



August 25, 2017

Dear CPPA Members,

Please accept this letter an official notification of the proposed amendments to CPPA's Bylaws. CPPA Board Leaders worked diligently with legal counsel to provide an amended set of bylaws that will improve the efficiency of the management of the association.

The initial matter prompting a bylaw review was the need to update our current board election procedure to allow for an electronic vote. What we discovered as we began this process was that our bylaws, written approximately three decades ago, needed a full review to update them to modern day practices.

CPPA Board Members have carefully reviewed our bylaws and worked with legal counsel to not only amend our voting procedure to allow for an electronic ballot, but additionally addressed many parts of this governing document updating it to modern day best-practice and protection for the association.

Because of the extensive edits, two documents are being provided for your review. You will find provided a fully amended document for your review as well as the current bylaws for comparison.

Please email any questions to Executive Director Dana Geiger at Dana@cpga.biz.

Join us September 12 at The Hotel at The University of Maryland before we kick off the fall show for a special meeting to adopt these revised bylaws. We will have coffee and continental breakfast available. [Click here for more details and to register to attend.](#)

I appreciate your continued support of CPPA.

Sincerely,

Bob Titelman, Jr.

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PROPOSED RESTATED AND AMENDED BYLAWS

RESTATED AND AMENDED BYLAWS OF CHESAPEAKE PROMOTIONAL PRODUCTS ASSOCIATION, INC.

These Restated and Amended Bylaws (referred to as the "Bylaws") govern the affairs of the Chesapeake Promotional Products Association (referred to as "CPPA" or the "Association"), a non-stock, nonprofit corporation incorporated and organized under and pursuant to Title 5, Subtitle 2 of the Maryland General Corporation Law (referred to as the "Act").

Article I: Name, Principal Office and Purpose.

1.1. Name.

The name of the Association shall be Chesapeake Promotional Products Association, Inc., unless and until changed as allowed by the Act.

1.2. Principal Office and Registered Agent.

The Board of Directors of CPPA (the "Board") shall determine the location of the principal office of CPPA. CPPA may have such other offices, either in the State of Maryland or elsewhere, as the Board may determine. The Board may change the location of any office of CPPA. CPPA shall comply with the requirements of the Act and maintain a registered office and registered agent in the State of Maryland. The registered office may, but need not, be identical with CPPA's principal office in the State of Maryland. The Board may change the registered office and the registered agent as provided in the Act.

1.3. Purpose.

The Association is organized for the purpose of performing one or more activities within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"). Pursuant to the Association's Articles of Incorporation, the purposes for which the Association is organized are as follows:

- a. to promote a better understanding of the problems of suppliers and distributors in the specialty advertising field;
- b. to express opinions on national matters pertaining to the specialty advertising industry;
- c. to advance the sale of promotional products through increased promotion; and
- d. to promote better relations among distributors, suppliers, multi-line reps and business service providers.

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These purposes of the Association will be advanced by encouraging the highest level of professionalism in the promotional products industry and fostering growth within the Association's membership through trade shows, networking, idea exchange and professional development, and such other activities designed to advance these core purposes of the Association.

Article II: Membership

2.1. Definition and Classifications.

The Association shall have members. The members' rights and classifications are defined in these Bylaws. The membership is to be comprised of the following classes of members:

- A. Supplier Member:** A supplier is a company 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.
- B. Distributor Member:** A Distributor is a company (or a company that maintains a division, department, or affiliate) whose primary business includes developing ideas for the use of promotional products, buying such products from suppliers and reselling them to end buyers.
- C. Supplier Representative Member:** An independent company, contracted by one or more suppliers to market their products and/or services to distributors.
- D. Business Services Member:** A company that sells services, information, or products (other than promotional products) that support the normal conduct of business.

Membership in any class of membership may be denied by the Association's Board or its designee, such as the Executive Director, if it is the determination and findings that a potential member is detrimental to the interests of the Association. The decision of the Board or its designee to admit or deny membership in the Association shall be conclusive, final and binding, except as provided in these Bylaws and unless the Board determines otherwise. The dues and qualifications for each member class and the benefits to be received by each class shall be determined in the sole discretion of the Board or its designee. Each member agrees to abide and be governed by these Bylaws, as may be amended, with respect to the corporate governance and operations of the Association.

2.2. Eligibility.

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An email address is required for membership and it is the responsibility of the member to keep the organization aware of changes. Other member contact information may be required as determined by the Association.

To qualify for membership as a Distributor, Supplier or Supplier Representative, an applicant must fulfill the following criteria:

- a. Be a member in good standing of PPAI, or
- b. Be a current subscriber to ASI or SAGE/Quick Technologies, Inc., Distributor Central or any other relevant industry search site, or
- c. Be sponsored by at least 5 members of CPPA or PPAI. Sponsorships must be in writing and accompany application for membership, or
- d. Provide a list of five (5) members of PPAI or ASI companies that confirm the applicant is doing business with or representing such member companies.

In the event these qualifications are unable to be met, an interview with the Board may be requested in order to qualify a company for membership.

For Business Services membership, an applicant must fulfill each of the following criteria:

- a. Provide products and services (other than promotional products) that are used in or support the normal conduct of business, and
- b. Provide references from five (5) promotional products companies that are members in good standing of CPPA or a recognized regional or international association, who verify that the applying firm provides products or services to the companies in the promotional products industry.

2.3. Application.

Distributors, Suppliers, Supplier Representatives, and Business Services companies who meet eligibility requirements are required to apply for membership. Applications for admission as a member shall be made on forms provided for that purpose.

2.4. Admittance.

Distributors, Suppliers, Supplier Representatives, and Business Services companies who meet eligibility requirements and have applied will have that application

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reviewed by the Executive Director. Membership is in effect once the Executive Director confirms eligibility and all applicable dues are paid.

2.5. Representation.

Each member company must designate in writing the name and title of its representative and alternate representative, if any, who shall be entitled to act officially on behalf of the member company in all matters presented to the members of the Association. Other representatives of member companies may serve on the Board or committees of the Association attend relevant meetings and take part in other Association events.

If such relationship between a representative and the company member ceases, the official relationship with the designated representative and the Association ceases simultaneously. A company member may change its representative at will, or appoint a temporary substitute by written notice to the Executive Director. Each designated representative shall act on behalf of only one member company. Each member company shall have one vote in all matters presented to the members by the Association.

Membership is not transferable or assignable. Each membership terminates on the dissolution of this Association and as otherwise provided herein. Membership is not a property right that may be transferred. In the event that the business of any member firm or corporation shall be sold, consolidated or the control thereof passed to any new firm or corporation, this Association shall be immediately notified.

2.6. Withdrawal/Resignation/Expulsion.

Membership in this Association shall terminate when a member is no longer engaged in business in the promotional products industry, when a member sends a written notice of resignation to the Executive Director, when a member is expelled for failure to pay dues or other charges owed the Association or otherwise abide by these Bylaws or the rules and regulations of the Association, as determined by the Association. The Board may establish reasonable procedures deemed appropriate or necessary to ensure appropriate due process when expulsion or other charge is under consideration for violation of the Bylaws or rules and regulations of the Association.

When membership is terminated for any reason, all rights of such member with respect to the Association and property of the Association shall cease immediately. Such member shall remain obligated to pay any debts owed to the Association at the termination of membership. Any dues paid shall be forfeited and deemed non-refundable.

2.7. Appeal.

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Appeals for denial or expulsion of membership can be referred to the Executive Board of the Association.

2.8. Obligation to Follow Rules.

All rules listed in these Bylaws, Policy and Procedures Manual, stated rules for events and tradeshows must be followed. Failure to do so may result in expulsion or fines. Moreover, the Association and all its members recognize the vital importance of vigorous competition between members of the Association, as well as between others in the industry. This Association and its members shall not engage in any activities prohibited by law, and in this regard, nothing in these Bylaws shall be construed or applied to in any way unreasonably restrict or impair the sound and healthy competition between competitors required by applicable antitrust laws. The Association deems these laws necessary for the preservation of the free enterprise system which benefits the society in which the Association and its members exist.

2.9. Financial Obligation.

Members who fail to pay their dues or other financial obligations within thirty (30) days after the due date shall be notified by the Association and if payment is not made within the next succeeding thirty (30) days shall be reported to the Board as in arrears. If so ordered, the member shall be dropped from the rolls, and thereupon forfeit all rights and privileges of membership.

Article III: Membership Meetings

3.1. Annual.

The Annual Membership Meeting will be held once each year as determined by the Board. At the annual meeting, the president of the Association shall preside, or if the president is unable or unwilling to preside, the vice president will preside, and the members shall transact any business that shall come before or be presented to the members at the meeting by the Board.

3.2. Regular Meetings.

Membership meetings may coincide with the time and place of any meeting of the Board.

3.3. Special.

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A special meeting of the members may only be called by the president, the Board of Directors, or members constituting not less than twenty percent (20%) of the total voting membership of the Association. Notice of any special meeting shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called. Notice of the date, time and place of each special meeting of the members of the Association shall be mailed, faxed, or emailed by the Executive Director his or her designee to each member entitled to such notice not more than twenty (20) days before the annual meeting, nor later than ten (10) days before any special meeting.

3.4. Order of Business.

Robert's Rules of Order shall be followed at all meetings as far as they are consistent with the Bylaws of the Association. For guidance and not as a mandate, the order of business at the Annual Meeting of the members is generally as follows:

- a. Call to Order.
- b. Roll Call.
- c. President's Report.
- d. Treasurer's Report.
- e. Old Business.
- f. New Business.
- g. Adjournment.

3.5. Notice.

Written or printed notice of the annual meeting of the members shall be delivered by the Executive Director or his or her designee to each member entitled to vote at the meeting not more than sixty (60) days before the date of the meeting, nor less than ten (10) days before the meeting. Notice of any meetings may be delivered in person, in writing, by e-mail, or other reasonable means allowed by law. All members consent to the receipt of notices by email to the address provided by each member for this purpose. The notice shall state the place, date and time of the meeting and may include the general purpose or purposes for which the meeting is called.

Article IV: Board of Directors

4.1. Duties.

The Board shall manage the affairs of the Association. Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary

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care, and in a manner they reasonably believe to be in the best interest of the Association. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on Directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Association or another person that were prepared or presented by a variety of persons, including officers and employees of the Association, professional advisors or experts such as accountants or attorneys. A Director is not relying in good faith if the Director has knowledge concerning a matter in question that renders reliance unwarranted.

The Board shall adopt such policies, rules and regulations for the conduct of the Association and for the conduct of the Board as it shall determine are in the best interests of the Association. Except as otherwise provided in these Bylaws, and unless the Board delegates any such authority to other representatives of the Association (such as the Executive Director or other agent), the Board shall have authority to engage and discharge employees and agents of the Association, fix salaries, admit, suspend or expel members, and to take any other actions necessary to conduct the business of the Association in accordance with the Bylaws. The Board shall be responsible for electing four (4) officers who will serve for the term of their office as established in the Bylaws. Directors may serve as Board Liaisons to committees or work groups as requested by the President or Chair of the Board.

4.2. Composition.

The Board shall be composed of the Officers (President, Vice President/President Elect, Secretary and Treasurer) and five (5) At-Large Directors. The Immediate Past President will serve as an ex officio member of the Board, but shall vote only in the event of a tie of votes among the other Director votes on a matter. The Executive Director will serve as a non-voting ex officio member of the Board.

The Association expresses its desire that the Board consist of at least three (3) Distributors and three (3) Suppliers, with at least one (1) Distributor and one (1) Supplier elected each year, but recognizes that candidates in each category may not always be available, in which case any member of the Association in good standing may be nominated for any seat without regard to category. Each member company may have only one representative serve on the Board at any time.

4.3. Nominations.

Any member may apply for a director position by submitting a written request or Association form for this purpose. The Board or a nominating committee must approve the nominee to be placed on the ballot. No candidates will be accepted for Board Officers unless nominated by the Board. A slate of directors will be presented for

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election by the membership with the election process completed by December 15, or otherwise within a reasonable time thereafter. If a particular slate of directors is not approved by the members, the Board may approve the slate by a vote of at least eighty percent (80%) of the directors then in office, or the Board may present the initial slate or another slate of director candidates for reconsideration or approval by the members.

4.4. Terms.

Directors shall serve a term of two years and otherwise until their successors are duly elected and qualified. Directors may serve three consecutive two-year terms. A director having served three consecutive terms shall not be eligible for re-appointment until after the expiration of a period of one year. A director may be elected to succeed himself or herself in the same director position, subject to term limits.

If a Director leaves the employ of a member company and is not re-employed within sixty (60) days in a qualifying member company, his/her directorship shall automatically terminate. If a Director is in the employ of a member who ceases to be a member in good standing, his/her directorship shall automatically terminate. In the event of death, resignation, incapacity, disqualification or other vacancy of an elected Director, the Board shall elect by a majority vote a new member to fill the vacancy. This member will serve until the next election. Notwithstanding the forgoing, in the case of a vacancy in the office of President, the Vice-President/President Elect will fill the office of President until the next scheduled elections or appointments. Vacancies reducing the number of Directors to less than three (3) shall be filled before the transaction of any other business.

4.5. Assumption of Duties.

The newly elected officers and directors shall assume their official duties on January 1st of the following the year in which they were elected or as reasonably thereafter if otherwise determined by the Board.

4.6. Compensation.

Directors shall not receive any stated compensation for their services as directors but the Board may, by resolution or other approved process, authorize reimbursement of expenses incurred in the performance of their duties.

4.7. Meetings.

The Board shall hold as many meetings as it deems necessary with a minimum of six meetings each year. A Board meeting may be called by the President or by a majority of the members of the Board as deemed necessary. The Executive Director or his or her designee will be responsible for giving notices of meetings to all Directors at

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least five (5) days in advance of the meeting. Meetings will be held in accordance with these Bylaws and any Policy and Procedures Manual adopted for this purpose. At every meeting of the Board, the President of the Association shall preside, and if not, the Vice President. The Secretary of the Association, or his or her designee or assistant secretary shall act as Secretary of the Board. When the Secretary is absent from any meeting, the President, or the person presiding, may appoint any person to act as assistant secretary of the meeting.

4.8. Attendance.

It is important that members of the Board attend all meetings. Any member of the Board who is unable to attend a meeting should contact the President or Executive Director at least 48 hours before the meeting (or otherwise as soon as possible) and provide a reason for the absence. If an Officer or Director is absent for two meetings without reasonable excuse, the Officer or Director may be removed for cause at the discretion of the Board. The provisions of this section are for regularly scheduled meetings only and shall not apply to meetings called with less than fifteen (15) days' notice.

Unless otherwise determined at a particular meeting, meetings of the Board will be open to members of the Board, appropriate staff, legal counsel, and individuals who have been invited or have permission from the President or the Vice President, subject to dissent by the Board.

4.9. Resignation/Removal/Vacancies.

A board member may resign at any time by delivering written notice to the President or the Secretary, giving the effective date of the resignation. Any Director may be removed, with or without cause, by a majority vote of the Board.

In the event of a vacancy on the Board, the Board shall, upon written notification, elect by a majority vote a new member to fill the vacancy. This member will serve until the next election. Notwithstanding the forgoing, in the case of a vacancy in the office of President, the Vice-President/President Elect will fill the office of President until the next scheduled elections or appointments.

4.10. Actions of the Board of Directors.

The Board shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board unless the act of a greater number is required by law or the Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board. Proxy voting is not permitted

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4.11. Action by Consent of the Board Without a Meeting.

Any action required or permitted to be taken by the Board may be taken without a meeting, and with the same force and effect as a unanimous vote of Directors, if all members of the Board consent in writing or by electronic transmission or other appropriate written communication to the action presented. Such consent may be given individually or collectively.

4.12. Quorum.

A majority of the voting Board shall constitute a quorum for transaction of business. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further notice.

4.13. Committees.

The Board may designate and appoint ad hoc committees or work groups as needed, each of which shall consist of one or more directors and any number of members. These committees and work groups will report and make recommendations to the Board without having authority to pass resolutions or otherwise govern the affairs of the Association. Each committee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board. The Board may disband ad hoc committees and work groups as deemed appropriate.

4.14. RAC Delegate.

The RAC (Regional Association Council) Delegate shall be appointed by the President and ratified by the Board. The RAC Delegate must have served at least one (1) year on the Board. The term of the RAC Delegate shall be for one year and otherwise until his or her successor is duly appointed and qualified. The RAC Delegate may be appointed for multiple terms.

4.15. Delegation of Duties.

The Board may select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Association; and to sell, transfer, or otherwise dispose of the Association's assets and properties at a time and for a consideration that the advisor deems appropriate. To the fullest extent permitted by

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law, the Directors shall have no liability for actions taken or omitted by the advisor if the Board acts in good faith and with ordinary care in selecting the advisor. The Board may remove or replace the advisor, with or without cause.

Article V: Officers

5.1. Officers.

The officers of the Association shall consist of a President, Vice President, Secretary and Treasurer, each selected from the directors serving on the Board. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. No two offices may be held by the same person at the same time.

5.2. General Duties.

All officers and agents of the Association, as between themselves and the Association, shall have such authority, perform such duties and manage the Association as may be provided in these Bylaws or as may be determined by resolution of the Board not inconsistent with these Bylaws.

5.3. Election and Terms.

The Board shall elect the officers of the Association. Officers shall serve a term of one year and otherwise until their successors are duly appointed and qualified. Officers may serve two consecutive one-year terms. An officer having served two consecutive terms shall not be eligible for re-appointment until after the expiration of a period of one year, unless the Board determines by an eighty-percent vote of the directors present at a meeting, that good cause exists to permit an officer to serve an additional one-year term. An officer may be elected to succeed himself or herself in the same office. The Board may fill the vacancy in any office for the unexpired portion of that officer's term.

5.4. President.

The President shall preside at all meetings of the Association and of the Board. The President shall perform such other duties as may be assigned by the Board and shall coordinate the work of the officers, directors, and committees of the Association in order that the purposes of the Association may be accomplished.

5.5. Vice President.

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The Vice President shall act as aide to the President and shall perform the duties of the President in the absence of the President. The Vice President shall perform tasks as assigned by the Board.

5.6. Secretary.

The Secretary shall take notes during all meetings of the Association and of the Board and review the minutes submitted by the Executive Director. The Secretary will perform all other duties delegated by the Board or that are incident to the office of Secretary.

5.7. Treasurer.

The Treasurer shall supervise the collection of all dues and fees from the members, account for all moneys received and expended for the use by the Association and supervise disbursements authorized by the Board. The Treasurer shall report at each meeting of the Board, and to the membership at the annual meeting, on the financial position of the Association.

5.8. Immediate Past President.

The Immediate Past President shall assist the Board by offering a historical perspective as appropriate. The Immediate Past President shall cast a vote in the event of a tie. If the Immediate Past President is unable or unwilling to serve, the officer position may remain vacant until a successor ex officio Immediate Past President is qualified, or the Board may fill such vacancy by appointment of another Past President of the Association.

5.9. Salaries.

Officers shall not receive any stated compensation for their services as officers but the Board may, by resolution or other approved process, authorize reimbursement of expenses incurred in the performance of their duties.

Article VI: Voting

6.1. Number of Votes.

Each eligible member company shall have one vote on each matter presented for a vote of the members by the Association. Each business entity that is a member shall designate one representative to cast its vote. Members shall vote to elect directors as provided in these Bylaws.

6.2. Quorum.

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Subject to provisions below regarding voting by ballot submitted to the members, when a membership meeting has been properly noticed, the members with voting rights present shall constitute a quorum for the transaction of business. A majority vote of members in good standing present at the meeting at which a quorum is present shall be sufficient to constitute an act of membership, unless a higher percentage is required herein or under applicable law.

6.3. Voting.

Any action that is to be taken by vote of the Board or membership, and any proposition of the Board or the membership may be done via electronic transmission or other reasonable electronic or written means. If a member so requests in writing, a ballot may be sent by first class mail. Whenever a ballot is emailed to the Board or members, online voting must be completed within the time frame determined by the Board but otherwise in accordance with applicable law. It is the duty of Directors and Members to supply the Association with their respective current email address or other applicable contact information for notice and voting purposes. The Association is not responsible for transmission problems or equipment malfunctions on the sender or receiver's end. The proposition is deemed to have been approved or denied based upon a majority of the members who properly cast a vote on the proposition or matter submitted, unless otherwise expressly provided herein or in the proposition.

Article VII: Administration and Management

7.1. Fiscal Year.

The Association's fiscal year shall be January 1 through December 31.

7.2. Executive Director.

At the discretion of the Board, an Executive Director may be hired. This shall be a paid position and may be an employee or an independent contractor. The Executive Director manages and coordinates the functions and activities of the Association and is directly responsible to the Board. The Executive Director shall attend all meetings, be non-voting and take and report the minutes at all Board meetings. The Executive Director will be responsible for fulfilling the duties outlined in the job description as approved by the Board.

7.3. Policies and Procedures Manual.

The Association shall endeavor to maintain a Policies and Procedures Manual which shall contain rules implementing these Bylaws. A majority vote of the Board shall approve changes to the Policies and Procedures Manual.

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7.4. Books and Records.

The Association shall keep correct and complete books and records of account and complete minutes of the actions of its members and the Board and shall maintain a copy of such records at its principal office. Membership records should be brought up to date at least once yearly and a list of members shall be maintained. The records of the Association shall be subject to review by legal counsel or other appropriate professional if requested by a majority vote of the Board or Executive Board. At the end of each fiscal year the records of the Association shall be available to be reviewed by a certified accountant for tax preparation as determined by the Executive Director or the Board.

Subject to the paragraph below, a member, an individual director or officer of the Association, on written demand stating the purpose of the demand, may inspect and copy at the director or officer's expense, in person or by agent, accountant, or attorney, at any reasonable time and for a proper purpose, the books and records of the Association. The Board may establish reasonable fees and policies for copying the Association's books and records requested. The fees may cover the cost of materials and labor, but may not exceed the Internal Revenue Service guidelines for providing copies.

Pursuant to applicable law, and to protect the interests of the Association, the Board may require, as a condition precedent to any inspection or copying of confidential, proprietary, or trade secret books and records, that the requesting party execute a Nondisclosure or Confidentiality Agreement relating to the nondisclosure of the books and records inspected or copied.

The Internal Revenue Service or other law may require that copies of certain books and records of the Association be made available to the legitimate, requesting public. The Association shall maintain all documents required by the Internal Revenue Service or law to be made available to the public. Books and records available to the public for inspection or copying are not subject to the nondisclosure requirements, above. However, the Board may establish reasonable fees and policies for copying the Association's books and records requested by the public. The fees may cover the cost of materials and labor, but may not exceed the Internal Revenue Service guidelines for providing copies.

7.5. Contracts.

The Board may authorize any officer or agent of the Association, 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 the Association, and such authority may be general or confined to specific instances. The contractual authority of the Executive Board is limited to \$1,000, absent Board approval.

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7.6. Affiliated Transactions.

No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other corporation, partnership or association or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be void or voidable solely for this reason, if:

- a. The material facts concerning the financial interests are disclosed to the Board or committee and the Board or committee authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors or committee members.
- b. The contract or transaction is fair to the Association at the time of the approval. Nothing herein shall prevent retroactive approval of a transaction.
- c. The interested Director or committee member that is present may be counted towards a quorum for purposes of voting on the contract or transaction. The interested Director or committee member may participate in the discussion of the matter, but may not vote.

7.7. Ethics and Code of Conduct.

On conduct, the Association's members should:

- a. Maintain a high standard of professionalism, ethics, and integrity in business, civic and personal activities.
- b. Commit to offering high-quality products and services.
- c. Strive to assure satisfaction of all customers.
- d. Honor career commitments and be dedicated to enhancing the image and knowledge of industry professionals.

On commitment, the Association's members should:

- a. Support, promote and enhance the membership, policies, programs, and activities of the Association.
- b. Pursue continuing education to achieve personal and career growth and to strengthen the promotional products industry.
- c. Share knowledge, expertise and skills for the advancement and betterment of the promotional products industry.

The foregoing lists of ethical business concepts are not a standard of conduct and are not intended to dictate or control in any way, a member's proposed business model or initiatives. However, the Association believes the foregoing concepts, if

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voluntarily assumed by the members, will strengthen the promotional products industry and the mission of this Association.

Article XIII: Amendment of Bylaws

These Bylaws may be amended, repealed, or altered, in whole or in part, by two-thirds (2/3) vote of the Board present and voting on the proposed amendments, provided the proposed amendment approved by the Board is then submitted for ratification to the membership of the Association. Ratification shall be by a majority vote of the members voting on the proposition. The notice to directors and members shall state or include the proposed changes to be voted upon.

Article IX: Indemnity

The Association, acting by and pursuant to a resolution of the Board of Directors, may indemnify a director, officer, committee member, employee, or agent of the Association who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Association. Such indemnification, if approved, may be to the maximum extent allowed by the Act or other applicable law, and shall be prohibited where prohibited by the Act or other applicable law. The Association shall have the power to purchase and maintain at its expense, insurance on behalf of such person to the fullest extent permitted by applicable law.

Article X: Dissolution

Subject to the Association's Articles of Incorporation, as amended, and unless a greater percentage is required by law, the Association may be dissolved or merged with another association with the approval of two-thirds (2/3) of the members present and voting at a meeting called for the purpose of considering dissolution or merger, or by the approval of two-thirds (2/3) of the members voting by electronic transmission or other reasonable electronic or written means as provided for in these Bylaws.

At least thirty (30) days' notice must be given of the holding of such a meeting, or at least thirty (30) days' voting period must be given, and the notice shall state the question of dissolution or merger will be considered at the meeting or as part of the proposition and shall contain such other information as required by the Act or other law.

On dissolution or merger, assets remaining after all outstanding financial obligations are met, shall be distributed in a manner to be determined by the Board and in accordance with applicable Internal Revenue Service regulations governing the Association as an exempt organization under section 501(c)(6) of the Code.

Article XI: Notices and Meetings

PROPOSED RESTATED AND AMENDED BYLAWS

11.1. Notices.

Any notice required or permitted by the Bylaws to be given to a member, Director, officer, or committee member of the Association, or any other person entitled to notice pursuant to these Bylaws, may be given in any manner allowed by the Act or these Bylaws. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Association, with postage prepaid and in a sealed wrapper. If notice is served by facsimile or electronic transmission, the person giving notice shall retain records sufficient to prove delivery to the appropriate number of electronic transmission address. A person may designate his or her preferred notice method and shall provide all necessary information regarding the same by giving written notice to the Secretary of the Corporation. Without a preference designation, the person serving the notice shall give notice by electronic transmission, unless prohibited by law.

11.2. Signed Waiver of Notice.

Whenever any notice is required to be given under the provisions of the Act or under the provisions of the governing documents (Articles of Incorporation, etc.) or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

11.3. Waiver of Notice by Attendance.

The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

11.4. Meeting by Electronic Means.

The Board and any committee of the Association may hold a meeting by telephone conference call or other electronic means in which all persons participating in the meeting can hear or otherwise substantially concurrently communicate with each other. The notice of a meeting by electronic means conference must state the fact that the meeting will be held by electronic means as well as all other matters required to be included in the notice. Participation of a person in a conference call meeting constitutes presence of that person at the meeting.

11.5. Voting by Proxy.

No proxy voting is permitted.

PROPOSED RESTATED AND AMENDED BYLAWS

Article XII: Miscellaneous

12.1. Legal Authorities Governing Construction of Bylaws.

The Bylaws shall be construed in accordance with the laws of the State of Maryland, without regard to conflict of law principles. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

12.2. Legal Construction.

If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

12.3. Headings.

The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

12.4. Gender.

Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

12.5. Power of Attorney.

A person may execute any instrument related to the Association by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary of the Association to be kept with the Association records.

12.6. Parties Bound.

The Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Association and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

12.7. Electronic Transmission

In accordance with Maryland law, and as used in these Bylaws, the term "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that: (i) may be retained,

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retrieved, and reviewed by a recipient of the communication; and (ii) may be reproduced directly in paper form by a recipient through an automated process. "Electronic transmission" includes: (i) electronic mail (e-mail); (ii) facsimile transmission; and (iii) internet transmission.

12.8. Electronic Signatures.

In accordance with Maryland law, and as used in these Bylaws, the term "sign" means: (i) to execute or otherwise adopt a name, symbol, word, mark, or process; and (ii) with the present intent to authenticate or adopt a record or identify oneself. "Sign" includes: (i) a manual signature; (ii) a facsimile signature; (iii) a conformed signature; and (iv) an electronic signature. To the fullest extent permitted by the Act and other law, including the Maryland Uniform Electronic Transactions Act, electronic signatures (such as e-mail) of members, Board members, officers and committee members, as between each other or each of them and the Association, shall constitute the valid signature of the person for purposes of obtaining consents or other matters prescribed by these Bylaws, unless the context of the situation clearly requires otherwise or any such individual submits a written refusal to conduct any or certain transactions by electronic means.

CERTIFICATE OF SECRETARY

I, _____, hereby certify that I am the acting secretary of said Association and that the foregoing Restated and Amended Bylaws, comprised of _____() pages, constitute the Bylaws of said Association as duly accepted and adopted by the Association's Board of Directors held on _____, 2017 and later approved or ratified by the members of the Association on _____, 2017.

DATED: _____

_____ [Signature]

_____ [Typed Name]

Secretary of the Corporation

CURRENT CPPA BYLAWS

CONSTITUTION AND BY-LAWS OF THE CHESAPEAKE PROMOTIONAL PRODUCTS ASSOCIATION

Article I: NAME

The name of the organization of specialty advertising distributors and suppliers will be the Chesapeake Promotional Products Association. (CPPA)

Article II: OBJECTIVE AND PURPOSE

1. Promote the general welfare of the Promotional Products Industry and the membership.
2. Advance the sale of specialty advertising through increased promotion in the Chesapeake region.
3. Promote camaraderie among distributors and suppliers.
4. Provide educational services to its members.

Article III: MEMBERSHIP

Section 1.

Any Distributor, Supplier, Supplier's Representative or Business Services Provider actively engaged in or servicing the Specialty Advertising Industry is eligible for membership. Those members whose office or primary sales territory is located within the geographic boundaries of the "Chesapeake Region" will be eligible as voting members. All other members are considered nonvoting members.

Section 2. Definition of Membership Classifications:

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.

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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 buyers.

Supplier Representative Member: An independent company, contracted by one or more suppliers to market their products and services to distributors.

Business Services Member: A company that sells services, information or products (other than promotional products) that support the normal conduct of business.

Section 3. Application

Application for membership to this Association shall be made by completing and submitting either the paper or online membership application to the Association's Executive Director.

Section 4. Admittance

An applicant shall be admitted to membership in the Association upon investigation and verification of eligibility by the membership committee and approved by the Board of Directors.

Section 5. Voting

Each eligible voting member's organization shall be entitled to one vote upon all matters presented to the membership of the Association.

Section 6. Withdrawal

The member upon written notice to the Secretary may terminate membership in the organization voluntarily. The rights and privileges of a member shall immediately

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terminate upon such notice. Withdrawals shall be finally effective upon fulfillment of all obligations of the member to the date of withdrawal.

Section 7. Expulsion and Suspension

Any member may be suspended or expelled from the Association for due cause. Sufficient cause for such suspension or termination of membership shall be the violation of the By-laws or any agreement, rule, or practice properly adopted by the Association or any conduct prejudicial to the interest of the Association. Such suspension or expulsion shall be by two-thirds vote of the entire membership of the Board of Directors at which time the charges shall be considered and the member shall have the opportunity to appear in person or by his representative and present a defense to such charges before action is taken. Such termination shall not release the member from any liability for dues or other proper charges accrued prior to date of final termination.

Section 8. Appeal

An appeal from such expulsion or suspension may be made by written communication to the president of the Association not later than ten (10) days after the effective date of such expulsion or suspension at which time the president shall appoint a special committee consisting of not less than five (5) and not more than seven (7) members of the Association who are not officers or members of the Board of Directors to hear such appeal and their decision is final.

Article IV: DUES

Section 1. Membership dues will be collected annually. The amount and structure of annual dues of the Association shall be established by the Board of Directors and may be revised from time to time.

Section 2. Members who fail to pay their dues or other financial obligations within thirty (30) days after the due date shall be notified by the Association and if payment is not made within the next succeeding thirty (30) days shall be reported to the Board of Directors as in arrears, and, if so ordered, shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership.

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Article V: MEETINGS

Section 1. Annual Meeting

The Associations' Annual Membership Meeting will be held once each year as determined by the Board of Directors. The officers and directors of the Association are elected at the Annual Meeting.

Section 2. Special Meetings

The President may call special meetings of the Association at any time upon his own volition or upon request in writing, to the Secretary, by 25% of the membership. Written notice of time, date, place and business to be conducted shall be given to each member at least 10 days prior to such special meetings.

Section 3. Quorum

Ten percent (10%) of the total membership or eighteen (18) members entitled to vote whichever is less will constitute a quorum at meetings of the Association.

Section 4. Order of Business

Roberts Rules of Order shall be followed at all meetings insofar as they are consistent with the By-laws of the Association.

Section 5. Notice of Meetings

Written notice of meetings to the membership may be made by US Mail, or any means as allowed for by Maryland law, including fax, email, posting on the association website or any combination of said mediums.

Article VI: GOVERNMENT

Section 1. Board of Directors

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The management, affairs, business and concerns of the Association shall be vested in the Board of Directors. The Board of Directors shall be composed of the Officers (President, Vice-president/President Elect, Secretary and Treasurer), five (5) At-Large Directors and the immediate Past President.

Section 2. Terms of Office

The terms of office of the President, Vice-President/ President Elect, Treasurer, Secretary and Immediate Past President will be one year.

The terms of office of the At-Large Directors shall be two years. Directors may serve three consecutive full terms, and following a one year absence from the Board may be eligible for reelection in succeeding years.

Terms for all Board positions will begin on January 1 following their election at the Annual Membership meeting.

Section 3. Nominating Committee

A nominating committee shall be appointed by the President at least ninety days prior to the Annual Meeting to prepare a slate of candidates for the Board of Directors. Nominations may be offered from the membership, to the committee no later than thirty days prior to the annual meeting. The slate will be submitted and published to the membership fourteen days prior to the Annual meeting. The nominating committee will run the elections and establish procedures for voting in person and proxy.

Section 4. Elections

Elections shall be held at the Annual Membership Meeting. A majority of those voting either in person, or as allowed by Maryland law, including US Mail, email, or faxed ballot, is required for election.

Section 5. Quorum

A majority of the Board shall constitute a quorum.

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Section 6. Vacancies

In the event of a vacancy on the Board, the Board shall, upon written notification, elect by a majority vote a new member to fill the vacancy at the next Board meeting. This member will serve until the next election. Except in the case of a vacancy in the office of President, which the Vice-President/President Elect will fill until elections at the next Annual Meeting.

Section 7. Suspension and Removal

The Board may vote to remove a Director in the event they have three absences from regular scheduled Board meetings in one calendar year.

Section 8. Eligibility for Board Membership

Only voting members in good standing may hold a position on the Board of Directors. A maximum of two individuals from the same firm, company or business may serve as Board members at the same time.

Article VII: OFFICERS

Section 1. President

The President is the executive officer of the organization and Chairman of the Board and shall, subject to the direction of the Board have general supervision and control of its business. He shall preside at all meetings of the Association and Board. He will be an ex-officio member on all committees except the nominating committee.

Section 2. Vice President/President Elect

In case of the absence of the President, or of his inability from any cause to act, the Vice President/President Elect shall perform the duties of the President. At the end of the President's term he/she will become President. Any Director or Officer shall be

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eligible for the office of Vice President/President Elect provided the member has served at least one term as an Officer or Board Member of the Association.

Section 3. Secretary

The Secretary shall keep, or cause to be kept: A record of the meetings of the Association; the records of the membership of the Association; act as Secretary to the Board of Directors and keep the property of the Association.

Section 4. Treasurer

The Treasurer shall keep an account of all monies received and expended by the Association and shall make disbursements as authorized by the Board. All sums received shall be deposited in a Bank or Trust Company approved by the Board and shall make a financial report at each regular, Board, Annual and special meeting, or when called upon by the President. The Treasurer shall send or cause to be sent, bills for annual dues and such other charges and assessments as authorized by the Board. The funds, books and vouchers of the Association shall at all times be subject to verification and inspection by the Board of Directors.

Article VIII.COMMITTEES

Section 1. Standing Committees

The President shall appoint the following standing committees: Membership, Social, Regional Affiliation, Education, Finance, Trade Show and Nominating. In addition, the President is authorized to appoint such committees as required for the proper operation of the Association.

Section 2. Finance Committee

The Finance Committee will be chaired by the Treasurer and include the President and Executive Director as members. Others may be appointed as well by the President. The duties of the committee include preparing the annual budget and year-end reports to the membership.

Section 3. Executive Committee

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The Executive Committee shall consist of the President, Vice-President, Treasurer, Secretary and Immediate Past President.

Article IX. ADOPTION OR AMENDMENTS

These By-Laws shall be adopted and may be amended by 2/3 of the votes cast at any regular or special meeting of the Association provided written notice of the proposed changes was given at least two weeks prior to the meeting at which the amendment is to be acted upon.

Article X. ANNUAL REPORT

The Board of Directors shall present annually to the members a report verified by the President and Treasurer, showing in appropriate detail the following:

1. The assets and liabilities of the Association.
2. The principal changes in assets and liabilities during the last year.
3. The revenue and receipts of the association.
4. The expenses and disbursements of the association.
5. The number and types of members.

Article XI. INDEMNITY

Any person made a party to any legal action by reason of the fact that he, his testator or intestate, is or was a director, officer, or employee of the Association or of any corporation which at the Associations' request, shall be indemnified by the Association against reasonable expenses, including attorney's fees, necessarily incurred by him in connection with the action or with any appeal therein. This indemnification does not apply if a court determines that the legal action resulted because the officer, director, or employee was negligent or guilty of misconduct in the performance of his/her duty for the Association. The right of indemnification established in this article does not exclude any other rights to which such director, officer, or employee may be entitled.

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Article XII. GOVERNANCE POLICIES & PROCEDURES MANUAL

The Association shall maintain a Governance Policies and Procedures Manual which shall contain rules implementing these bylaws. The Governance Policies and Procedures Manual shall be approved by a majority vote of the Board of Directors, except as otherwise provided herein.

Article XIII. DISSOLUTION OR MERGER

The Association may be dissolved or merged with another Association with the approval of two-thirds of the members having voting rights, present and voting at a meeting called for the purpose of considering dissolution or merger. At least ten days' notice must be given of the holding of such a meeting and the notice shall state that the question of dissolution or merger will be considered at the meeting. On dissolution or merger, assets remaining after all financial obligations are met shall be distributed in a manner to be determined by the Board of Directors and in accordance with applicable Internal Revenue Service regulations.

Amended by Membership Vote on 9/17/14