion and action. If the decision of the membership by a majority of those present reverses or modifies the decision of the Directors, it shall not affect the validity of any action already taken or omitted in reliance on the Directors' decision.

Section 4. MEMBER GRIEVANCES: Any person having a grievance must first report in writing such grievance to the Executive Director. No action at the annual meeting can be had unless it is included in the report of the President.

Section 5. FISCAL YEAR: The Fiscal Year of the Association shall end on June 30 of each year.

ARTICLE XI

Amendments to the Bylaws

Section 1. AMENDMENTS BY MEMBERS: These Bylaws may be amended, repealed or altered either in whole or in part, by a majority vote of the members of the Association, in person at any duly organized regular or special meeting of the Association, provided the proposed change is submitted by mail to each member at its last recorded address at least thirty (30) days before the time of the meeting which is to consider the change.

Section 2. AMENDMENTS BY BOARD OF DIRECTORS: These Bylaws may be amended, repealed or altered by the Board of Directors between membership meetings, provided, however, that any such amendments must be made by the unanimous vote of all of the Directors. In the event there is an amendment of the Bylaws at a meeting of the Board of Directors at which less than all of the Directors are present, such amendment shall be effective only if all of the directors present shall vote in the affirmative, and a written concurrence shall be filed not later than ten days after such vote shall have been taken.

Section 3. RATIFICATION OF DIRECTORS AMENDMENTS: Any change in the Bylaws made by the Directors in accordance with the preceding Section must be submitted to the members at the next membership meeting, regular or special, electronically, or by mail, for ratification. A notice of all such amendments adopted by the Board of Directors shall be included in the notice of membership meeting sent to each Member prior to such meeting.

ARTICLE XII

Settlement of Any Claims or Disputes by Arbitration

1. Any controversy or claim arising out of or relation to these bylaws, or to the breach thereof shall be settled by arbitration administered by the American Arbitration Association, in accordance with and under the rules of commercial arbitration and the judgment rendered by the arbitrator may be entered into any court having jurisdiction thereof.
2. The parties agree that the arbitration shall be held before one arbitrator to be selected according to the rules of the American Arbitration Association except that the said arbitrator must be a practicing attorney or retired judge.
3. Both parties shall share the costs of the American Arbitration Association equally.
4. Each party shall be responsible for paying their own attorneys fees and the costs, disbursements and miscellaneous expenses.
5. Any arbitration commenced hereunder shall be held in the Offices of the American Arbitration Association in the City located nearest to the sitting NAID President.

***Approved as amended by the Board of Directors: December 10, 2008
Ratified as amended by the NAID Membership: April 2, 2009***