

BYLAWS OF
LIGHTER ASSOCIATION, INC.

ARTICLE I
Name

The name of the association shall be the Lighter Association, Inc.

ARTICLE II
Principal Place of Business

The principal office of the Lighter Association, Inc. shall be located within the District of Columbia.

ARTICLE III
Definitions and Objectives

SECTION 1: The association shall include as members U.S. and Canadian manufacturers, distributors and suppliers of flame-producing devices, commonly known as lighters, intended for consumer use and the components thereof, and non-U.S. affiliated associations of such devices and components.

SECTION 2: The objectives and purposes of the association shall be to foster and advance the interests of the industry, to increase the safety and improve the quality of its products, to collect and disseminate pertinent information relating to the industry, to present industry views to government bodies, to promote good public relations and generally to do all things necessary and proper for the development of the industry in a rapidly changing social and technical environment. The association shall not conduct any business activities not permitted to be carried on by an exempt organization described in Section 501(c)(6) of the Internal Revenue Code, as amended. No part of any net earnings of the association shall inure to the benefit of any

officer, director or member of the association, except as reasonable compensation for services performed, or be appropriated for any service other than the purpose of the association as set forth herein.

SECTION 3: The association is not organized for pecuniary profit and shall not declare dividends, or other financial distribution to members. In the event of dissolution of the association, in accordance with the applicable laws of the District of Columbia, all assets, after payment of all liabilities and other obligations, shall be delivered as a contribution to an educational institution or non-profit organization, as selected by the majority of the members of the association, which holds, as part of its goals, the furtherance and advancement of fire safety, and no part of the assets shall inure to the benefit of any member of the association.

ARTICLE IV **Membership**

SECTION 1: Any legally established entity which falls into the following business classifications may be admitted to membership in the associations:

A. Manufacturers. Applicant must be a business entity with its principal place of business in the United States or Canada and which operates facilities for the manufacture or assembly of finished lighters, or which packages and distributes lighters manufactured by an affiliated manufacturing company, and are distributed in the United States or Canada.

B. Suppliers. Applicant must be a business entity with its principal place of business in the United States or Canada and operate facilities for the manufacture or assembly of components, materials, equipment, machinery or supplies used by manufacturers of lighters.

C. **Distributors.** Applicant must be a business entity with its principal place of business in the United States or Canada and distribute lighters (manufactured by others) in the United States or Canada.

D. **Affiliated Associations.** Applicant must be an association representing a group of lighter manufacturers which maintains its principal place of business outside of the United States.

E. **Associate Members.** Any individuals affiliated with, or engaged in, research or development and consulting in the lighter industry, shall be eligible as associate members, and shall be entitled to all privileges of membership except that they shall not be entitled to vote.

SECTION 2: The Lighter Association, Inc.'s members are committed to the conduct of business, with ethical and responsible behavior, in compliance with the laws and regulations of pertinent state and federal authorities. The Association will support the ethical conduct of business in the lighter industry worldwide

SECTION 3: Application for membership shall be submitted on the membership application form provided by the association and accompanied by remittance covering membership dues for one year. Such applicant shall be accepted for membership provided that it is recommended by a majority vote of the Board of Directors. In the event that an applicant is denied membership, such applicant shall have the right to appear before the Board of Directors and explain why it believes it is qualified for membership in the association. After such appearance, the applicant may be admitted to membership by a two-thirds vote of the Board of Directors.

SECTION 4: Each member of the association (except associate members) shall be entitled to one vote. Each member shall designate an individual who shall exercise the voting power of his or her organization. The designation may be changed by the organization at any time upon notice to the executive officer of the association. The individual designated may appoint an alternate, or submit a proxy, provided that notice of such fact is given to the association.

SECTION 5: In the event a prospective member engages in business in more than one classification, its dominant business by dollar volume shall determine its membership classification for purposes of voting and payment of dues.

SECTION 6: The resignation of a member shall not be accepted unless notice in writing shall have been given to the Chairman of the Board or the Executive Director and all dues and obligations to the association, including dues for the current fiscal year, shall have been paid in full.

SECTION 7: Any member which fails to pay its dues or assessments in accordance with ARTICLE VI within two (2) months from date of notification to its last recorded address shall be suspended, unless by a majority vote of the Board of Directors present at a regular or special meeting, other action or disposition is directed.

SECTION 8: For cause, any membership may be suspended or terminated. Sufficient cause for such suspension or termination of membership shall be failure to pay dues and assessments, violation of the bylaws, or rule or practice properly adopted by the association, or any other conduct prejudicial to the interests of the association. Such suspension or expulsion

shall be by two-thirds vote of the Board of Directors present at a regular or special meeting; provided, that a statement of the charges shall have been mailed by registered post to the last recorded address of the member at least fifteen (15) days before final action is taken thereon. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered and the member shall have the opportunity to appear in person or by his representative and present any defense(s) to such charges before action is taken thereon.

SECTION 9: Membership in this association shall be terminated when the member ceases to meet the requirements for membership as stated in Section 1 of this Article. An officer of the association may, on his own initiative, and shall, at the request of any member, investigate any change in the name, personnel or business of any member and shall submit a report of his investigation to the Board of Directors. If such report recommends the termination of membership, the member should be requested to personally appear before the Board of Directors. After such personal appearance, the Board of Directors may by a two-thirds vote of the members of the Board present at a regular or special meeting, terminate the membership of any such member.

ARTICLE V

Corporate Insignia

SECTION 1: The association shall approve and adopt an insignia which shall appear on the association's stationery and seal and shall be of a design suitable to the lighter industry.

SECTION 2: The association shall take steps as may be necessary and appropriate to register the insignia as the association trademark and to reserve its use to the association and membership in accordance with these bylaws.

SECTION 3: In addition to the executive office of the association, the insignia may be used by active members only, provided that use of such insignia shall be restricted to such active member's stationery.

ARTICLE VI
Finances, Dues, Assessments

SECTION 1: The fiscal year of the association shall begin on the first day of January of each year and end on the thirty-first day of December.

SECTION 2: Each member shall pay dues and assessments in amounts determined annually by the Board of Directors which shall be sent to the association's executive office for deposit.

SECTION 3: A member suspended from the association for nonpayment of dues and/or assessments may, upon two-thirds vote of the Board of Directors present at a regular or special meeting, be reinstated to membership upon payment to the association of the dues and/or assessment in arrears.

SECTION 4: The funds of the association shall be deposited in a general account in the name of the association subject to withdrawal in such a manner as may be determined by the Board of Directors. Accounting records and books of account shall be maintained at the association's office. All records covering the general association account shall be audited or reviewed by independent auditors once yearly after the expiration of the fiscal year and a report of such audit shall be filed with the Board of Directors.

ARTICLE VII
Officers and Executive Director

SECTION 1: Such officers as deemed appropriate by the Board of Directors shall be elected by majority vote of the Board of Directors following the annual meeting of the Board and shall hold office for a period of one year or until their successors have been elected or appointed. Such officers shall also be members of the Board of Directors. The Chief Executive officer may

appoint such additional assistant officers as deemed necessary to carry out the business of the Association. Officers elected at the initial meeting of the Board shall hold office until the first annual meeting is held.

SECTION 2: An Executive Director may be hired by the Board of Directors to administer the affairs and activities of the association. The Board shall fix his or her compensation and tenure of office and prescribe, and may from time to time alter, his or her powers and duties. The Executive Director need not be a member of this association.

SECTION 3: The duties and responsibilities of the Officers and Executive Director may be further defined by resolution of the Board of Directors.

ARTICLES VIII **Board of Directors**

SECTION 1: The Board of Directors shall consist of no less than five and no more than seven members who shall be elected by the members at their annual meeting. Each Board member shall be entitled to one vote.

SECTION 2. There shall be at least three manufacturing or distributing members on the Board at all times.

SECTION 3: A member of the Board of Directors may designate another person actively engaged in his or her business concern to act as his or her alternate when unable to attend.

SECTION 4: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any of its meetings. A majority of the members present shall be necessary to effect all motions, unless otherwise provided.

SECTION 5: The Board of Directors shall constitute the governing body of the association. It shall be vested with full power and authority to carry out the purposes for which this association is organized and put into effect all resolutions and decisions of the association; in addition to the general powers over the affairs of the association, it shall have the express power to exercise general supervision over the receipts and expenditures of the association, fill any vacancies in any offices of the association, or in the Board of Directors, and define the duties of officers, fix the compensation of employees, agents and officers of the association including any Executive Director, and do all other acts and things which it deems to be in the interest of the association.

SECTION 6: Meetings of the Board of Directors shall be held as directed by the Chief Executive Officer, or by motion of the Board of Directors, but there shall be not less than one meeting in any fiscal year.

ARTICLE IX **Committees**

SECTION 1: The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the association. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the association.

SECTION 2: Each Committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

ARTICLE X **Meetings of Members**

SECTION 1: One annual meeting of the members shall be held at a time and place to be determined by the Board of Directors and such additional meetings may be held as desired by the membership of the association, provided that notice of all meetings shall be mailed to each member setting forth the time and place of such meetings at least two weeks in advance thereof.

SECTION 2: Other meetings of the association may be called by the Chief Executive Officer, or upon written request by one-third of the members, provided that notice of all meetings shall be mailed to each member setting forth the time and place of such meetings at least two weeks in advance thereof.

SECTION 3: A quorum at all meetings of the Association shall be 50 percent of the members. If no quorum is present, the presiding officer may adjourn the meeting from time to time until a quorum is present.

ARTICLE XI **Elections**

SECTION 1: The members of the Board of Directors shall be elected at the annual meeting of the membership and shall take office for the fiscal year beginning on the January 1 following the annual meeting.

SECTION 2: The individuals elected as members of the Board of Directors are so elected as representatives of the individual or business concern in whose name the membership stands. If a member of the Board of Directors no longer represents the qualified member of record of this association, then such member may name another person actively engaged in the qualified member's business to so represent him or it, subject to a two-thirds vote of approval by the Board of Directors at a regular or special meeting. Should the member company fail to exercise

its right to appoint a successor to a retiring Board member, after due notification by the Chief Executive Officer or by the Executive Director, then the successor Board member shall be appointed by the Chief executive Officer subject to a two-thirds vote of approval by the Board of Directors at a regular or special meeting.

ARTICLE XII
Bylaws

SECTION 1: These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds of the Board of Directors present at any regular or special meeting of the said Board, provided that written notice of the proposed alteration, amendment or repeal shall be sent to each member of the Board a sufficient time in advance of the date of said meeting to permit such member to attend.

These bylaws may also be altered, amended or repealed by 60% of the votes of the members of the association provided that written notice of the proposed alteration, amendment or repeal shall be sent to each member of the association in sufficient time in advance of the date the said meeting to permit said member to attend.