

October 26, 2012

BYLAWS
OF THE
HAND TOOLS INSTITUTE

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Amended October 26, 2012

**Bylaws of the
HAND TOOLS INSTITUTE**

NAME

Section 1. The name of this Not-For-Profit Corporation is Hand Tools Institute.

SEAL

Section 2. The corporate seal shall be in a form approved by the Board of Directors.

OFFICES

Section 3. The registered corporate office of the Institute shall be in Chicago, Illinois. Executive headquarters and other offices may be established in such city or cities of the United States and elsewhere as the Board of Directors may from time to time determine.

PURPOSES OF THE CORPORATION

Section 4. The Institute is a trade association whose objectives are to promote and further the lawful interests of its members relative to (1) manufacturing, safety, standardization, transportation; (2) pertinent governmental legislative and regulatory activity; and (3) any further activities as may be appropriate and lawful in the common benefit of manufacturers of non-powered hand tools and tool boxes. The Institute cooperates with the American National Standards Institute, the International Standards Organization and the Federal Government in the development of specifications and standards for the manufacture of hand tools.

MEMBERSHIP

Section 5. There shall be the following classes of membership: (a) Active Member - Any U.S. corporation, partnership, or individual ("manufacturer") of good repute and sound financial condition which designs and manufactures non-powered hand tools in the United States or designs and causes them to be manufactured in the United States, where a majority of such entities' (and any related entities') non-powered hand tools sales (by dollar value) in the United States are of products manufactured in the United States. Manufacturing shall be defined as production or fabrication utilizing machines, tools and workers, which results in substantial transformation of raw material to a final product or significant component thereof. For purposes of determining the dollar value of products manufactured in the United States by the active member and any related entities, the sales of non-powered hand tools in the United States by any related entities, such as a parent company, its divisions, subsidiaries, and other affiliates (exclusive of shipments between them) will be aggregated.

(b) Associate Member - Any corporation, partnership, or individual of good repute and sound financial condition which manufactures non-powered hand tools in Canada, Mexico, Central and South America, the European Union, or Australia where a majority of such entities' (and related entities') non-powered hand tool sales (by dollar value) are of products manufactured in Canada, Mexico, Central and South America, the European Union, Australia, or the United States.

(c) Supplier Member – Subject to limitations on the total percentage of supplier members to the total number of member companies, or any other reasonable limitation or qualification which the Board of Directors may from time to time impose, any company that provides products and services to the non-powered hand tool industry. Supplier members cannot manufacture or sell non-powered hand tools.

Each active and associate member shall name an individual to serve as its designated representative and shall also designate an alternate. Both the designated representative and his alternate must be policy-making employees of the member. Only the designated representative of an active member, his alternate, or a proxy duly designated in advance, shall have the right to exercise the vote of the active member.

If an active or associate member ceases to have the above qualifications for membership in the Institute, such member may continue to be a member in good standing.

APPLICATION FOR MEMBERSHIP

Section 6. All applications for active membership or associate membership shall be made in writing and addressed to the Membership Committee in accordance with such rules as may be established by the Board of Directors. A duly qualified candidate shall be admitted to membership upon a majority vote of the

Membership Committee. No application for membership shall be rejected unless the matter has been reviewed by the corporation's legal counsel. All applicants shall agree that, if elected to membership, they will be bound by the Bylaws of the Institute.

MEETINGS OF MEMBERS

Section 7. The Annual Meeting of the members shall be the last regular meeting of the Institute held in each calendar year and shall be held at such time and place as may be set by the Board of Directors. General and special meetings of members shall also be called and held at such time and places as the Board of Directors may determine. It shall be the duty of the Board of Directors to call a special meeting if requested in writing by at least forty percent (40%) of the members. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) nor more than forty (40) days before the date of the meeting to each member.

VOTING BY MEMBERS

Section 8. Unless otherwise specified herein, the members may take any action authorized by these Bylaws by a majority vote of those votes legally cast. Only active members shall have the right to vote on questions submitted to the membership. An active member may vote at a meeting through its designated representative or alternate or, with respect to questions or matters that have been described in the notice of meeting, by proxy executed in writing. The Board of Directors may determine that voting on a question or matter shall, in whole or in part, be conducted by mail. Forty percent (40%) of the voting members of the Institute, present in person and by proxy, or if those present in person and by proxy as aforesaid together with the balance received by mail as herein provided for shall constitute forty percent (40%) of the voting members of the Institute, shall constitute a quorum as to any general or special meeting of members.

BOARD OF DIRECTORS

Section 9. The affairs of the Institute shall be managed by a Board of Directors, which persons shall serve without remuneration. The first Board of Directors shall be those persons named in the Articles of Incorporation, who shall hold office until their successors have been elected and qualified. Thereafter, the Board of Directors shall be composed of the designated representatives or alternate representatives of at least twelve (12) and not more than eighteen (18) members elected by the active members of the corporation at the Annual Meeting, plus the officers of the corporation provided for in these Bylaws, plus the three most recent past presidents of the corporation or its predecessor organization, so long as they are active as policy-making employees of members of the Institute. Other past presidents of the Institute may attend meetings of the Board of Directors without vote, so long as they are active as policy-making employees of members of the Institute.

Any vacancy occurring in the Board of Directors shall be filled by vote of the active members at the meeting which follows the occurrence of the vacancy. A director so elected shall fill out the unexpired term of his or her predecessor in office.

At the first election of members to the Board of Directors, to be held in 1979, five (5) members shall be elected to three (3) year terms of office, five (5) members shall be elected to two (2) year terms of office, and five (5) members shall be elected to one (1) year terms of office. Thereafter, the members of the Board of Directors, other than the officers and past presidents, shall be elected for a term of three (3) years. No person other than an officer may serve as a member of the Board of Directors for more than eight (8) consecutive years.

NOTICE OF DIRECTORS' MEETINGS

Section 10. Notice of meetings of the Board of Directors shall be mailed or telegraphed to each director at least ten (10) days before the day of any meeting. Any director may waive notice of a meeting.

QUORUM OF DIRECTORS

Section 11. A majority of the directors at any time qualified and active shall be required to constitute a quorum for the transaction of business but less than a quorum may convene from time to time. While there is a quorum present, the directors may take action by a majority vote of those present and voting.

COMMITTEES

Section 12. The following shall govern committee activities:

- (a) Executive Committee - The Board of Directors may by resolution adopted by a majority of the directors in office, designate and appoint an Executive Committee which shall be empowered to act on behalf of the Board of Directors to the extent permitted by law and consist of not more than seven (7) members nor less than three (3). Its membership shall be composed of directors and shall include the officers provided for in these Bylaws, with the President serving as Chairman of the Executive Committee.
- (b) Nominating Committee - There shall be a Nominating Committee consisting of five (5) persons, nominated by the President and approved by the Board of Directors, whose duty it shall be to nominate consenting candidates for each election of directors and officers.
- (c) Membership Committee - There shall be a Membership Committee whose duty it shall be to review initially the qualification of applicants for membership in the Institute.
- (d) Finance Committee - There shall be a Finance Committee, whose Chairman shall be the Secretary-Treasurer, and whose duty it shall be to review and advise on the financial affairs of the corporation.

(e) The Board of Directors may establish such other standing committees and subcommittees as it deems appropriate. Ad hoc committees and activities may be established only upon receipt of approval from the President in consultation with legal counsel. Except as otherwise provided in these Bylaws, committee membership and chairmanship appointments shall be made by the President and shall be for service until the expiration of the President's term or such shorter time as the President may specify. Committee chairmen shall be persons who are employees of members of the Institute.

OFFICERS

Section 13. The officers of the corporation, who shall serve without remuneration, shall be the President, the Vice President, and the Secretary-Treasurer. The first President shall be Norman A. Velisek, the first Vice President shall be Alexander J. Vogl, and the first Secretary-Treasurer shall be Mathias A. Klein, Jr. Thereafter the officers shall be chosen from the designated representatives of alternate representatives of the active members and shall be elected by the active members at the Annual Meeting to serve for a two (2) year period or until a successor is chosen. The President, Vice President, and Secretary-Treasurer shall be and remain directors of the corporation during their term of office. Any officer may be removed from office, for good cause, at any time by the affirmative vote of a majority of the members of the Board of Directors then in office. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by a majority vote of the Board of Directors regularly convened at any regular or special meeting.

Section 14. The President shall preside at all meetings of the members and of the directors and shall be a member ex-officio of all committees. He shall have such powers and perform such duties as may from time to time be conferred upon him or be prescribed by the Board of Directors.

Section 15. The Vice President shall exercise all the powers and authority and perform all the duties of the President in the event of his absence, disability or refusal to act.

Section 16. The Secretary-Treasurer (a) shall keep or cause to be kept the minutes of the corporation and the records of the membership, and shall be responsible for the safekeeping of these records; and (b) shall receive or arrange for the receipt of all monies of the corporation and deposit or cause to be deposited funds in the name of the corporation in such banks or trust companies as the Board of Directors may direct and, under the direction of the Board of Directors, shall disburse the funds of the corporation as may be appropriate.

INDEMNIFICATION

Section 17. The Association shall indemnify all Officers and Directors for acts within their respective authorities to the full extent permitted by the Not-For-Profit

Corporation Law of the State of Delaware, and the Association shall indemnify, the same extent as Officers and Directors, all Counsel, Chairpersons, members of Committees, other volunteers authorized to act on behalf of the Association and employees of the Association. Any question as to whether a person is eligible for indemnification in a specific matter shall be determined either by a Special Committee of at least three Directors who are not parties to the matter and who are appointed by the Board of Directors, or in a written opinion by an independent legal counsel who shall be designated by the Board of Directors.

ADMINISTRATIVE AND OTHER SERVICES

Section 18. The Board of Directors shall, on behalf of the corporation, provide for the services of an organization or individual to manage the day-to-day affairs of the Institute, subject to the direction and control of the officers and the Board. This organization or individual shall have such title with respect to the operation of the Institute, such remuneration, and such duties as may be specified by the Board. The Board of Directors may also contract for such other services (including the services of independent accountants) as may be deemed appropriate by it in the management of the corporation's affairs.

LEGAL COUNSEL

Section 19. The Board of Directors shall, on behalf of the Institute, retain and employee legal counsel whose duties it shall be to (a) advise and confer with the officers, Board of Directors and administrative staff on matters having legal implications, (b) represent the Institute in connection with legal proceedings, and (c) counsel and advise at Institute meetings, including appropriate committee meetings. Legal counsel shall be apprised of all such meetings in advance thereof and be given the opportunity to attend.

FEES, DUES AND ASSESSMENTS

Section 20. The Board of Directors may from time to time determine what initiation fee, if any, is to be established.

Section 21. The annual dues shall be of such amount and apportionment as may be determined by the Board of Directors, based upon a judgment as to what apportionment represents a fair and equitable division among the members. Each member shall pay in to the Institute, in advance and on such basis as may be specified by the Board, such sums as it may be obligated for dues.

Section 22. No assessment or levy other than initiation fees or dues shall be made or imposed upon any member for the expense of any Institute activity without the written consent of two-thirds (2/3) of the membership, except that the cost of special services or activities which relate to the special interests of only a segment of the membership shall be defrayed by the affected members in a manner approved by the Board of Directors.

MEMBERSHIP TERMINATION

Section 23. Resignations of membership shall be in writing addressed to the Secretary-Treasurer and having an effective date of termination of not less than ninety (90) days after receipt of notice thereof. In case any member shall liquidate or fail, such member shall thereupon cease to be a member of the corporation, subject, however, to reinstatement upon restoration of eligibility and payment of all arrears and dues.

Section 24. Any member who shall have made a false statement in an application for membership, or whose conduct shall be found to be prejudicial to the welfare or interest of the Institute, or who shall fail to pay its financial obligations within sixty (60) days after they become due, may be suspended or expelled from membership by a two-thirds (2/3) vote of the entire Board of Directors, subject to a right of notice and hearing.

Section 25. Termination of membership for any reason shall not relieve any such member of the obligation to pay all dues and assessments owing or levies theretofore made. Any member whose membership terminates for any reason shall not be entitled to any payment or refund of any portion of the monies in the treasury of the Institute or owing therto.

EXECUTION OF INSTRUMENTS

Section 26. All checks, drafts, bills of exchange, notes or other obligations or evidences of indebtedness of the Institute, and all contracts, agreements, powers of attorney, notices of documents, and other instruments or rights of any nature may be signed, executed, verified, acknowledged and delivered by such person and in such manner as from time to time may be determined by the Board of Directors.

ADMENDMENT OF BYLAWS

Section 27. These Bylaws may be amended by a two-thirds (2/3) vote of the active membership voting by mail.