

Proposed NPAworldwide Bylaws Amendments

December 20, 2022

The NPAworldwide Board of Directors is proposing the following bylaws amendment, which will be voted on during the Annual Meeting on March 2, 2023. Members are encouraged to contact any member of the Board of Directors with questions or comments about this proposed change.

Article 3. Finances, Section A. Voting of Securities

Rationale: The Board is recommending a change to the Bylaws to clarify the potential outcomes of a sale or liquidation of the cooperative. While such an event is not desired or sought out, we have learned that the process is not well defined in the Bylaws, but rather only in the Articles of Incorporation. So, this change is to add clarity for members that have access to the Bylaws but do not have the Articles of Incorporation. There is no intent to change the method or process, and to confirm, there is no desire to sell or liquidate.

LEGEND: **Additions**

Securities of another corporation held in the name of NPA and entitled to vote will be voted, in person or by proxy, by the Secretary/Treasurer of NPA or by a person designated by the Board of Directors.

Section B. Member Indemnification

If any Member in good standing is unable to collect the portion of any fee that is due to them which was paid to another Member and which was generated through an NPA placement, the Member may be indemnified in whole or in part by NPA.

This indemnification will be in the discretion of the Board of Directors and will be considered only if the Member has taken all reasonable actions to collect such fee prior to requesting indemnification from NPA. Annually, the Board of Directors will inform the membership of a policy regarding distribution of indemnification funds.

A separate account in a financial institution will be established for indemnification. Contributions to this account shall be budgeted on an annual basis. This account will be used for approved payment of indemnification and may be used for legal fees incurred by NPA in the satisfaction of claims. Settlement fees on such claims plus earnings from this account may be deposited to this account.

The Board of Directors shall review this account from time to time and may transfer funds deemed excessive to the general funds of NPA.

Section C. Sale or Liquidation Outcomes

If NPAworldwide is dissolved, proceeds remaining will be distributed to current members, as called for in the Articles of Incorporations, based on the dollar volume of brokerage paid to the corporation insofar as practicable.

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Article XII. Amendments of Bylaws

Rationale: The Board is recommending a change to the Bylaws to grant authority to the Secretary/Treasurer to make technical corrections to the Bylaws without requiring members to vote on these as amendments. Technical corrections are limited to items such as page numbering, misspellings, changes to the index or table of contents, and section letters or numbers that do not impact the meaning or intent of the Bylaws. Any other changes to the Bylaws will still require the vote of the membership through our documented amendment process.

LEGEND: **Additions**

Section C. Technical Corrections

The Secretary/Treasurer is authorized to correct article and section designations, punctuation, page numbering, cross-references, misspellings, and such other technical and conforming changes as may be necessary to reflect the intent of NPWorldwide in connection with amendments to these Bylaws. Changes that impact the meaning of the Bylaws may only be made via a vote of the Members as described elsewhere in this article.