

Constitution of The American Gem Trade Association, Inc.

Preamble

In order to form an association that is dedicated to the enhancement of knowledge about natural colored gemstones and cultured and natural pearls, the networking of industry professionals that allows for exchange of ideas and the promotion of gemstones, and in order to create an environment that supports the wholesale and retail commerce of natural colored gemstones and cultured and natural pearls, promote global fair trade practices for the full supply chain, businesspersons from the United States of America and Canada, engaged in this industry, do hereby establish this Constitution for the American Gem Trade Association, Inc. and institute this Constitution as a guiding document to define its purpose and provide the authority of governance thereof.

ARTICLE I

Name

The name of the organization shall be The American Gem Trade Association, Inc.

ARTICLE II

Object

The Association is organized for the purposes stated in its Articles of Incorporation, which are generally noted in, this, Article II.

- Represent the interests of the natural colored gemstone and cultured and natural pearl industry in the United States and Canada.
- Promote, maintain and perpetuate the highest possible ethical standards among its members and in the industry at large.
- Establish closer communications between all segments of the natural colored gemstone and cultured and natural pearl industry and related industries.
- Educate members of the natural colored gemstone and cultured and natural pearl industry and related industries in order to expand their knowledge of natural colored gemstones and cultured and natural pearls.

- Create a greater awareness and knowledge of natural colored gemstones and cultured and natural pearls and act as a source of information to the consuming public.

Through the above mentioned objectives, to protect the natural colored gemstone and cultured and natural pearl industry, related industries and the ultimate consumer from fraud, abuse, misrepresentation and deceptive advertising.

ARTICLE III ***Governance***

The Association shall be governed by a Board of Directors elected by the membership, except in special circumstance that may be prescribed by the Board such as vacancies or other exceptional circumstances such as special membership categories created by the Board for the purpose of furthering the cause of improving the governance structure. In the case of vacancies the Board may establish a manner in which vacancies shall be filled. The membership shall vote on Board Members for their respective full terms of office. Committees shall be created and dissolved as needed and appointed by the President of the Board in consultation with the respective other Officers of the Board. Duties of the Board of Directors will be prescribed within the context of the By-Laws.

ARTICLE IV ***Authority***

The corporate powers, oversight of management, and control of the legal and budget approval of the Association shall be vested in and exercised, conducted and controlled by its Board of Directors. However, the administration and operations of the Association activities will be divested to the Chief Executive Officer (CEO) who will be employed by the Board of Directors and is accountable to the Board of Directors. The Board of Directors is thus empowered to employ a CEO, who in turn will employ a staff to carry out the goals and objectives set by the Board within the approved budget.

The Board of Directors will assume the responsibility of establishing and advocating the strategic and policy direction for the Association in conjunction with advice and counsel by the Chief Executive Officer. The Board of Directors is authorized to create a Foundation for the purpose of raising funds for the education and research which will improve the available information that enhances the Objectives of this Association. Likewise the Board of Directors is authorized to create any subordinate organization that enhances the goals of the Association and the needs of its members. Any such organization(s) should be

duly qualified under the Internal Revenue Service's Code to qualify as not-for-profit and for-profit organization respectively.

The Board of Directors shall have the power to fix and locate, from time to time, the office or offices of the Association, and to adopt, make use of, and alter the corporate seal.

The Board of Directors shall have the power to incur indebtedness for the purposes for which the Association was organized but is expected to employ sound fiscal management best practices in the course of financial affairs.

The Board of Directors shall have the power to generally do and perform any act that may pertain to the relevant powers associated with a Board of Directors.

The Board of Directors shall adopt and publish an AGTA Code of Ethics for the membership, amendable at will. Such Code may include sanctions for violations after a due process, created by the Board of Directors, is fully adjudicated. Sanctions may not be retroactive but may include expulsion for egregious violations.

The Board of Directors shall adopt By-Laws, not inconsistent with applicable federal, state and local laws or this Constitution, which shall outline more specific details of policy and processes that will assist in the governing process. All governance functions not specifically enumerated within this Constitution may be incorporated into the By-Laws of the Association by the Board of Directors and may be amended thereto as the Board may determine is important and necessary.

ARTICLE V

Membership

The Board of Directors is vested with the authorization for creating membership categories, eligibility requirements, dues and other characteristics affecting membership related qualifications through By-Laws which will be periodically modified by the Board on an as needed basis.

ARTICLE VI

Amendments

Amendments to this Constitution shall be approved by the Board of Directors and submitted to the membership for a vote which must achieve a majority of favorable votes in order to enact the amendment. The membership can likewise submit an amendment if 30% of the membership signs a petition which supports bringing the motion to a vote. A majority of those voting must vote in the

affirmative in order to enact the amendment. The details are further outlined the AGTA By-Laws.

ARTICLE VII
Dissolution

In the event of the dissolution of this Corporation, the assets shall be distributed to one or more educational institutions and/or non-profit organizations in such proportions and manner as may be determined by the existing Board of Directors at the time of dissolution, after current liabilities and claims have been addressed to the satisfaction of the claimants through the process of arbitration, or if no claimants, the Court of jurisdiction. The recipients may receive the assets of the dissolution as prescribed by the Board of Directors provided such receiving organizations or institutions exist for the furtherance of education in gemstones or for the elevation or maintenance of the ethics among dealers in gemstones.