



# STANDING RULES OF OPERATION

Headquarters: 8669 Doral Blvd, Doral, FL 33166

The following Standing Rules of Operation have been adopted by the Board of Directors to supplement the By-Laws of the Association and to assist members to understand their duties and responsibilities to the Gases and Welding Distributors Association.

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## SECTION 1 – MEMBERSHIP

- A. If an applicant for membership is engaged in both retail and wholesale distribution, the appropriate membership classification shall be determined by the applicant's primary function. An applicant's primary function shall be determined by comparing the applicant's gross dollar sales volume attributable to retail and wholesale distribution.
1. A ***Distributor Member*** is any individual, partnership, or corporation engaged in retail distribution of gases, equipment or supplies for use in welding, industrial applications, health care or research. For purposes of this provision, "retail distribution" means sales to end users.
  2. An ***International Distributor Member*** is any individual, partnership, or corporation engaged in retail distribution of gases, equipment or supplies for use in welding, industrial applications, health care or research, and whose principal place of business is outside the United States. For purposes of this provision, "retail distribution" means sales to end users.
  3. A ***Supplier Member*** is any individual, partnership or corporation engaged in (1) manufacturing or wholesale distribution of gases, equipment or supplies for use in welding, industrial applications, health care or research, or (2) providing products or services to Active members. For purposes of this provision, "wholesale distribution" means sales of products intended for resale.
  4. A ***Manufacturer's Representative Member*** is any individual, partnership, or corporation primarily engaged as an independent sales agent for a supplier member in the wholesale distribution of gases, equipment or supplies for use in welding, industrial applications, health care. For purposes of this provision, "wholesale distribution" means sales of products intended for resale.
  5. An ***Individual member*** is an individual who has retired and no longer works or does business in the Gases and welding industry but wishes to continue to be a member in good standing.
- B. Membership dues shall be determined as follows;
1. **Distributor or International Distributor members** shall be based on the gross revenue of the business.
  2. **Supplier members** shall be based on the gross revenues from sales to the industrial, medical and specialty gases and welding supply industry in the United States.
  3. **Manufacturer's Representative members** shall be \$250 per year.
  4. **Individual members** shall be \$100 per year.

## SECTION 1 – MEMBERSHIP (continued)

- C. The Board of Directors shall determine each applicant's eligibility for membership and membership classification. The Board of Directors may delegate this determination to the Executive Director; however the Executive Director's determination shall be subject to the power of the Board of Directors to change such determination. The following criteria shall be used in making such determination. If an applicant for membership is engaged in both retail and wholesale distribution, the Board of Directors shall determine the appropriate membership classification by the applicant's primary function. An applicant's primary function shall be determined by comparing the applicant's gross dollar sales volume attributable to retail and wholesale distribution. An applicant primarily engaged in selling the products that it manufactured, even to end users, shall be classified as a Supplier member.
- D. Any classification of membership or rejection for membership shall be communicated to the applicant in writing along with the reasons therefore, and the applicant shall be given an opportunity to produce additional information in writing to the Board of Directors not later than sixty (60) days after receipt by the applicant of such initial decision. Decisions of the Board of Directors made after receipt of such additional information shall be conclusive.
- E. Resignation of members shall be made in writing to the Board of Directors. All resignations shall be forwarded to the Executive Director who shall take all actions required by the Standing Rules of Operation of the Association, or otherwise deemed necessary by the Board of Directors. A tender of resignation shall not be accepted if the resigning member is in any way indebted to the Association for fees or otherwise. The tender of a resignation by a member shall not entitle the member to a refund of membership dues.
- F. A two-thirds vote of the Board of Directors is required for termination of membership, provided, however, the member is given written notice ten days prior to the action and is granted an opportunity to be heard by the Board of Directors before any action is taken.
  - a. Termination shall be effected for failure by a member, for whatever reason, to maintain the eligibility requirements as adopted by the Board of Directors from time to time.
  - b. Termination may be effected for one or more of the following reasons:
    - i. Commencement of bankruptcy, receivership, reorganization, arrangement or liquidation proceedings, State or Federal, by or against a member.
    - ii. A transfer of control of the business of a member whether by sale, merger, consolidation or however else effected.
- G. The failure by a member to pay any dues, subscriptions, assessments or fees specified herein or by the Board of Directors within one hundred eighty (180) days from the time the same becomes due shall be reported to the Executive Director and to the Board of Directors, who may, at their option, suspend the member until payment is received or terminate the membership as specified above.

## SECTION 2 - EXECUTIVE COMMITTEE

- A. **The Executive Committee shall include;** the President, President Elect, 1<sup>st</sup> Vice President, 1<sup>st</sup> Past President, and 2<sup>nd</sup> Past President. The Associations Legal Counsel, Treasurer and Executive Director are non-voting members.
- B. The Executive Committee should meet prior to the Mid-Year and Annual Meetings of the Board of Directors and at such other times as may be necessary to carry out the duties assigned to them by the Board of Directors.

## *SECTION 2 - EXECUTIVE COMMITTEE (continued)*

- C. Specifically, the Executive Committee shall be charged with the responsibility of audit and financial control matters. It shall assist the Treasurer and Executive Director in presenting to the Board an annual budget and any amendments thereto, and shall be responsible for assessing and making recommendations regarding any financial reports and/or contracts submitted to the Board. The President of the Association shall act as Chairman. If necessary, the Executive Committee shall meet one month prior to the Board meeting in order to provide recommendations to Board members at least two weeks prior to consideration at the Board meeting.

### ***ADDITIONAL DUTIES ASSIGNED TO EXECUTIVE COMMITTEE MEMBERS***

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#### ***1. PRESIDENT***

- A. **Annual and Mid-Year Meetings of Board of Directors and Executive Committee:** The President shall be responsible for developing the Program for conference calls, the Annual and Mid-Year Meetings of the Board of Directors, and Executive Committee and shall preside at these meetings. The Annual Board Meeting is customarily held the day preceding the opening of the Annual Convention.
- B. **Convention Committee Chairman Duties:** The President shall be the Convention Committee Chairman who, working with the Convention Committee, shall supervise the Headquarters Office which is responsible for implementing the programs and arrangements for the Annual Convention.
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#### ***2. PRESIDENT-ELECT***

- A. **Member Services Committee:** The President-Elect acts as the Member Services Committee advisor and shall have a supporting role to the co-Chairs in the promotion of membership growth.
- B. **Audit Committee:** The President-Elect acts as the Chairman for the Audit Committee.
- C. **Planning Conference:** At least one year prior to the Annual Convention, the President-Elect shall confer with the Headquarters Staff to make tentative plans for next year's activities, including Management Conference and Annual Convention Programs and tentative Committee appointments.
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#### ***3. FIRST VICE PRESIDENT***

- A. **Regional Meetings:**
1. It is the responsibility of the First Vice President to coordinate the strengthening and expansion of regional meetings in concept and execution.
  2. The First Vice President should coordinate and supervise activities such as a special Regional Meeting Manual, and other activities to strengthen and expand regional meetings.
  3. While the responsibility for regional meetings is charged to the Regional Chair, the First Vice President shall work through the Regional Chair regarding the plans and arrangements for regional meetings, and be available to offer such advice and guidance as appropriate.
- B. **Member Services Committee Vice-Advisor Duties:** The First Vice President will serve as the Membership Committee Vice-Advisor and shall have a supporting role to the Co-Chairs in the promotion of membership growth.

#### ***4. FIRST PAST PRESIDENT***

- A. **Leadership Development Committee:** The First Past President acts as the Chairman for the Leadership Development Committee and assist in the development of the slate of incoming officers in accordance with the Bylaws of the Association.
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## SECTION 3 – BOARD OF DIRECTORS

- A. **The Board of Directors shall include** the President, President Elect, 1<sup>st</sup> Vice President, 1<sup>st</sup> Past President, 2<sup>nd</sup> Past President, (5) Distributor Vice Presidents and (1) Supplier Vice President. The Association's Legal Counsel, Treasurer and Executive Director are non-voting members.
- B. The Board of Directors should meet quarterly. This includes two teleconferences and two face-to-face meetings in conjunction with the Mid-Year SMC and Annual Meeting.

## SECTION 4 - REGIONAL CHAIRS

- A. **Regional Meetings:** In an effort to give these meetings the importance and recognition they deserve, the Vice President will work through the Regional Chairs to strengthen and expand the conception and execution of the regional meetings. Chairs are urged to forward a recap and photos of the respective meetings to the Headquarters Office for publication in *Welding & Gases Today* and *GAWDA Connection*. All agendas and contracts must be approved by the Executive Director.

## SECTION 5 – STANDING COMMITTEES

- A. **Committee Chairs:** who are appointed by the President, will assume responsibility for their Committee immediately following the Annual Convention.
- B. **Committee Vice-Chairs:** Each Committee Chair in cooperation with the Executive Council will select the Vice Chair.
- C. **Committee Members:** Committee members shall be made up of active volunteer members who have been approved by the committee Chairman.
- D. **Committee Meetings:** Committee Meetings should be held in conjunction with the Spring Management Conferences and the Annual Convention.
- E. There shall be as standing committees of the Association a Government Affairs, Human Resources, Industry Partnering, Management Information, Member Services, Safety, Young Professionals, Insurance Trustees, Audit and Leadership Development. In addition, the president shall, with the assistance of the Board of Directors, if he or she desires, designate in writing one or more other committees or Task Forces of the Association and the members thereof. Any such committee shall exercise such authority as is provided by resolution of the Board of Directors. The committee or Task Forces designated shall keep regular minutes of its proceedings and report the same to the Board when required.
- F. **Standing Committee mission statements:**
  - 1. **Government Affairs Committee** - The purpose of this Committee shall be twofold - (1) to create an awareness among Members, to educate our Membership, and to expose Members to the true facts and figures regarding the operation of our Government, Free Enterprise and the Open Market; and (2) to motivate each Member to become a part of a viable action group and show Members how they might become involved in this action.
  - 2. **Human Resources Committee** - The purpose of this Committee is to enhance the business viability of the general membership by providing timely, credible, and functional information on all appropriate Human Resource issues. Training is a vital subset of an effective Human Resource Program.
  - 3. **Industry Partnering Committee** - The purposes of this Committee are: (1) to provide a proactive forum for suppliers and distributors dedicated to the continual improvement of the welding supply/equipment and gas distribution industry; (2) to communicate to our membership ideas regarding operational, marketing and systems approaches to improve the quality of service to our customer base and; (3) to serve as a vehicle to facilitate communication and understanding between suppliers and distributors leading to improved profitability for both parties.

## SECTION 5 – STANDING COMMITTEES (continued)

4. **Management Information Committee** - The purpose of this Committee is to develop and promote modern management information and techniques.
5. **Member Services Committee** - The purpose of this Committee is to focus on 1) communicating and educating both current and prospective members on the programs and benefits that GAWDA has to offer; 2) enhancing current offerings; 3) creating new programs that are in line with the needs of members; 4) recruiting new members and 5) retaining existing members.
6. **Safety Committee** - The purpose of this Committee is to promote safe practices and provide information leading to an increased awareness of overall concepts of safety. This Committee shall conduct liaison with other Industry-related associations as pertains to safety and technical matters; i.e., Compressed Gas Association, American Welding Society, etc.
7. **Young Professional Committee** - To provide young executives with educational programming and networking opportunities which develop the skills and knowledge needed to reach personal and professional objectives that contribute to their companies, GAWDA and themselves.
8. **Audit Committee** – The purpose of this Committee is to review and negotiate contracts with consultants, publishers, management companies and other outside contractors. The committee will have the President Elect as chair, the Treasurer, 1st Vice President and two non-Board Members.
9. **Leadership Development Committee** – *The purpose of this Committee is to prepare* a slate of five officers who broadly represent the membership across the country. The nominees shall be presented to the Board of Directors in accordance with the Bylaws of the Association and will then be presented at the Annual Convention to the members.
  - A. **The Leadership Development Committee members** shall be appointed by the President.
  - B. **Meetings:** The Leadership Development Committee shall hold two meetings each year. The first meeting shall be held in conjunction with the Mid-Year Board of Directors Meeting. The second meeting shall be held in conjunction with the Annual Board of Directors Meeting, immediately following that meeting.
  - C. **Duties of the Chairman:** The Chair of the Leadership Development Committee shall direct the members of the committee to seek qualified Candidates for various offices of the Association. The First Past President shall preside over the Leadership Development Committee Meetings. In his absence, the Second Past President shall preside.
  - D. **Duties of the Committee:** The slate of nominees selected by the Leadership Development Committee shall be presented to the general Membership during the first business session at the Annual Convention by the Chair of the Leadership Development Committee.
  - E. **Qualifications for Officers:**
    1. **President** - Shall be a distributor member and recommended to have served as a Vice President.
    2. **President-Elect** - Shall be a distributor member and recommended to have served as a Vice President.
    3. **First Vice President** – Shall be a distributor member and recommended to have served as a Vice President.

## SECTION 5 – STANDING COMMITTEES (continued)

4. **Vice Presidents** - Shall be known to and be recommended by the Leadership Development Committee. The Leadership Development Committee will endeavor to nominate *five distributor Vice Presidents* who broadly represent the membership across the country and *one supplier Vice President*.
- F. It shall be the privilege of any member of the Association to place in nomination the name of any member eligible for such office. All nominations from the floor will be added to those contained in the Leadership Development Committee's report, and the voting members of the Association may vote for any individual so nominated.

## SECTION 6 - PLANNING COMMITTEES:

- A. **Committee members** for the SMC and the Annual Convention Committees are appointed by the President.
- B. **SMC Planning Committee** - The purpose of this Committee is to plan the coming year's Spring Management Conference programs. The President-Elect shall serve as Chair of this Committee.
- C. **Annual Convention Committee** - The purpose of this Committee is to select a theme and develop the program for the Annual Convention. The President-Elect shall serve as Chair of this Committee.

## SECTION 7 – GAWDA INSURANCE TRUSTEES

- A. The purpose of the GAWDA Insurance Trust is to supervise and direct a Group Insurance Program established to offer comprehensive insurance coverage at the lowest possible cost.
- B. The Insurance Trustees shall make nominations to fill any Trustee vacancy. A Trustee may serve only one full term of five years in addition to his completion of a term for which he was a substitute Trustee.

## SECTION 8 - OFFICERS RESPONSIBILITIES

- A. It shall be the duty and responsibility of all Officers, Directors, Committee Chairs and Committee Members, immediately upon election or appointment, to familiarize themselves with the duties of the Office to which they have been elected or appointment, and to carry out those duties to the best of their ability.
- B. Code of conduct – As a representative of the Association, officers must, at all times, conduct themselves in a professional and ethical manner and should seek to avoid even the appearance of improper behavior.

## SECTION 9 - HEADQUARTERS OFFICE

- A. The Headquarters Office is responsible to the President and the Board of Directors for carrying out all Association activities and programming in accordance with policies established by the Board of Directors.
- B. Primary Duty:
  1. Administration and operation of a management which exemplifies good-will and willingness to assist distributor and supplier members.
  2. Management and supervision of all staff personnel with emphasis on service to members and development of staff talents.
  3. Responsibilities for internal and external communications which best relay the message of the organization.
  4. Responsibility for the development and supervision of membership promotion activity.

## **SECTION 9 - HEADQUARTERS OFFICE (continued)**

5. Responsibility for editing and issuance of the Association publications that respond to the interests of the membership.
6. Responsibility for assisting in the development of the annual series of Management Conferences. Full responsibility for implementing and conducting the Conferences.
7. Responsibility for implementing the programs and arrangements for an Annual Convention which is in keeping with the broad objectives of GAWDA and includes educational programs, contact booth program, and entertainment appropriately balanced.
8. Responsibility for total financial management including financial reports, development of an annual budget which is prudently reviewed and reflects sound business management.
9. Responsibility for planning and coordinating all Board of Directors' Meetings.
10. Responsibility for working closely with the Board of Directors and Standing Committees to establish Committee responsibilities and Association projects which are beneficial to the development of GAWDA.
11. Responsibility for coordinating the services of the consultants, auditor and legal counsel.
12. Responsibility for working with the officers to develop programs to attract new members and retain existing members.

## **SECTION 10 - UTILIZATION OF LEGAL COUNSEL BY STAFF AND OFFICERS**

- A. Association counsel provides legal advice and guidance, generally and particularly in the antitrust area, a sensitive one for trade associations. Counsel acts as both an auditor and advisor.
  1. **As an Auditor:**
    - i. General Counsel will review Minutes of the Board.
    - ii. General Counsel will review all Contracts.
  2. **As an Advisor:**
    - iii. Counsel will see that GAWDA's activities are in conformity with law. This will include, but is not limited to, the compliance with technical requirements as well as avoiding antitrust pitfalls; e.g., Revisions of Bylaws; Modification of or Revision to the Insurance Trust Agreement, etc.
    - iv. Counsel will bring to the attention of the Association any and all recent statute decisions, or events that impact on the Association or its members.
    - v. Association counsel will audit and advise on all matters that require special attention including, but not limited to:
    - vi. Inquiries from regulatory agencies, matters involving membership qualifications or procedures, bylaw changes and special meetings.

## **SECTION 11 – MEETING ATTENDANCE**

- A. Only distributor, supplier and manufacturer representative members in good standing may be invited to attend meetings at any level, except a distributor or supplier eligible for membership may be invited to attend a meeting as a prospective member.

## **SECTION 12 – AMENDMENTS**

- A. These Standing Rules of Operation may be amended by a majority vote of the Board of Directors at any duly constituted meeting, provided that written notice has been given to the members of the Board two weeks prior to such meeting.
- B. Any procedures not covered in these Standing Rules shall be governed by Robert's Rules of Order.

## **SECTION 13 – LIMITATION OF PERSONAL LIABILITY**

- A. A director of the Association shall stand in a fiduciary relationship to the Association and shall perform his/her duties as a director, including his/her duties as a member of any committee of the Board upon which he/she may serve, in good faith, in a manner he/she reasonably believes to be in the best interest of the Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his/her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
- i. One or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented.
  - ii. Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person.
  - iii. A committee of the Board upon which he/she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.
- B. A director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause his/her reliance to be unwarranted.

## **SECTION 14 – RESERVE**

- A. The Association shall endeavor to maintain a reserve fund that equals one year's operating expenses, based on the three prior fiscal years. The reserve fund shall not exceed one and a half year's operating expenses. Reserve funds shall be maintained in investments made in accordance with an investment policy approved by the Board of Directors.

## **SECTION 15 - ANNUAL REPORT OF DIRECTORS**

- A. The Board of Directors shall present annually to the members a report, verified by the President and Executive Director or by a majority of the directors, showing in appropriate detail the following: (i) The assets and liabilities of the Association as of the end of, and the principal changes therein during, the immediately preceding fiscal year; (ii) The revenue and expenses of the Association for the immediately preceding year; and (iii) The number of members as of the date of the report, together with a statement of increase or decrease in such number for the immediately preceding year and the location where the names and addresses of current members may be obtained. The annual report shall be filed with the minutes of the annual meeting of members.