

PPAI Governance Policies & Procedures

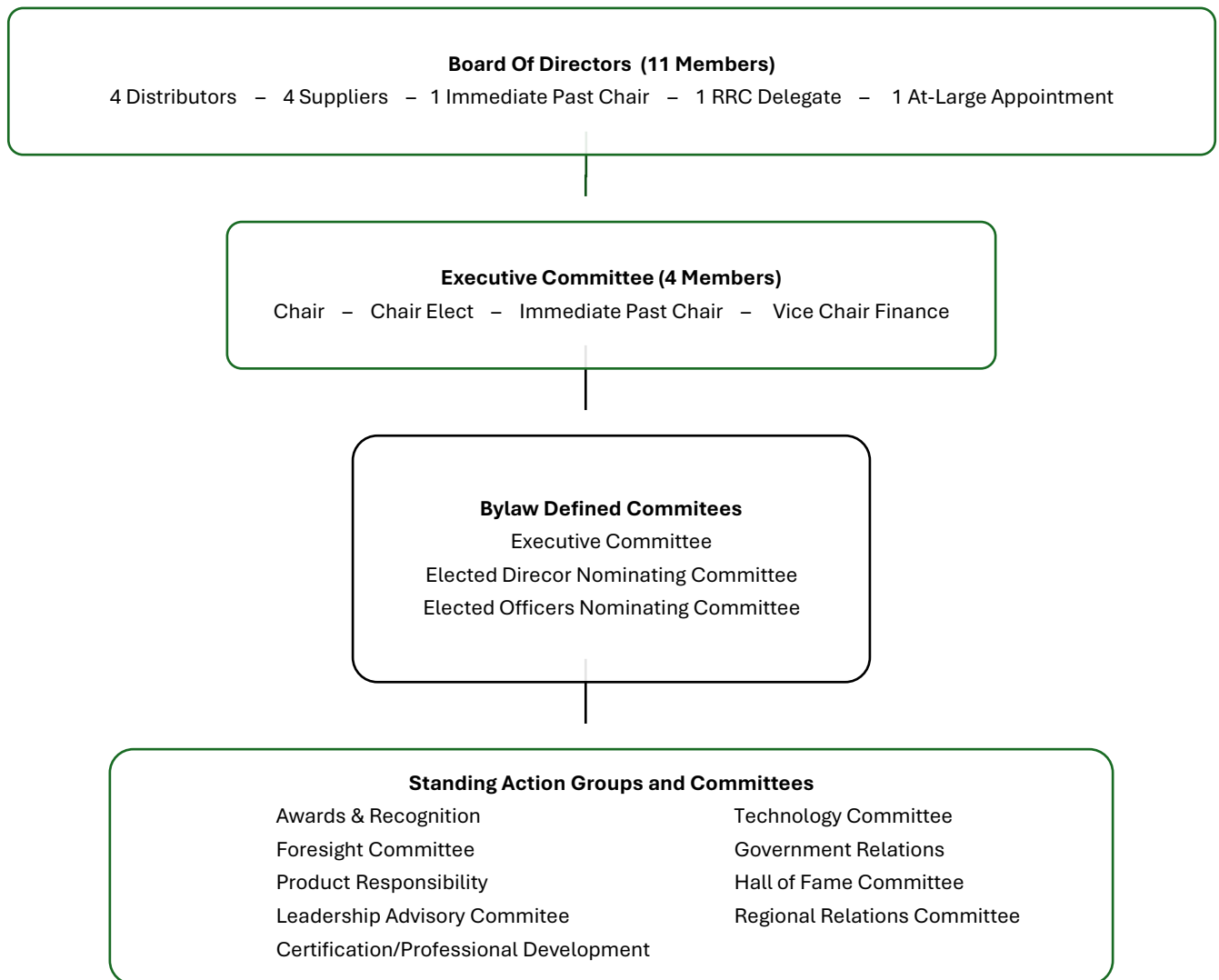
This manual is the record of policies and procedures approved by the Board of the Promotional Products Association International for the conduct of the Association.

Table of Contents

Organizational Structure	4
I. BOARD OF DIRECTORS	6
A. Bylaws And Board Committees	6
B. Nomination Process For Board Candidates	6
1. Nomination Form/Advance Consent	6
2. Leadership Advisory Committee Role	6
3. Elected Directors Nominating Committee Role	6
4. Election Process	7
C. Regional Relations Delegate	7
D. Officers – Nomination and Election	7
1. Timeline	7
2. Committee Review Process	8
3. Gathering Information	8
4. Additional Nominations by Petition	8
5. Election Process	9
E. Board Meetings	9
F. Board Members’ Reimbursement of Expenses	9
G. Chair of the Board	9
H. President	9
II. VOLUNTEER SERVICE ENTITIES	10
A. Governance for Volunteer Service Entities	10
B. Board Liaisons to PPAI Non-Bylaws Service Groups	10
C. Staff Liaisons to Non-Bylaws Service Groups	11
D. Chairs of Bylaws Committees and Non-Bylaws Service Groups.....	11
E. Eligibility and Selection.....	11
1. Eligibility.....	11
2. Selection Process	12
3. Term of Office	12
III. LEGAL INSTRUCTIONS FOR ASSOCIATION MEETINGS.....	12

IV.	ELIGIBILITY TO ATTEND MEETINGS	13
V.	MEMBERSHIP	13
A.	Membership Application.....	13
B.	Member Categories	14
1.	Supplier Member	14
2.	Distributor Member	14
3.	Business Services Member.	15
4.	International Supplier Member	15
5.	International Distributor Member	15
6.	Branch Membership:	16
VI.	MEMBER CATEGORY DUES STRUCTURE AND BENEFITS	16
A.	Dues Structure	16
B.	Dues Increase	16
C.	Benefits Assigned to Member Categories	16
D.	General Description of Member Categories, Sub-Classes, and Benefits	16
VII.	Nonpayment of Dues.....	17
VIII.	Membership Reinstatement.....	17
IX.	BOOKS AND RECORDS.....	17
A.	Records	17
B.	Membership Directory	17
C.	Association Intellectual Property.....	17
X.	PROMOTIONAL PRODUCTS EDUCATION FOUNDATION	18
XI.	INDUSTRY-RELATED GROUPS	18
XII.	HONORS AND AWARDS	18
XIII.	CONSULTANTS AND CONTRACTORS.....	18
XIV.	COMMITMENT AUTHORITY	18
A.	Purpose	18
B.	Borrowing	19
C.	Capital Expenditures	19
D.	Disposition of Association Assets.....	19
E.	Contractual Obligations.....	19
F.	Investments and Reserves	20
XV.	GOVERNANCE POLICIES & PROCEDURES MANUAL REVIEW	21

Organizational Structure





PPAI's vision that promotional products are universally valued and essential to every brand. PPAI's mission is to be the voice and force to advance the promotional marketplace for the benefit of our community.

Promotional Products Association International, a nonprofit, tax-exempt trade organization, was formed in April 1965 by the consolidation of two associations, which had served the promotional products and specialty advertising industry since 1903. The Association, formerly the Specialty Advertising Association International, adopted its new name in 1993 to reflect the broader spectrum of products and services offered by its members.

While a majority of the Association's Members are headquartered in the United States, PPAI has a global footprint. Member companies are Suppliers and Distributors and the business organizations and community that supports their work.

In tandem with PPAI's mission, its Code of Ethics was developed by and for the membership to provide guidelines of professionalism and standards of ethical practice. The Association encourages individual members to enact their own company codes, consistent with those of PPAI.

On conduct, PPAI Members and their representatives shall:

1. Maintain the highest standards of professionalism, ethics and integrity in business, civic and personal activities.
2. Commit to offering the highest quality and safest products and services which are compliant with all government regulations.
3. Strive to assure complete satisfaction of all customers.
4. Honor all career commitments and be dedicated to enhancing the image and knowledge of industry professionals.
5. PPAI maintains and is committed to maintaining a working environment in which all employees are treated with respect and dignity in an atmosphere that promotes equal opportunity and prohibits discriminatory practices and harassment. PPAI prohibits harassment of PPAI employees by anyone, including any member. Any member who engages in harassing conduct directed toward any PPAI employee may be subject to disciplinary action, including, but not limited to, suspension of membership rights by PPAI management and/or expulsion of membership by the PPAI Board of Directors.

On commitment, PPAI Members and their representatives shall:

1. Support, promote and enhance the membership, policies, programs and activities of the Association.
2. Pursue continuing education to achieve personal and career growth.
3. Share knowledge, expertise and skills for the advancement and betterment of the promotional products industry.

The Association delivers world-class education, expositions and forums for networking; the industry's premier certification program; essential information; research and communications; and indispensable products and services to ensure the success of its members.

GOVERNANCE POLICIES & PROCEDURES

Pursuant to Article XVII of the Bylaws of the Promotional Products Association International (“PPAI” or “the Association”), the Board of Directors of PPAI have adopted and approved this Governance Policies & Procedures Manual (the “PPAI Governance Policies and Procedures”) which contain rules for implementation of the Bylaws and other governance matters for PPAI. The PPAI Governance Policies and Procedures shall be approved by a majority vote of the Board of Directors, except as otherwise provided herein.

I. BOARD OF DIRECTORS

A. Bylaws And Board Committees

Bylaws Committees are those which are provided for in the Association Bylaws, namely: Executive Committee, Elected Directors Nominating Committee and Elected Officers and At-Large Director Nominating Committee.

In accordance with Article VIII, Section 2, the Executive Committee shall review and make recommendations concerning the budget for presentation to and adoption by the Board of Directors. The Executive Committee shall review all matters that relate to the Association’s budget and finances.

Also, in accordance with Article VIII, Section 2, the Executive Committee shall be responsible for the performance review of the President and for oversight of compensation and benefits of Association employees.

B. Nomination Process For Board Candidates

1. Nomination Form/Advance Consent

Board nominations are solicited on an ongoing basis. Any eligible, interested member candidate must complete the nominee profile form including appropriate consent to serve agreement. For consideration in any given year this nominee profile must be submitted by the date designated by the LAC, unless the Board determines otherwise.

Eligible board candidates will be expected to participate in a screening process that may include additional questions, essays and/or interviews.

All nomination forms submitted by the deadline date specified will be screened by Association staff to eliminate ineligible individuals. The forms will subsequently be forwarded to the Leadership Advisory Committee for its review.

The EONC meetings may also include the President to provide insights and Legal Counsel to provide insights and ensure process as well as legal compliance. The EONC may excuse the President for final deliberations and vote as the Chair of the EONC determines.

2. Leadership Advisory Committee Role

The Leadership Advisory Committee is responsible for seeking, vetting and developing qualified industry professionals to serve and perform in a leadership role on the PPAI Board. The Leadership Advisory Committee shall annually furnish the Elected Directors Nominating Committee with a list of suggested Distributor and Supplier nominees for the Board of Directors. The list shall contain the names of at least four, but no more than six Supplier Member representatives and at least four, but no more than six Distributor Member representatives. Nomination forms must be finalized and submitted to Association Headquarters no later than July 1 each year, unless the Executive Committee or Board determines otherwise.

3. Elected Directors Nominating Committee Role

The Elected Directors Nominating Committee (the “EDNC”) has the option to add one name to each of the Distributor and Supplier categories, neither of which may be a member of the EDNC. Additional nominees added by the EDNC shall be submitted to the Leadership Advisory Committee (the “LAC”) at least one week prior to the EDNC meeting to maintain a consistent vetting process.

The EDNC will vote to select one Supplier and one Distributor candidate, and the candidates so selected will be presented as a slate to the Board of Directors for approval by a majority vote. The EDNC may also vote to select an

alternate Supplier candidate and an alternate Distributor candidate to account for a situation when a candidate fails to be confirmed by the Board or the membership. The Board of Directors will vote to approve or disapprove the slate as presented, but not the alternate. If, due to conflict of interest or other legitimate reason, the LAC or the EDNC cannot or refuses to select one Supplier and one Distributor candidate for presentation to the Board of Directors for approval, the Board of Directors shall then select and approve a slate of one Supplier candidate and one Distributor candidate for presentation to the general membership for a vote.

4. Election Process

The goal is to hold an annual election before September 30. Each member with voting rights, regardless of sub-class, in good standing will have one vote for a Distributor candidate and one vote for a Supplier candidate in the election of candidates to serve on the Board. The voting contact will be eligible to abstain from voting, cast a single vote or cast a total of two votes, one for the supplier candidate and one for the distributor candidate. Each candidate presented for election shall be deemed elected upon a majority or more of ballots cast in favor of the candidate.

If a candidate fails to garner the requisite number of votes for election, then a second candidate in the same member category as the first candidate (Supplier or Distributor) will be selected by the Board of Directors, with recommendation by the Elected Directors Nominating Committee, and then presented to the members for a vote as provided above.

If the second candidate fails to garner the requisite number of votes for election, then the Board of Directors, with recommendation from the Elected Directors Nominating Committee, shall select two candidates in the same member category (Supplier or Distributor) for a vote by the members with voting rights. The candidate receiving at least a majority of the votes cast in that contested election shall be deemed elected.

Ballots will be sent either by mail, or electronically, as permitted by governing law, through an independent election administrator, to all members entitled to vote. Voting rights of a member may not be delegated to another, nor exercised by proxy.

The independent election administrator's certification of those elected will be forwarded to the Chair of the Elected Directors Nominating Committee. The Chair shall notify all candidates and the President of the results. The President shall immediately notify the Board by any electronic means permissible under law and the general membership. Elected Directors shall take office immediately following the first in- person meeting of the calendar year.

C. Regional Relations Delegate

All regional associations are freestanding, independent organizations with their own memberships, bylaws, directors, and dues structures. The regionals' interests and needs are represented, in part, by the Regional Relations Committee (RRC). PPAI also makes significant financial contributions to the projects and programs initiated by RRC.

RRC is a Standing Committee of PPAI.

The Regional Relations Committee (RRC) Delegate to the Board shall be appointed for a two-year term and otherwise until a successor is duly qualified and appointed. The RRC shall nominate at least one and no more than two nominees from within the RRC community to serve as the RRC Delegate to the PPAI Board. Regional Community is defined as those that have served a full term on the RRC in the previous 5 years or served a full term as a regional board president in the previous 3 years. The RRC will consider input from the PPAI Board of Directors, the PPAI Elected Board Officers and the At-Large Director Nominating Committee, or their designee for this purpose. That nomination shall be presented to the PPAI Board no sooner than the completion of the election for elected Directors, but no later than 30 days after the completion of the election of the elected Directors.

D. Officers – Nomination and Election

1. Timeline

A schedule may be presented to the Board for approval of Board Officer nomination selections with a goal to be completed by September 30, unless the Board determines otherwise.

The Immediate Past Chair and/or the current Chair may engage in discussions with prospective Board Officer candidates; Board nomination forms are updated, and candidate office preferences are stated.

The EONC may meet via conference call/live meeting to begin review of candidates, to determine what new information is needed and to develop a list of questions for Chair-Elect and Vice Chair for Financial Services candidates to complete or for use in interviews. The EONC meets to discuss and form recommendations.

2. Committee Review Process

A schedule of Board Officer nomination selections will be presented to the Board with a goal to be complete by September 30, unless the Board determines otherwise.

The EONC will endeavor to meet no later than the conclusion of the director slate election submitted to the membership.

3. Gathering Information

Nomination Form – All eligible candidates for a Board Officer position will update the candidate's Board nomination form and will express an intent or preferences for the Officer positions on a form provided by the President to the EONC.

Vision Questions – Board Officer candidates may be asked to respond to questions that express their vision for PPAI and how they are most qualified for the position. The Committee may use the responses to make judgments about the relative qualifications of the candidates and how they might plan to offer leadership to the Board and the Association.

Committee Interviews – The EONC will interview each of the candidates for each office, ideally in conjunction with the spring Board meeting.

Secret Ballot – After completion of all interviews, the EONC will use a voting process by secret ballot to select the Officer positions. Legal counsel (preferred) or the Chair of the EONC will provide a ballot to the Committee and will collect the ballots and report the results to the EONC.

Narrowing the Field – The EONC shall cast votes via the ballot for as many eligible candidates as has been determined by the declarations of the nominees. Determining which position is voted on first is at the discretion of the Chair of the EONC or, alternatively, by consensus of the EONC.

In the case of more than two candidates, voting will take place, with the two candidates obtaining the highest number of votes being considered on an additional ballot to determine the nominee obtaining a majority of votes, who shall then be declared the nominee to be recommended to the Board.

If three candidates each receive an equal number of votes (e.g. 1-1-1), the EONC will continue to discuss and vote until there are two finalists.

Final Decision – Once the selection has been narrowed to two candidates (either by vote or because only two persons have expressed an interest in serving), if a vote leads to a tie on the first ballot and again on the second ballot, which could happen if there was an abstention, both candidates' names shall be forwarded to the Board. The Board will then determine the candidate via an election by any means permissible under law to be managed by staff with the ballots being forwarded to legal counsel (preferred) or the Chair of the EONC for inspection and confirmation.

4. Additional Nominations by Petition

Within two days after the meeting to select nominees, the Chair of the EONC shall inform the President in writing of the nominees selected. At that time (but not before the Committee Chair or other EONC representative has informed the candidates of the EONC outcome), the President, or the President's delegate, shall forward the EONC recommendation to all Directors. The report shall also advise Directors that they may make additional nominations as follows. After the EONC recommendation has been provided, additional nominations may be made for each office upon written petition by three or more Directors for each such office. Each petition must be signed by the petitioner-Director. No Director may sign more than one petition for each office; nor may any Director sign a petition self-nominating the Director as a nominee for office. Once a Director signs a petition for an office, the person may not thereafter withdraw the petition, or petition for another candidate for that office. Petitions must be received by the President within four business days from the date of receiving the EONC recommendation for them to be valid.

5. Election Process

After the four days have passed and within ten business days after the report containing the list of nominees has been provided to the Directors, the President shall transmit by any means permissible under law ballots to all Directors. The ballots shall include the slate of nominees selected as provided above plus all names proposed by the Directors. Ballots will be transmitted by any means permissible under law to the Board and must be returned by any means permissible under law within four business days.

Ballots shall be counted by the President who shall then forward them to the Chair of the EONC. The Chair shall notify all candidates of the results. The President shall immediately notify the Board by any means permissible under law. The President and PPAI Board Chair shall determine the timing to communicate the election results to the general membership. Preferred timing is dependent on other association activities and strategies of each year, but the communication must occur prior to December 31st.

E. Board Meetings

The Board of Directors meets at least three times a year. It may also meet at other times and places in accordance with the Bylaws and at the discretion of the Chair. The meetings may be held in one or more sessions.

No amendment, repeal, or addition to the Bylaws, or the PPAI Governance Policies and Procedures can be considered at any Board meeting unless it is a scheduled agenda item with proposed wording and appropriate background material supplied in advance of the meeting.

The only exception to the above will be when the Chair and President feel good cause exists. In such a case, a change may be considered and adopted unless three or more Board Members vote in opposition. If this occurs, consideration of the proposal will be deferred until the next scheduled Board meeting where it will be included as a regular agenda item.

F. Board Members' Reimbursement of Expenses

PPAI will provide standard hotel, standard airfare and appropriate expenses for Board travel to fulfill obligations within applicable budgets and as determined by the President. Spouse or significant other travel will be provided as deemed appropriate. Board members are reimbursed for reasonable travel, hotel and out-of-pocket expenses related to the discharge of duties and responsibilities.

G. Chair of the Board

Duties of the Chair of the Board are stated in the Bylaws, Article VI, Section 3A.

The Chair also reports periodically to the Board, Association Officers and Committee Chairs, and as is practical, visits meetings of Association groups, Committees and related organizations, and welcomes exhibitors. The Chair also facilitates an orientation for new Board Members.

The Chair may be called on periodically to make speeches on behalf of the Association. In preparation of those speeches, the Chair may call on Association staff for advice and materials.

H. President

The President shall be a salaried Officer and shall be selected by the Board of Directors and may be employed for such term and at such compensation as the Board of Directors shall determine. The President shall be the chief executive Officer and shall have general supervision over the management of the affairs of the Association, subject to the direction of the Board of Directors.

The President shall employ and discharge, assign duties to and direct activities of all Association employees. The President will hire the necessary executive, staff and clerical help and will fix all salaries of Association employees, including salaried Officers, within the limitations of the Association's approved financial budget. The duties and functions of these staff are defined in job descriptions that are on file in the President's office.

The President shall make reports of the activities of the Association to the Board of Directors as may be required and shall be responsible for giving all official notices required by the Board of Directors. The President shall be the official spokesperson for the Association.

The President shall have a special projects fund to enable the Association to function pro-actively in situations requiring immediate action. Expenditure of monies in this fund must be authorized in writing by the Chair of the Board.

II. VOLUNTEER SERVICE ENTITIES

A variety of volunteer service entities function within the Association structure and are referred to as either a Bylaws Committee or a Non-Bylaws Service Group (collectively, “PPAI Volunteer Service Entities”).

Bylaws Committees exist pursuant to and by authority of the PPAI Bylaws.

Non-Bylaws Service Groups consist of various committees, advisory groups, councils, and task forces that may be referenced in these PPAI Governance Policies and Procedures or formed by the PPAI Board of Directors or the President.

In addition to roles set forth in the Bylaws and these PPAI Governance Policies and Procedures, PPAI Volunteer Service Entities provide direction and expertise to, as applicable, the Board or Association staff in support of a specific industry initiative, to help advance PPAI’s purposes, or to support any Strategic Plan approved by the Board.

The **Schedule of PPAI Volunteer Service Entities** in effect and approved by the PPAI Board of Directors will be maintained and accessible to the Board, together with all PPAI Governance Policies and Procedures (as defined in the Bylaws, i.e., governance policies and procedures approved by the Board). The Schedule may be amended from time to time by the Board or by authority delegated to the President with respect to Non-Bylaws Service Groups, as reflected in the **Schedule of PPAI Volunteer Service Entities**.

Any updates or amendments to PPAI’s Non-Bylaws Service Groups will be recorded in an official record of PPAI. The President shall keep the Chair of the PPAI Board of Directors informed of any material changes made by the President to the Non-Bylaws Service Groups, and decisions of the President shall be subject to direction from the Board or Chair of the Board.

A. Governance for Volunteer Service Entities

As a general practice, agendas are prepared for all PPAI Volunteer Service Entity meetings, and minutes are kept in accordance with instruction of Legal Counsel. Robert’s Rules of Order Newly Revised may be used as the parliamentary authority for volunteer service group meetings.

Meetings of PPAI Volunteer Service Entities may be held in-person or by conference calls as needed throughout the year. A simple majority of the total members of a Non-Bylaws Service Group is considered a quorum.

Each PPAI Volunteer Service Entity is expected to have a mission statement that generally describes the entity’s purpose, scope of work, and structure. PPAI staff is expected to organize, schedule, and administer meetings of PPAI Volunteer Service Entities and to maintain appropriate records related to roster members, service terms, educational and professional background, specific skills and experience, and other information deemed appropriate for the efficient administration of the PPAI Volunteer Service Entities.

The Board of Directors may request any PPAI Volunteer Service Entity to conduct a review of or update to its mission statement or job description. The President may request that Non-Bylaws Service Groups conduct a review of the Group’s productivity, relevance, and mission statement.

Volunteer service expenses are paid only with approval of the Board or the President. No expenditure of funds by any Non-Bylaws Service Group is authorized without specific approval by the Board or the President.

B. Board Liaisons to PPAI Non-Bylaws Service Groups

Members of the PPAI Board of Directors may be assigned as Liaisons or Co-Chair to one, or more Non-Bylaws Service Groups. Board Liaisons are invited and expected to attend and participate in official meetings of the assigned Non-Bylaws Service Groups and to report to the Board about the Group’s activities. Board members serving as Co-Chair of a Group may vote just as any other member of the Group, but Board Liaisons may only vote in the event of a tie.

C. Staff Liaisons to Non-Bylaws Service Groups

Staff liaisons will administer activities within the jurisdiction of their respective Non-Bylaws Service Groups; will inform the Groups of matters pertinent to those activities; and will solicit Group input to enhance the effectiveness.

PPAI staff will keep their designated Non-Bylaws Service Groups appropriately informed. To protect confidentiality and integrity of Association records, use of email for agenda, minutes, white papers and other official reference documents should be limited and reasonable. When the preferred communication method of Teams or similar electronic display or distribution is not practical, additional steps should be taken to ensure protection of email communications through external systems, such as designation of “confidential,” verification of receipt or other measures, including by provision of managed links to documents rather than the actual document.

Staff Liaisons or other designated representatives are responsible for taking minutes at all PPAI Volunteer Service Entities meetings. When present, PPAI’s legal counsel and President are generally responsible for taking minutes of Bylaws Committee meetings held in executive session as well as for confidential proceedings, such as those of the Elected Directors Nominating Committee and the Elected Officers Nominating Committee.

D. Chairs of Bylaws Committees and Non-Bylaws Service Groups

Unless provided otherwise in the Bylaws or these Governance Policies and Procedures, the Chair of the Board, or the Chair of the Board-Elect (for the next governance year cycle purposes), as the case may be: (1) shall appoint the chair of each Bylaws Committee and (2) will appoint the chair and members of Non-Bylaws Service Groups, with input and counsel from the President. Usually, the appointed chair serves a two-year term as chair and acts as a voting member of the applicable Non-Bylaws Service Group, but in any event, the appointed chair should not serve as such for more than four consecutive years.

Generally, each chair of a Non-Bylaws Service Group should:

- a. Adhere to procedures for conduct of an Association meeting;
- b. Keep the Board Liaison fully informed of Committee activities;
- c. Work in concert with staff Liaisons to ensure meetings are held as needed to advance PPAI prerogatives and Group assignments;
- d. Establish goals for each meeting;
- e. Maintain contact with Group members, as needed; and
- f. Work with staff to identify a recommended incoming chair for the Group.

E. Eligibility and Selection

1. Eligibility

Any roster representative of any member company in good standing is eligible to serve on a Non-Bylaws Service Group. As a general rule, a member representative serves on only one Non-Bylaws Service Group, but this limitation is secondary to the best interests and needs of PPAI. When deemed appropriate by the Chair of the Board and with consent of the President, a Non-Bylaws Service Group member may be from an organization who is not a member of PPAI.

A Non-Bylaws Service Group member whose employment by a PPAI member ceases may not continue to serve on the Group unless the individual is reemployed by a similar member company within 60 days and, in the judgment of the Chair of the Board, the individual’s continued service would be in the best interest of the Association. In some instances, a Group member may be replaced to provide continuity. On an exception basis, the Chair of the Board may extend the 60-day re-employment period up to 180 days if, in the Chair’s judgment, the continued service on the Group would be in the best interest of the Association.

Non-Bylaws Service Group members are expected to attend all scheduled meetings and to abide by PPAI’s confidentiality and nondisclosure requirements, as applicable. At the recommendation of the President or Committee

Chair, any Group member having two unexcused absences from meetings may be removed from the Group. Removal should be professionally handled and communicated by the Committee Chair whenever possible, unless other existing relationships may advance the intended professionalism for this process.

2. Selection Process

Each Non-Bylaws Service Group member is chosen based on interest, or applicable expertise within the Group's area of responsibility, although some Group's members must meet specific qualification criteria. Criteria identified in the current job description, needs of the Group and representation of the membership are also considered in the selection process.

- a. Potential members are identified through recruiting efforts by existing volunteers and staff.
- b. PPAI may create a profile process for potential members, including for information about interests, expertise, industry experience, education and employment.
- c. Recommendations for qualified replacements may be made in collaboration with the President, the chair of the Group, and Staff Liaison.
- d. Group chairs or staff liaisons will contact potential candidates for appointment to determine availability and willingness to serve.
- e. The President annually prepares a list of recommended Group assignments for the current or next governance cycle year, and this is accomplished in collaboration with the Board Chair and/or Board Chair- Elect, as applicable.
- f. The President may also solicit input from other parties for Group assignment process.
- g. Any appointments made by the President are subject to adjustment or other changes as deemed appropriate by the Board Chair or the Board of Directors.
- h. In the instance where a Group member must be replaced during a given year, a replacement will be made in a similar manner in which the member-to-be-replaced was appointed.

Unless approved by the Chair or the Chair-Elect, only up to five roster representatives of any single dues-paying member company may serve on Service Groups at one time. When a member company is represented on the Board of Directors, the member remains eligible for involvement of up to five additional employees serving on Non-Bylaws Service Groups.

As a general rule, a member company may have only one representative on a Non-Bylaws Service Group, but this limitation is secondary to the best interests of PPAI, taking into consideration the needs of PPAI, potential conflicts of interest, and the authority and objectives of the Group.

The Chair, the Chair-Elect and Immediate Past Chair are ex-officio members of all Non-Bylaws Service Groups.

3. Term of Office

Each member of a Non-Bylaws Service Group is selected to serve such term as PPAI deems appropriate. Usually, each member is appointed to a maximum term of three-years, and some members are appointed for a one-year term, with the option of or potential for reappointment. PPAI reserves the right to establish, amend, or revoke any term limitations deemed necessary, appropriate, and reasonable to ensure a sound and fair governance and participation model.

III. LEGAL INSTRUCTIONS FOR ASSOCIATION MEETINGS

The Association is committed to adhering to antitrust law. All meetings of the Association will follow these general guidelines. These are to assure that no activities take place in a meeting that would violate the antitrust laws.

- a. Discussions of prices or price levels are prohibited. No discussion is permitted of any elements of a company's operations that might influence price, such as: a) cost of operations, supplies, labor or services; b) allowance for discounts; c) terms of sale including credit arrangements; and d) profit margins and markups—provided this limitation shall not extend to discussions of methods of operation, maintenance and similar matters in which cost or efficiency are merely incidental.

- b. It is a violation of antitrust laws to agree not to compete; therefore, discussions of division of territories or customers, or limitations on the nature of business carried on or products sold are not permitted.
- c. Boycotts in any form are unlawful. Discussion relating to boycotts is prohibited, including discussions about blacklisting or unfavorable reports about companies, including their financial situation.
- d. It is PPAI's policy that all forums participated in by PPAI representatives where discussion can border on an area of antitrust sensitivity that the PPAI representative request that the discussion be stopped. If others continue such discussion, the PPAI representative should be excused from the forum. Any such instances should be reported immediately to the President and PPAI Staff.
- e. It is PPAI's policy these Antitrust Compliance Policies and Procedures are appropriately communicated to Officers, Directors, Committee Members, and PPAI Employees.

These legal instructions can be summarized for every association meeting as follows: *Discussions of topics such as regulating prices or quantities of goods or services, allocating customers or territories, hindering or limiting a competitor or a potential competitor's operations, or otherwise unreasonably restraining business activity may result in violations of antitrust laws and are strictly prohibited at any PPAI meeting.*

Regardless of meeting or group, every effort should be made by all PPAI members to confine their activities to the agenda and within antitrust laws.

A written agenda should be developed for each meeting: the agenda to contain only subjects that can be lawfully discussed. The Association-approved template agenda should be utilized when possible.

Meetings should follow the agenda prepared for the meeting. If topics not on the agenda come up for discussion, discussion should be postponed unless the subject is shown clearly to be one that can be lawfully discussed.

An accurate summary is prepared for each meeting for Standing Committee and Advisory Groups; these should take the form of standardized minutes using the Association-approved minutes template. Minutes or meeting summaries should include actions that did take place and should not include actions that did not actually take place at the meeting.

Committee and Advisory Group Members must not resort to informal meetings outside Committee and Advisory Group meetings to try secretly to accomplish things that cannot lawfully be done through the Association.

All summary documents and/or minutes should be submitted for review by Legal Counsel as promptly as possible on completion of the meeting. Agendas, minutes and supporting documents should be converted to a PDF or similar format and uploaded and maintained by the Association. These will be archived for recordkeeping at appropriate intervals per the Association's document retention policy.

IV. ELIGIBILITY TO ATTEND MEETINGS

Persons (other than staff and counsel) entitled to attend meetings of the Association's Board of Directors, Committees, Advisory Groups, Task Forces, Councils, or Groups are:

- a. The members of such bodies;
- b. Those who have received permission to attend from the Chair of the body in question;
- c. Representatives of the trade press may attend meetings only if they are members of the body, or if they have received permission to attend from the Chair of the body, the Chair of the Association and the President.

V. MEMBERSHIP

A. Membership Application

Application for membership in the Association shall be made to the Association as the Association may direct. The applicant shall furnish all information necessary to determine eligibility for membership. PPAI management, under the supervision of the President, is responsible for reviewing applications and, where appropriate, qualifying each applicant

as a member of PPAI. PPAI may require re-qualification of any member at any time and may immediately terminate membership if the member fails to provide documentation that meets qualifications.

B. Member Categories

The member categories of PPAI are contained in Article IV, Section 2 of the Bylaws, and for each class, qualification attributes are set forth below. The class characteristics, qualifications, benefits, and dues structures are determined in accordance with these PPAI Governance Policies and Procedures and Article XI, Section 9 of these Bylaws.

- 1. Supplier Member:** A Supplier is a company within North America that manufactures, supplies and/or decorates products for sale to companies that resell promotional products.

To qualify for Supplier Membership, an applicant must be able to demonstrate intent to sell promotional products to Distributors and fulfill each of the following criteria:

- a. Provide documentation totaling at least 10 qualifying points based on the points assigned to the following qualifiers and must include points from 2 different qualifiers, unless based on products actively listed in SAGE/Quick Technologies. When approved by the President, Suppliers with at least 5 points will be eligible for Standard Base membership and will be required to provide evidence in support of the additional 5 points within 6 months, provided that failure to do so is cause for cancellation of membership without refund of any dues paid.

POINTS	QUALIFIER
3	Purchase order, not for samples or self-promotion, from a PPAI member Distributor dated within the last 12 months, no more than two (2) purchase orders from any one distributor.
3	Written sponsorship from a PPAI member. No more than one (1) sponsorship from any one PPAI member company, although multiple member companies may sponsor a supplier.
5	Active web presence clearly demonstrating intent to act as a promotional products Supplier
5	Membership in a PPAI-member regional or international association. No more than one association to count towards qualification.
10	Product(s) actively listed with SAGE/Quick Technologies.
3	Subscription to a promotional products Solutions Provider similar to SAGE/Quick Technologies that allows access to the promotional products marketplace.

- b. Be in business at least six (6) months (the personal experience of an applicant or its control persons in the promotional products industry is acceptable in lieu of six (6) months’ business experience).
- c. Must have a physical presence within the United States or its possessions, Canada or Mexico, which might include, but not be limited to a warehouse or a sales, manufacturing or distribution facility.
- d. When approved by the President, Suppliers with at least 5 points will be eligible for Standard Base membership and will be required to provide evidence in support of the additional 5 points within 6 months, provided that failure to do so is cause for cancellation of membership without refund of any dues paid.

- 2. Distributor Member:** A Distributor is a company within North America that resells promotional products and/or marketing collateral.

To qualify for Distributor Membership, an applicant must be able to demonstrate that it purchases promotional products from Suppliers and fulfill each of the following criteria:

- a. Provide documentation totaling at least 10 qualifying points based on the points assigned to the following qualifiers and must include points from at least 2 different Qualifiers below, unless qualifying based on subscription to SAGE Total Access.

POINTS	QUALIFIER
3	Invoice, not for samples or self-promotion, from a PPAI member Supplier dated within the last 12 months, no more than two (2) invoices from any one Supplier.

3	Written sponsorship from a PPAI member. No more than one (1) sponsorship from any one PPAI member company, although multiple member companies may sponsor a distributor candidate.
5	Active web presence clearly demonstrating intent to act as a promotional products Distributor.
5	Membership in a PPAI-member regional or international association. No more than one association to count towards qualification.
10	Subscription to SAGE Total Access.
3	Subscription to a promotional products Solutions Provider similar to SAGE/Quick Technologies that allows access to the promotional products marketplace.

- b. Be in business at least three (3) months (the personal experience of an applicant in the promotional products industry is acceptable in lieu of three months business experience).
- c. Must have a physical presence within the United States or its possessions, Canada or Mexico.

A Distributor may not purchase promotional products solely for internal use. It must also sell to third-party end buyers. When requested, the member or prospective member must furnish proof (purchase orders or other correspondence on end buyer stationery) of resale to multiple end buyers outside its own company channels.

- 3. Business Services Member:** A company that sells services, information or products (other than promotional products) that support the normal conduct of business. Examples include regional associations, independent multi-line representatives of supplier companies, software organizations, consulting, etc.

To qualify for a Solutions Provider Membership, an applicant must fulfill each of the following criteria:

- a. Provide products and services (not promotional products) that are used in or support the normal conduct of business.
- b. Have been engaged in the promotional products industry for at least one year. (The personal experience of an applicant in the promotional products industry is acceptable in lieu of one year business experience).
- 4. International Supplier Member:** An International Supplier Member is a company outside the United States or its possessions who would otherwise likely qualify as a Supplier Member.

To qualify for International Supplier Membership, an applicant must demonstrate intent to sell promotional products to Distributors and fulfill each of the following criteria:

- a. Must be engaged in the promotional products industry primarily (more than 90% of revenue) outside the United States or its possessions.
- b. Provide documentation totaling at least 10 qualifying points based on the points assigned to the following qualifiers.

POINTS	QUALIFIER
1	Purchase order from a Distributor not for samples or self-promotion dated within the last 12 months, no more than two (2) purchase orders from any one company.
2	Written reference from a PPAI or PPAI-affiliated association member verifying that the applying company is in the promotional products industry.
5	Active web presence clearly demonstrating intent to act as a promotional products Supplier.
5	Membership in an association or similar business league organization that promotes the promotional products industry in the country or continent of the organization's domicile as may be approved by the President or the Board.

- 5. International Distributor Member:** An International Distributor is a company (or a company that maintains a division, department or affiliate) located outside the United States and who would otherwise likely qualify as a Distributor Member.

To qualify for International Distributor Membership, an applicant must demonstrate that it purchases promotional products from Suppliers and fulfill each of the following criteria:

- a. Must be engaged in the promotional products industry primarily (more than 90% of revenue) outside the United States or its possessions.
- b. Provide documentation totaling at least 10 qualifying points based on the points assigned to the following qualifiers.

POINTS	QUALIFIER
1	Invoice from a Supplier not for samples or self-promotion dated within the last 12 months, no more than two (2) purchase orders from any one company.
2	Written reference from a PPAI or PPAI-affiliated association member verifying that the applying company is in the promotional products industry.
5	Active web presence clearly demonstrating intent to act as a promotional products Distributor.
5	Membership in an association or similar business league organization that promotes the promotional products industry in the country or continent of the organization's domicile as may be approved by the President or the Board.

6. Branch Membership:

PPAI is no longer accepting new Branch Member programs. Existing programs, if any, are applied solely to or for Branch Members in continued existence since being accepted in the Branch Member program before its discontinuation.

VI. MEMBER CATEGORY DUES STRUCTURE AND BENEFITS

A. Dues Structure

Pursuant to Article XI, Section 9 of the Bylaws, the dues structure for each member category, including any sub-class within a member category, is reflected in an official record of and maintained by PPAI.

B. Dues Increase

The dues amount for any member category, including for any sub-class, may be increased up to five percent (5%) annually, at the discretion of the President based on business needs and other considerations, or may be increased or decreased by an affirmative vote of two-thirds of the members of the Board. Any such change shall be maintained in an official record within PPAI, with reference to, but without update of these PPAI Governance Policies and Procedures.

C. Benefits Assigned to Member Categories

The benefits assigned to each sub-class are subject to change in the reasonable discretion of the President. All generally applicable sub-class member benefits shall be maintained in an official record within PPAI, with reference to, but without update of these PPAI Governance Policies and Procedures.

D. General Description of Member Categories, Sub-Classes, and Benefits

The Board of Directors of PPAI approved and established five sub-classes in each member category and corresponding dues commensurate with the benefits made available to each sub-class based, primarily, on the member's reported annual sales volume.

Each member is permitted to self-select into a higher tier and to pay dues applicable thereto, regardless of the selecting member's total annual sales volume. However, if a member's annual sales volume is higher than the maximum defined by the tier selected by the member, the member will not be eligible to be publicly recognized by PPAI for sales volume greater than the tier selected.

The current approved dues structure, along with the schedule of benefits determined by the President with respect to each member category or sub-class, shall be reflected in an official record maintained by PPAI and shall be made available for inspection by the Board of Directors upon request.

VII. Nonpayment of Dues

If the dues of a member are not paid by the renewal date, PPAI shall have the right to suspend all membership rights and privileges of the non-paying member and to terminate the member's membership with PPAI, upon written notice.

VIII. Membership Reinstatement

A former member company of the Association may be reinstated within one year of the date of cancellation. All monies due the Association must be brought up to date and paid in full. The company's renewal date will be adjusted, if appropriate, to last day of the reinstatement month of the following year.

When the one-year reinstatement period has lapsed, requalification will be necessary.

Priority points may be retained by reinstated companies if back dues are paid for the period (up to 12 months unless otherwise approved by the President or the Board for good reason) in which their membership was suspended. Re-applying companies may not retain priority points earned with previous membership and/or after reinstatement period has passed. Priority points are subject to additional rules and restrictions as outlined in show rules.

Companies that are dropped by the Association for non-payment of debts other than membership dues may not attend any PPAI event until all past obligations have been repaid unless otherwise approved by the President or the Board for good reason.

Further, no company with an outstanding debt may exhibit at trade shows as a member or as a nonmember.

IX. BOOKS AND RECORDS

A. Records

The Association shall keep accurate and complete records and books of accounts and keep minutes, or summaries of the proceedings of its membership meetings and the meetings of its Board of Directors and Executive and other Committees. It shall keep a record showing the names and addresses of the members and their chosen representatives entitled to vote.

The Association will allow a member (or a member's agent or attorney) to inspect and copy any books and records of the Association for any proper purpose submitted in writing to the Association and otherwise pursuant to applicable law, including D.C. CODE ANN. §§ 29-413.01, 29-413.02. Records that may not be inspected include, but are not limited to, confidential financial reports of any member, employment records, contracts, and other records of the Association that contain proprietary, trade secret or private information. The Association reserves all rights in relation to the inspection and copying of books and records.

B. Membership Directory

The Association may provide a membership directory upon such terms and conditions as the Association may determine.

C. Association Intellectual Property

The Association's name, acronym, words and various other designs, service marks and trademarks are the intellectual property of the Promotional Products Association International (PPAI), and PPAI is the sole entity authorized to exercise control over their use. Any unauthorized use of the name, acronym, designs, words, service marks, or trademarks is a violation of PPAI's intellectual property rights. Only a business entity whose name and business activity are the same as the dues-paying member listed by PPAI may reproduce the appropriate authorized name, acronym, words, designs, service marks, or trademarks on letterhead, business forms, other printed materials or websites. Use of the appropriate name, acronym, words, design, service marks or trademarks by firms that are not members of Promotional Products Association International is expressly prohibited.

X. PROMOTIONAL PRODUCTS EDUCATION FOUNDATION

The Promotional Products Education Foundation (PPEF) is an independent organization created for the purpose of fostering education for promotional products industry professionals and their dependents. Currently, PPEF offers college scholarships to industry families through a competitive evaluation process.

The business and affairs of the Foundation shall be managed by the PPEF Board of Trustees. PPEF has a nominating and election procedure which includes the PPAI Chair serving as a member of PPEF's Nominating Committee. Final appointment to the PPEF Board of Trustees is made by the Chair of the Promotional Products Association International (PPAI). Under the PPEF bylaws, the PPEF Board of Trustees must include the Immediate Past Chair of PPAI, the President of PPAI and no less than two members of the PPAI Board of Directors. The President of PPAI serves as an ex-officio Trustee and as the Secretary/Treasurer. The PPAI Board will reaffirm the administrative fee waiver in the annual PPAI budget review. The amount will be reflective of the actual expenses being incurred by PPAI.

The PPAI Board created a Hall of Fame Memorial Program to establish a \$5,000 PPEF associate named scholarship in honor or in memory of a Hall of Fame member. The scholarship will be in the Hall of Fame member's name. The PPAI Board will commit to a one-time match of industry donations up to \$2,500 to fulfill the \$5,000 commitment.

XI. INDUSTRY-RELATED GROUPS

There are several industry-related groups composed of Association Members that act independently of Promotional Products Association International whose missions align with the mission of the Association. They are organized to serve their own interests may meet and function at trade shows, subject to event rules. While staff members may be assigned to assist them, the Association makes no attempt to control or lead their activities.

Such groups may, from time to time, request monies from the Association to assist with programs and projects. Disbursement of such funds will be made according to standard Association business practices and is subject to budgeting constraints.

Any related group that elects to hold a business meeting in conjunction with a PPAI event or other PPAI- sponsored meeting may be requested to present an outline of the meeting purpose. This requirement does not apply to any industry-related, group-sponsored event held at times other than under the auspices of a PPAI-hosted event.

XII. HONORS AND AWARDS

The Schedule of Awards (including all criteria, process, and eligibility requirements) will be maintained and accessible to the Board, together with PPAI Governance Policies and Procedures. It is expected that Awards & Recognitions Committee will make recommended changes to be approved by the President who will seek board input or approval as appropriate.

Any updates or amendments to Honors and Awards will be recorded in an official record of PPAI. The President shall keep the Chair of the PPAI Board of Directors informed of any material changes proposed by the Awards & Recognition committee and recommended by the President for approval, and decisions of the President to accept such proposals shall be subject to direction from the Board or Chair of the Board.

XIII. CONSULTANTS AND CONTRACTORS

The Association may hire temporary employees, consultants or contractors (collectively referred to as "Contractors") to provide specific support and information to the Association. Contractors will be hired as is reasonable and customary in the normal course of business, subject to budgetary constraints.

XIV. COMMITMENT AUTHORITY

A. Purpose

Association staff may encounter situations not reflected in or contemplated by the Association's annual budget and strategic plan and which may result in the commitment to the expenditure of substantial funds, the acquisition or disposition of capital assets, or the undertaking of significant obligations.

It is the purpose of this Commitment Authority to delineate the scope of authority of the Executive Committee as well as Association staff, with respect to projects, or transactions which have not previously been approved and authorized within the annual budget or strategic plan of the Association.

Nothing herein shall be construed to restrict or prohibit the Board of Directors from specifically delegating additional or increased authority to the Executive Committee or Association management. This document shall in no way contravene any provisions of the PPAI Bylaws as they now exist, or as they shall be amended in the future. In the event of any conflict between this document and the Bylaws, the Bylaws shall govern.

B. Borrowing

Except for credit card transactions and venue licenses and other contracts executed in the ordinary course of business, neither staff nor the Executive Committee shall undertake any borrowing or pledging of assets from a bank, financial institution, or any other entity, or lending agency for and on behalf of the Association unless such borrowing shall first have been duly authorized by resolution of the Board of Directors.

C. Capital Expenditures

The following shall apply with respect to expenditures made to acquire assets (including land, building, or personal property) with a remaining useful life of more than one year, or made to add value or life to existing property:

Capital expenditures budget will be prepared by staff and presented as a part of the annual budget process when possible and during the year when necessary and requires approval of the Board of Directors.

Capital expenditures will be reported to the Board of Directors during its annual budget process.

D. Disposition of Association Assets

The following provisions shall apply with respect to the disposition of capital assets (real or personal) owned by the Association:

1. No land, or buildings owned by the Association shall be sold, exchanged, or otherwise disposed of unless such sale, exchange, or disposition and the terms thereof shall first have been duly authorized by resolution of the Board of Directors.
2. Association staff shall have discretion, without further approval, to sell, exchange, or otherwise dispose of personal property owned by the Association (excluding investment securities), provided that the aggregate consideration received therefore shall not be less than Two Thousand Five Hundred Dollars (\$2,500) below the book value of such property, as then reflected on the books and records of the Association.
3. In the event any intended sale, exchange, or other disposition of personal property owned by the Association (excluding investment securities) shall result in the receipt by the Association of aggregate consideration therefore which shall be more than Two Thousand Five Hundred Dollars (\$2,500) below the book value of such property, as then reflected on the books and records of the Association, then such sale, exchange, or other disposition shall not be undertaken unless same shall first have been duly authorized by resolution of the Executive Committee.

E. Contractual Obligations

In addition to any Board resolution authorizing an agent of the Association to transact business in the name and on behalf of the Association, the President, within authorized budgets, is authorized to direct the Association into all transactions and commitments deemed necessary or advisable to advance the purposes of the Association and to manage and operate an effective and efficient business. The President is expected to keep the Board of Directors adequately informed of substantial and/or long-term commitments that, considering their scope, will likely burden or effect future Boards, budgets, or strategic plans.

In order to further protect the Association and its Board, officers, and staff, the President is encouraged to engage legal counsel for review of contracts, purchase orders, employee benefit plans, and other transactions as the circumstances require or where deemed advisable.

Below is a non-exclusive list of specific transactions to which particular attention and advance disclosure may be advisable in order to protect the Association:

1. **Leases** – Association as Lessor: No lease of real property, equipment, or other personal property owned by the Association shall be entered for and on behalf of the Association, as lessor, unless same shall first have been duly authorized by resolution of the Executive Committee.
2. **Purchase Orders and Consulting Agreements:** The authority required for the execution of purchase orders or other agreements for the acquisition of materials or services by the Association shall be executed by the President or to whom such authorization has been delegated by the President or the Board of Directors.
3. **Trade shows, Convention and Special Activities Exception:** The President or the President's designee shall have discretion to undertake normal expenditures and commitments for and on behalf of the Association in connection with the organization, presentation and operation of such programs. This applies to any other official Association seminar, conference, or similar activity engaged in as part of a budgeted expense or to advance the strategic plan of the Association. It is expected that any such expenditures and commitments shall be made with a view toward attaining the budgeted revenue from such activity.

F. Investments and Reserves

Per Article XI Finances, Section 1, PPAI Bylaws, Association revenues from all sources will be deposited to the Association General Fund and will be used to finance approved Association activities. The General Fund will have a restricted fund and unrestricted fund allowing the Board to maintain appropriate financial controls with staff unable to use the restricted fund without Board approval.

Transfers between restricted and unrestricted funds will require a two-thirds vote of the Board of Directors.

These funds should follow the Investment Policy as approved by the Board of Directors and which establishes the authority to invest funds of the Association, plus current fiscal year operating funds exceeding short-term Association obligations and needs. The Association's continuing liquidity, and the meeting of payment terms of the Association's creditors shall not be placed in jeopardy by such investment. The current Investment Policy of the Association shall be reflected in an official record maintained by PPAI and shall be made available for inspection by the Board of Directors upon request.

The following procedures are designed to ensure that the Savings/Investment strategy is consistent with the current mission of PPAI and accurately reflects the current financial condition of the Association:

1. The Investment Policy will be reviewed at least once a year by PPAI management, in consultation with the Executive Committee, for any necessary revisions.
2. Recommendations for any revisions or modifications will be made by the Executive Committee to the Board of Directors for review and action. The Board must approve any changes in this policy.
3. The Executive Committee will review the status of the investments on no less than an annual basis, ideally within the first 6 months of each fiscal year. The Executive Committee may request meetings or conference calls with the investment advisor responsible for managing the investment funds.
4. The Executive Committee will have the responsibility and authority to authorize the President to engage one or more investment advisors to manage the investment funds, and the authorization to execute a strategy for investing reserve funds will be delegated to the President to administer in accordance with the Board-approved Investment Policy.
5. The Executive Committee shall report to the Board of Directors at least once a year regarding the Association's investments status and receive from the Board of Directors, from time to time, such guidance and/or directions as are inherent in the ordinary power of Directors in assuming responsibility for the financial investments of the Association.

XV. GOVERNANCE POLICIES & PROCEDURES MANUAL REVIEW

Association staff shall conduct a biennial review of the PPAI Governance Policies and Procedures. Association staff shall maintain appropriate application of the policies and procedures on an ongoing basis.