

# Promotional Professionals Association of Chicago, Inc Bylaws

## ARTICLE 1 – NAME AND OFFICES

**Section 1. Name.** The name of this nonprofit Association of Promotional Product Distributors, Suppliers, Service and Marketing organizations shall be PROMOTIONAL PROFESSIONALS ASSOCIATION OF CHICAGO, INCORPORATED (PPAChicago).

**Section 2. Offices.** PPAChicago shall maintain a registered office in the State of Illinois and a registered agent at that office. PPAChicago may have offices in other locations as determined by the Board of Directors.

## ARTICLE II – PURPOSES

The Purposes of PPAChicago are to achieve the highest level of professionalism in the promotional products industry and to foster growth within our membership through trade shows, networking, idea exchange and professional development.

## ARTICLE III – MEMBERS

**Section 1. Class and Qualifications for Membership.** PPAChicago shall have one class of members, divided into four (4) categories: Promotional Product Supplier, Distributor, Business Services, or Supplier (Multi-Line) Representative. Any person, firm or corporation that is so qualified may apply for membership in PPAChicago in the appropriate category.

- a. Promotional Product Supplier Member.** A supplier is a company within the United States or its possessions, Canada or Mexico, that manufactures, converts, warehouses or decorates promotional products for sale to promotional products distributors or to a firm maintaining a division or affiliate devoted to reselling promotional products. Alternatively, Suppliers must provide purchase orders from at least ten (10) PPAI (Promotional Products Association International) Distributor members or ASI (Advertising Specialty Institute) listed Distributors. Invoices/purchase orders submitted must be for actual orders and not sample purchases.
- b. Distributor Member.** A distributor is a company (or a company that maintains a division, department or affiliate) located within the United States or its possessions, Canada or Mexico, whose primary business includes developing ideas for the use of promotional products, buying such products from suppliers and reselling them to end users. Alternatively, Distributors must provide purchase orders from at least ten (10) PPAI Suppliers members or ASI-listed Suppliers. Invoices/purchase orders submitted must be for actual orders and not sample purchases.
- c. Business Services Member.** A company that sells services, information or products (other than promotional products) that support the normal conduct of business.
- d. Supplier (or Multi-line) Representative Member.** An independent company, contracted by one or more suppliers to market their products and services to distributors.
- e. Ineligibility of End-Users.** Organizations which are primarily clients of Promotional Product Distributors or which are primarily end-users of Promotional Products are not eligible for membership into PPAChicago.

**Section 2. Voting Rights and Privileges.** Each member shall be entitled to one vote on each matter submitted to a vote of the members, may serve on the Board of Directors, and shall be eligible for educational scholarships. Promotional Product Supplier members will have a first option to exhibit at the PPAChicago-sponsored show. (Show rules prevail). Distributor members, when pre-registered, shall be admitted to the PPAChicago-sponsored show at no charge. (Show rules prevail).

**Section 3. Application Procedure and Admittance.** Application for membership in PPAChicago shall be made in writing addressed to PPAChicago. The application shall be accompanied by the initial payment of membership dues. The applicant shall furnish all information necessary to determine eligibility for membership as stated in Section 1. Upon meeting the eligibility requirements, the applicant shall be admitted to membership subject to approval by the Board of Directors.

**Section 4. Representation.** Each member firm shall designate in writing the name and title of its representative. This designated representative shall have all voting rights and if qualified (Article IX), be eligible for nomination to the Board of Directors. In the event that the representative ceases to be connected with the appointing member firm, said member firm shall designate in writing a new official representative who meets all qualifications. Other officers or employees may serve on committees, attend

meetings, take part in Association discussions and be eligible for nomination to the Board of Directors. A member may change its representative or appoint a temporary substitute by written notice to the President.

**Section 5. Resignation.** Any member may resign from membership in PPACHicago, upon written notice to the Secretary, but such resignation shall not entitle the member to a refund of prepaid dues or relieve the member of any unpaid financial obligation. The rights and privileges of a member shall immediately terminate upon such notice.

**Section 6. Reinstatement.** Upon written request a former member may re-apply for membership one (1) year after the effective date of the resignation, unless good cause can be shown to shorten the waiting period. The Board of Directors may, by the affirmative vote of two-thirds (2/3) of the members of the Board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate, which may include payment of previously delinquent dues and assessment.

**Section 6. Suspension and Expulsion.** The Board of Directors, by affirmative vote of two-thirds (2/3) of all the directors, may suspend or expel a member for cause after an appropriate hearing, conducted in accordance with due process procedures adopted and approved by the Board of Directors and Legal Counsel. Sufficient cause for suspension or expulsion of membership is: violation of Bylaws, or any lawful agreement, rule or practice properly adopted by PPACHicago. Termination of membership shall not release the member from any liabilities accrued prior to the date of suspension or expulsion from PPACHicago.

**Section 7. Transfer to Membership.** Membership in PPACHicago is not transferable or assignable to another business entity that is eligible for membership.

#### ARTICLE IV –FINANCIAL MATTERS AND DUES

**Section 1. Dues.** Dues, effective January 1<sup>st</sup> of each calendar year, shall be increased/decreased by of the Board of Directors upon approval by 2/3<sup>rd</sup> majority vote, and are payable prior to January 1<sup>st</sup>.

**Section 2. Obligation.** Membership carries a definite obligation to pay general PPACHicago dues, as established in accordance with these by Bylaws. Membership in PPACHicago is renewable without notice, and a member who does not give notice of withdrawal from PPACHicago prior to the commencement of PPACHicago’s fiscal year shall be liable for full PPACHicago dues relating to that fiscal year.

**Section 3. Suspension and Termination for Failure to Pay Financial Obligations.** Any member who fails to pay their dues within thirty (30) days after the due date shall be suspended from membership. Membership shall be reinstated when dues are paid.

**Section 4. Fiscal Year.** PPACHicago’s fiscal year shall be January 1 through December 31.

#### ARTICLE V- MEETINGS

**Section 1. Annual Meeting.** The annual business meeting of PPACHicago shall be held in the 2<sup>nd</sup> half of the year as directed by the Board of Directors.

**Section 2. Regular Meetings.** The President may call regular meetings of PPACHicago at any time, upon his/her own volition, and/or upon the request of the Board of Directors. The Board of Directors shall designate the place, date and time for any annual or regular meeting.

**Section 3. Special Meetings.** The President may call special meetings of PPACHicago at any time, upon his/her own volition, and/or upon the request of (3) Board of Directors for the purpose(s) stated in the notice and call of the meeting. The person(s) calling such a meeting shall fix the place and time of the special meeting. -

**Section 4. Notice of Meetings.** Written notice, including printed and electronic, stating the place, date and hour of any meeting of members shall be delivered to each member entitled to vote not less than fourteen (14) calendar days before the date of each annual or regular meeting, and not less than five (5) calendar days before each special meeting. In case of a special meeting, the notice must include a description of the business to be discussed.

**Section 5. Quorum.** One-third (1/3) of the voting members of PPACHicago, represented in person, shall constitute a quorum. If a quorum is not present, a majority of the voting members present may adjourn the meeting to another time without further notice. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

**Section 6. Manner of Action.** If a quorum is present, the affirmative vote of a majority of the members present and voting shall be the act of the members, unless the vote of a greater number or voting by classes is required by law or these Bylaws.

**Section 7. Informal Action by Members.** Any action required to be taken at a meeting of the members of PPACHicago, or any other action which may be taken at a meeting of the member, may be taken without a meeting by mail, email or other electronic means, provided by such action receives approval of a majority of the members or such larger number required by the Bylaws, provided that the number of members casting votes would constitute a quorum of such action had been taken at a meeting of the members.

## ARTICLE VI – BOARD OF DIRECTORS AND OFFICERS

**Section 1. General Powers.** The Board of Directors shall manage the affairs of PPACHicago and have the authority to engage and discharge employees and agents of PPACHicago; fix salaries; admit, suspend or expel members; and to do everything necessary and desirable in the conduct of business of the PPACHicago in accordance with the Bylaws.

**Section 2. Composition of Board of Directors.** The Board of Directors shall consist of the four (4) Officers (President, Vice President, Secretary, Treasurer), Immediate Past President (non-voting) and not less than four (4) and not more than six (6) additional Directors. In the event that the number of Directors falls below four (4), the President shall appoint the needed number of Directors to maintain the minimum standard set forth in the bi-laws. These appointments will cover the remaining term of the prior elected or appointed Director at which time the position will be placed on the election ballot.

**Section 3. Qualifications.** Any elected Board member shall be eligible for the presidential position provided the Board member has served for no less than one (1) year. Any elected Board member shall be eligible for any other officer position provided the Board member has held a position as a Director.

**Section 4. Nominations.** The Nominating Committee shall report its nominations for Officers and Directors to the Board of Directors at a Board Meeting in the second half of the year. Any member may submit, in writing, a nomination for an Officer or Director.

**Section 5. Election.** The election shall be by electronic or written mail ballot containing the names of all nominees who indicated their willingness to serve and were approved by the Nominating Committee. Placement of names shall be by random drawing. Ballots will be distributed during the 2<sup>nd</sup> half of the year as directed by the Board of Directors. The Nominating Committee chair shall be in charge of the printing, distribution and collection of the ballots, which shall be counted by the Nominating Committee. The results of the election will be announced within twenty (20) days of the close of the election by the Nominating Chair.

**Section 6. Term of Office.** Each elected Director and Officer shall serve a two (2) year term, or until their respective successors shall have been elected and qualified. The terms shall begin on January 1 following their election or as instructed by the Board of Directors. No Director or Officer shall be eligible to serve more than three (3) consecutive terms without interruption of at least one (1) year.

**Section 7. Continued Eligibility of Officers and Directors.** Any Board Member who misses three (3) regularly scheduled consecutive Board meetings or four (4) regularly scheduled Board meetings within a fiscal year shall be considered for removal from the Board by majority vote of the Board of Directors. In the event the President, Immediate Past President, Vice President, Secretary Treasurer or any Director shall cease to be in the employ of the member company he/she represents, or if his/her employer shall cease to be a member in good standing of PPACHicago, he/she shall automatically cease to be eligible to continue to serve as an officer or director. If, however, the officer or director becomes an employee of another member company within sixty (60) days, that officer or director may remain eligible to continue in the office.

**Section 8. Annual and Regular Meetings.** The Board of Directors shall not hold less than nine (9) meetings, including the Annual Meeting, during the fiscal year at a time and place designated by the Board of Directors and/or President.

**Section 9. Special Meetings.** Special Board meetings (not included as regular monthly meetings) may be called by the President or upon the written request of two (2) Board Members, for the purpose(s) stated in the notice and call of the meeting, and the person(s) calling such a meeting shall fix the place and time of the special meeting.

**Section 10. Notice of Meetings.** Written notice, including printed and electronic, stating the place, date and hour of any meeting of the Board of Directors shall be delivered to each Board member not less than fourteen (14) calendar days before the date of each regular meeting, and not less than five (5) days before each special meeting. In case of a special meeting, the notice must include a description of the business to be discussed.

**Section 11. Quorum.** A simple majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a quorum is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

**Section 12. Manner of Action.** The act of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation or these Bylaws.

**Section 13. Attendance Alternatives.** Members of the Board of Directors may participate in any meeting of the Board through use of a conference telephone or similar interactive technology by means of which all persons participating in the meeting can communicate with each other through any technology or equipment allowable under law. Such participation in the meeting shall constitute attendance in person at the meeting.

**Section 14. Information Action by Board of Directors.** Any action required to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting by mail, email or other electronic means if a fax, email, or other written record of approval of the action so taken is submitted by all Directors. Such consent shall have the same force and effect as a unanimous vote.

**Section 15. Vacancies.** If a vacancy occurs on the Board, for any reason, other than that of the Immediate Past President, the position may be filled for the unexpired portion of the term by the Board of Directors. In the event the Immediate Past President shall be unwilling or ineligible to serve as a Director, then the directorship of the Immediate Past President shall revert to the willing and eligible person who most recently was President of PPACHicago.

**Section 16. Removals.** A Board member may be removed with or without cause, by the affirmative two-thirds (2/3) of the members entitled to vote on removal of Directors, at meeting at which a quorum is present, provided written notice of the meeting is delivered to all such members at least twenty (20) calendar days before the meeting stating that a purpose of the meeting is to vote on removal of the named Director(s).

**Section 17. Duties of Officers.**

- a. **President.** The President shall be the Executive Officer of PPACHicago, shall preside at meetings of the Association and the Board of Directors, and shall be an ex-officio member on all committees. The President shall perform other duties deemed necessary to the office of President or as prescribed by the Board of Directors.
- b. **Vice – President.** In the absence of the President or in the event of his/her inability or refusal to act, the Vice-President shall assume the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Further, the duties of the Vice-President shall be designated by the President and Board of Directors.
- c. **Secretary.** It shall be the duty of the Secretary to keep a record of the PPACHicago meeting, or the recording duties may be delegated to the Executive Director. The Secretary shall be the custodian of the corporate records and the official seal, if any, of PPACHicago; keep a register of the post-office and electronic addresses of each member; and in general perform all duties incident to the office of Secretary and such other duties as assigned by the President or the Board of Directors. In the event the President and Vice-President cannot fulfill the term of President, the Secretary shall assume the duties of the President.
- d. **Treasurer.** The Treasurer shall remain fully advised as to the financial condition of PPACHicago. The Treasurer, with the assistance of the Executive Director, shall be responsible for collecting dues and fees from members; preparing budgets and financial reports; overseeing the accounts for all funds received and expended for the use of PPACHicago; making disbursements authorized by the Board; making a report at each Board meeting and at the annual business meeting; and in general performing all the duties incident to the office of Treasurer. The Treasurer shall also have such other duties as assigned by the President and Board of Directors.

**ARTICLE VII– COMMITTEES**

**Section 1. Executive Committee.** The Executive Committee shall consist of the President, Vice President, Secretary and Treasurer. All actions taken by the Executive Committee shall be reported to the Board of Directors as soon as practicable, or at the first meeting subsequent to that action. The Executive Committee shall have full authority to exercise all the powers of the Board of Directors while the Board is not in session except for the commitment of the Association to a financial obligation; the change in these Bylaws; or any other action expressly or by law reserved to the full Board of Directors. Meetings of the Executive Committee may be held upon such notice and call as determined by the Board of Directors.

**Section 2. Nominating Committee.** The nominating Committee shall be composed of five (5) members, two (2) of whom shall be on the Board of Directors (President is ineligible). The Board of Directors shall select three (3) from the membership at large. Any person serving on the Nominating Committee cannot be nominated to an office they are not presently holding. It shall

be the duty of the Nominating Committee to determine the eligibility of a person nominated. The Nominating Committee will require advance consent from a nominee that he/she will accept the duties of the Directorship to which he/she has been nominated. The Committee shall report its nominations for Officers and Directors to the Association by the September meeting.

**Section 3. Audit Committee.** An Audit Committee shall be composed of the Treasurer, one other member of the Board of Directors, and the Executive Director. The Audit Committee shall review PPACHicago's annual Audited Financial Statement prepared by an independent certified public accountant and shall report to the Board of Directors at its annual meeting. Meeting of the Audit Committee may be held upon such notice and call as determined by the Board of Directors.

**Section 4. Other Committees.** The President is authorized to appoint such committees as are customary or necessary for the proper operation of PPACHicago including: Long Range Planning Committee, Membership Committee, Nominating/Legal Committee, Education/Scholarship Committee, Marketing & Public Relations Committee, Show Committee, and Events Committee. These committees will be advisory committees to the President and to the Board of Directors of this Association. The chair of these committees may be an elected member of the Board of Directors and must supply the Board with a report of its activities every month. Each committee must have a board member to serve as a liaison to each committee. The term as Chair of these standing committees will be for a period of one year or until a successor is appointed. The Chair of each committee will have the right to select any members of PPACHicago to serve on his/her committee.

## ARTICLE VIII - INDEMNIFICATION, LIABILITY, AND INSURANCE

**Section 1. Limitation of Liability.** No director, officer, employee, or agent of PPACHicago acting in his/her official capacity shall be liable for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such director, officer, employee, or agent, except to the extent dictated by law.

**Section 2. Indemnification.** PPACHicago shall indemnify and hold harmless to the full extent permitted by law any person or entity who is or was serving in his/her official capacity at the request of PPACHicago as a director, officer, employee, or agent, and may otherwise indemnify any person or entity to the extent permitted by law.

**Section 3. Insurance.** PPACHicago shall be required to purchase and maintain insurance for such indemnification of the directors, officers, employees, or agents against any liability asserted against the person and incurred in any such capacity, or arising out of the person's status as such, regardless of whether PPACHicago would have the power to indemnify against such liability.

## ARTICLE IX - GENERAL PROVISIONS

**Section 1. Contracts.** The Board of Directors may authorize any officer or agent of PPACHicago, in addition to the officers so authorized by these Bylaws, to enter into any contract, or to execute and deliver any instrument, in the name of and on behalf of PPACHicago, and such authority may be general or confined to specific instances.

**Section 2. Books and Records.** PPACHicago shall keep at its office correct and complete books and records of account, minutes of the proceedings of its members and of the Board of Directors, and a record showing the names and addresses of all members at PPACHicago headquarters. Any voting member shall have the right to examine, in person or by agent, at any reasonable time or times, PPACHicago's books and records of account and minutes, and to make extracts there from, but only for a proper purpose. In order to exercise this right, a voting member must make a written demand upon PPACHicago, stating with particularity the records sought to be examined and the purpose therefore. If PPACHicago refuses examination, the voting member may file suit in the circuit court of the country in which either the registered agent or principal office of PPACHicago is located to compel by mandamus or otherwise such examination as may be proper. If a voting member seeks to examine books or records of account, the burden of proof is upon the voting member to establish a proper purpose. If the purpose is to examine minutes, the burden of proof is upon PPACHicago to establish that the voting member does not have a proper purpose.

**Section 3. Proof of Delivery of Notice.** Any notice required to be given by law, or authorized or approved Articles of Incorporation or these Bylaws, shall be deemed to be delivered according to the following rules: upon personal delivery; if by mail, when deposited in the United States mail in a sealed envelope, properly addressed, with postage prepaid; if by facsimile, when the facsimile is sent via the facsimile number shown for the member/Director in the records of PPACHicago; if electronically, when transmitted to such email address shown for the member/director in the records of PPACHicago; and if by overnight mail, when deposited with the shipping company in a sealed envelope, properly addressed, with shipping charges prepaid or billed to sender's account.

**Section 4. Waiver of Notice.** A written waiver of any notice required to be given by law, the Articles of Incorporation or these Bylaws, signed by the person(s) entitled to such notice whether before or after the time stated, shall be deemed equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice of the meeting, except where a person attends a meeting for the express purpose of objecting to the holding of the meeting because proper notice was not given.

**Section 5. Bonding.** The Board of Directors may require any officer, director, employee, or agent of PPACHicago, to furnish at the expense of PPACHicago, a fidelity bond, in such a sum as the Board shall prescribe.

**Section 6. Writing.** Actions required to be “written” or “in writing,” or to have written consent or written approval of members, directors, or committee members shall include any communication transmitted or received by electronic means or by any other technology permitted by law and not prohibited in the Articles of Incorporation or by policy or procedure of the Board of Directors. A requirement for a signature shall be satisfied by any means recognized by law, e.g., electronic signature, unless prohibited by policy or procedure of the Board of Directors.

**Section 7. Procedure.** *Robert’s Rules of Order* shall be followed in all meetings insofar as they are consistent with the Bylaws of PPACHicago.

#### **ARTICLE X - DISSOLUTION**

PPACHicago shall use its funds only to accomplish the objectives and purposes specified in its Articles of Incorporation, and no part of its funds shall inure or be distributed to the members of PPACHicago. In the event the Board of Directors by a three-fourths (3/4) majority vote determines PPACHicago is no longer functioning as directed in Article II - Purposes, the Directors shall propose in writing to the membership that PPACHicago be disbanded. If three-fourths (3/4) of the voting members agree, the Board of Directors shall appoint a committee of at least five (5) members, not on the Board, to sell the PPACHicago’s assets in the most advantageous manner. Upon dissolution of PPACHicago, any funds remaining after payment of all debts and liabilities shall be distributed to PPAI to be used to set up a trust fund. The interest from the trust fund is to be used to provide Scholarships to applicants, as determined by PPAI.

#### **ARTICLE XI - AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors, by the affirmative vote of three-fourths (3/4) of all Directors, provided notice of any amendments proposed for adoption at forthcoming meeting shall be given to all Directors thirty (30) calendar days prior to such meeting. The change(s) shall then be submitted for ratification to the full membership of the PPACHicago. Ratification shall be by three-fourths (3/4) affirmative vote of the membership.