



**BYLAWS**

**OF**

**ISM-Cleveland, Inc.**

**Prepared by:**  
Bylaw Committee

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## BYLAWS

### ARTICLE I NAME AND LOCATION

**Section 1. Name.** The name of this Association shall be the ISM-Cleveland, Inc., a not-for-profit corporation organized and existing by virtue of the laws of the State of Ohio (hereinafter referred to as the "Association" or ISM-Cleveland, Inc.).

**Section 2. Location.** The principal office of the Association shall be located in the Greater Cleveland area, State of Ohio or in such other localities as may be determined by the Board of Directors.

### ARTICLE II PURPOSES

**Section 1. Purposes of the Association.** The Association is a not-for-profit corporation organized and operated not for pecuniary profit, but exclusively for educational purposes within the meaning of Section 501 (c)6 of the Internal Revenue Code (hereinafter referred to as the "Code") and in this connection, the purposes for which the Association shall be organized and operated are as follows:

- (a) To foster and promote interchange of ideas and cooperation among its members.
- (b) To promote the study, development and application of supply management, including improved procurement or purchasing methods and practices and all matters related to the foregoing (hereinafter referred to as "the supply management profession").
- (c) To collect and disseminate by all lawful means information of interest and benefit to its members, including surveys and reports of current business trends and other information of interest to the supply management profession.
- (d) To develop and encourage standards of personal and ethical conduct among persons engaged in the supply management profession.
- (e) To develop, sponsor, promote and encourage a professional certification program for persons engaged in the supply management profession.
- (f) To encourage and cooperate in the institution and development of educational courses, seminars, programs and materials on the subject of supply management and all matters related thereto.

- (g) To strive by all lawful means to promote and enhance the supply management profession.
- (h) To be affiliated with the Institute for Supply Management, Inc. ("ISM") and other associations or organizations of persons engaged in the supply management profession throughout the United States and all foreign countries.
- (i) To cooperate, collaborate and exchange information by lawful means with professional, trade and other associations and organizations of persons engaged in the supply management profession and to advance public relations with governmental agencies and the public in general concerning the supply management profession.
- (j) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof and not for the pecuniary profit or financial gain of its members, directors or officers, except as otherwise permitted by the laws of the State of Ohio.

**Section 2. Compliance.** In the accomplishment of these purposes, it shall be the policy of the Association to comply at all times with all existing and future laws, including the antitrust laws and in furtherance of this policy, no activity or program shall be sponsored or conducted by or within the Association which in any manner whatsoever shall represent or be deemed a violation of any existing or future law, including the antitrust laws, all in accordance with the *ISM Statement of Antitrust Policy*, as amended from time to time by the Board of Directors of ISM.

**Section 3. Confidentiality.** This Association shall comply with all existing laws regarding disclosure or discussion of confidential prices or other confidential information.

Confidentiality - For the sake of open and frank discussion, there may be instances that may involve the disclosure of proprietary and confidential information. Any items termed, labeled or otherwise identified as "Confidential" shall be maintained as confidential by all participants.

Exceptions. The obligations imposed by this Agreement shall not apply to any information that the recipient can prove (a) is at the time of disclosure already in the public domain or becomes available to the public without breach of this Agreement, (b) is lawfully obtained from a source that is not under an obligation of confidentiality to the disclosing party, (c) is lawfully in the possession of the recipient in written or other recorded form prior to the time of disclosure, (d) is disclosed on a non-confidential basis to a third party by or with the permission of the disclosing party, or (e) is developed by or on behalf of the recipient by individuals who have not received Confidential Information.

No Further Obligations. The extent to which any Confidential Information is disclosed shall be at the sole discretion of the disclosing party. No obligation of any kind is assumed by or implied against either party except as stated herein.

### **ARTICLE III AFFILIATION WITH ISM**

**Section 1. General.** The Association shall be affiliated with ISM in accordance with the procedures set forth in the ISM Bylaws and the association shall comply with ISM policy as it may be adopted from time to time by the ISM Board of Directors and the provisions of this Article.

**Section 2. Conditions of Affiliation.** The Association shall be obligated as a condition of affiliation with ISM to comply with the following:

- (a) To be incorporated as a not-for-profit corporation in accordance with the laws of the State of Ohio and to be validly existing and in good standing during the period of its affiliation with ISM.
- (b) To cause these Bylaws to conform to the ISM Bylaws and ISM Policy, including without limitation, the provisions hereof with respect to the purposes of the Association and eligibility for membership.
- (c) To perform all necessary procedures concerning the review and approval of all applications for membership in the Association and ISM.
- (d) To resolve all questions concerning eligibility for membership in the Association and ISM in a fair and impartial manner in accordance with procedures established from time to time by the Association.
- (e) To collect all dues from members of the Association and to remit to ISM all dues required by Article IV of the ISM Bylaws.
- (f) To comply with ISM Policy as it may be adopted from time to time by the ISM Board of Directors including without limitation, the *ISM Statement of Antitrust Policy*.
- (g) To obtain prior written approval of ISM with respect to any proposed amendments to these Bylaws.

**Section 3. Suspension or Termination of Affiliation.** The affiliation with ISM of the Association may be suspended by the ISM Board of Directors for violation of or failure to comply with the *ISM Bylaws*, including specifically, but without limitation, provisions respecting payment of dues, eligibility of members and observance of ISM policies as may be adopted by

the ISM Board of Directors from time to time. Any charge of violation or failure to comply under this Section shall be first presented to ISM. If ISM shall determine that the charges are well founded, after the Association has been given reasonable notice of such charges and an opportunity to present a defense to the same, the charges shall be referred to the ISM Board of Directors for action together with the recommendations of ISM. If the Association is suspended or terminated it may be reinstated by the ISM Board of Directors at any time subsequent to such suspension or termination upon a proper showing of good cause to justify a reinstatement of affiliation with ISM.

## **ARTICLE IV MEMBERSHIP**

**Section 1. Regular Members.** A person shall be eligible to be a regular member of this Association who satisfies the eligibility requirements of a regular member of an Affiliated Association as defined in the bylaws of the Institute for Supply Management, Inc. (ISM), as amended from time to time. Regular members of this Association shall have the right to cast one (1) vote on all questions which require a vote of the regular members of this Association other than those regular members who, pursuant to the ISM Bylaws, as amended from time to time, do not have voting rights.

**Section 2. Affiliate Membership.** Affiliate membership is membership in an affiliate for an individual who is a Direct Member of ISM through the ISM Corporate Program.

**Section 3. Dual Membership.** Dual membership may be afforded to individuals who meet the same criteria as Regular Members and hold regular membership in ISM through another affiliated association. Dual Members may vote and hold office in the Association.

**Section 4. Dues-free Members.** Dues-free members include:

- (a) *Academic Members.* A person with a full-time appointment as a teacher, research specialist, department head, director or dean of a college, university, other academic institution whose academic responsibility includes supply management or other related fields or subjects. Academic members are Regular voting members.
- (b) *Student Members.* An undergraduate or graduate student enrolled full-time in an accredited community college or four-year College or university may receive all the benefits of membership in ISM and this Association and be exempted from payments of all membership dues. The Board of Directors of the Association shall have the authority and duty to revoke student membership if it is determined full-time student status no long exists. Student members are Regular non-voting members.

- (c) *Lifetime Members.* A person who has been a Regular Member for a period of ten (10) years or more, has retired from all regular employment and has been approved for this category by a majority vote of the Board of Directors of the Association of which he/she has been a Member. The Board of Directors of the Association shall have the authority and duty to revoke Lifetime membership if it is determined employment status exists. Lifetime members are Regular voting members.
- (d) *Special Membership Extension.* Membership will be extended an additional 12 months without requiring payment of ISM dues for persons who have been a member of ISM and are unemployed for six months, excluding first-time membership applicants, provided that the affiliate also waives the affiliate dues. Dues free membership will be extended to those members serving in full-time active military duty for the length of their service, provided that the affiliate also waives the affiliate dues. Members under this class are Regular voting members.
- (e) *Honorary Members.* A person not qualified for regular membership but who has rendered distinguished or unusual services to the supply management profession and who has been elected to the class of membership by vote of the Board of Directors of the Association and by a vote of the regular members of the Association. Election to honorary membership shall be for such a period as the Association may designate, but the Board of Directors of the Association shall have the authority and duty to revoke the honorary membership of any individual whenever they shall determine that continuation of the honorary membership would be inconsistent with the policies and objectives of ISM or the Association. Honorary members are non-voting members.

**Section 5. Non-voting Membership.** The Association shall have the following non-voting membership classes which shall not represent regular membership in ISM nor entitle any member of such class to hold office in the Association, nor to serve as Chair of the Association's Committees:

- (a) *Associate Members* A person who satisfies the eligibility standards of Article IV, Section 1 (Regular Membership) and **there must be one Regular member from a company before Associate members can be admitted. In the event there is only one regular member and he/she should resign from the Association the Associate member must convert to Regular membership as otherwise all Associate memberships will be canceled at the end of the calendar year. Associate members shall have all benefits provided by the local Association except, they will not be permitted to vote or hold office: shall not be included in membership in ISM and will not receive ISM benefits. Associate members will not be permitted to be chair of a committee or be eligible for election to the Board of Directors of this Association. Associate members may convert to Regular**

**membership upon payment of Regular membership dues pro-rated and ISM administrative fee.**

- (b) *Honorary Members* as described in Section 4(e) of this article are non-voting members.
- (c) *Student Members* are Regular non-voting members as described in Section 4 (b) of this article.

**Section 6. Admission of Members.** Admission of all applicants for membership in the Association shall be in accordance with the following procedures:

- (a) Application for membership shall be submitted upon the application form and with payment to ISM.
- (b) Application shall then be submitted to the ISM. ISM will process the application and remits affiliate dues to the Association with Notice of New or Reinstated Member.
- (c) The Board of Directors will review the application. If a question arises from the Board of Directors concerning the depth of supply chain involvement, the membership chair or designated representative will contact the applicant for clarification and discussion. Findings with a recommendation will be made back to the Board of Directors.
- (d) The Board of Directors will approve or deny membership and advise applicant.
- (e) This process can be conducted but is not limited to regular Board of Director meetings or via electronic mail.
- (f) Membership is vested in the individual and is not transferable.

**Section 7. Denial of Membership.** An affiliated association has the right to deny Regular membership, as authorized in the ISM Bylaws. The ISM Affiliate Support Department will consider an appeal by the applicant. Except for rare and extraordinary circumstances, the decision of the Affiliate Support Department concerning denial of Regular membership will be final and binding and will not be considered by the ISM Board of Directors.

**Section 8. Expulsion of Members.** The Association shall have the right to expel a member of any classification from membership in the Association for nonpayment of dues or for violation of the provisions of these Bylaws, the *ISM Bylaws*, the *ISM Policies*, the *ISM Policy Manual for Special Interest Groups and Forums*, the *ISM Standards of Conduct* or such other statements of policy as may be adopted by the Association or the ISM Board of Directors from time to time.

Expulsion for any reason other than nonpayment of dues shall occur only after the member has been advised of the proposed expulsion and the reasons therefore and has been given an opportunity to submit proof in support of continued membership in the Association. A member expelled from membership in the Association shall be given written notice of such expulsion and shall be advised in writing that he or she may appeal the action taken by the Association to ISM by filing a notice of intent to appeal to ISM.

Upon receipt of a timely filed notice of appeal, ISM shall consider the appeal and shall allow the expelled member the opportunity to submit proof in support of continued membership in the Association. The decision of ISM concerning expulsion of a non-voting member shall be final and binding.

**Section 9. Reinstatement.** A former member of the Association, whether a resigned or expelled member desiring reinstatement of membership, may be reinstated as a member of the Association upon showing proof of eligibility and paying all current year's dues [and an administration fee or similar charge which may be imposed by the Association from time to time.

The procedure for an appeal of an adverse determination to reinstate a former member shall be the same as provided in Section 6 of this Article, provided, however, an appeal to reinstate membership may not be taken in the same calendar year in which an appeal has been decided by ISM concerning the expulsion of the same member seeking reinstatement.

**Section 10. Resignation.** Any member of the Association may resign by filing a written resignation with the Association, but such resignation shall not release the member so resigning of the obligation to pay any dues or other charges theretofore accrued but unpaid.

**Section 11. Transfer of Membership.** Membership in the Association shall be vested in the individual member of the Association; however, regular membership may be transferred pursuant to the ISM Policy Manual.

## **ARTICLE V GROUPS AND FORUMS**

**Section 1. Purposes and Organization.** Members of the Association having common interests as supply management professionals in a particular industry or commercial activity or common interests in a certain classification of commodities or materials, may organize a Group/Forum to promote the interchange of ideas and discussion of mutual problems. The Board of Directors of the Association may provide reasonable procedures and requirements for the formation, recognition, encouragement and operation of Groups/Forums which shall be organized and operated within the Association as a Committee of the Association.



**Section 2. Regular Members and Associates.** The regular membership of any Group/Forum within the Association shall consist only of persons who are regular or direct members of the Association. Any Group/Forum may have associate members who are not regular members of the Association, provided such associate members meet the eligibility standards set forth in Section 1 of Article IV. Membership in the Association as a non-voting member shall be required for election as an associate member of a Group/Forum and associate members of a Group/Forum shall not vote or hold office in the Group/Forum.

**ARTICLE VI  
DUES AND ADMINISTRATIVE CHARGES**

**Section 1. Amount.** The amount of annual dues for regular members and each class of non-voting members of the Association shall be determined from time to time by the Board of Directors of the Association and a vote of the members of the Association. Annual dues for regular members of the Association shall include an amount equal to the annual dues in effect from time to time for membership in ISM. The Association may deduct from payments to ISM amounts equivalent to dues for regular members whose qualifications for membership are set forth in Section 3 (d) of Article IV on condition that the ISM Board of Directors has waived all ISM dues with respect to such members.

**Section 2. Employer Discount.** Notwithstanding the provision of Section 1 of this Article, Regular Members employed by the same employer at any location (the "Employer") shall, if elected by the Employer by written notice to ISM, be eligible for a discount against the amount of ISM dues described in Section 1 of this Article and Affiliated Association dues in effect from time to time based upon the number of Regular Members employed by such Employer (the "Employer Discount"). The amount of the Employer Discount (subject, however, to change by the ISM Board of Directors as authorized in this Section 2) shall be as follows:

Number of Regular Members Employed <u>by Employer</u> 50 or more	Discount Against ISM and Affiliated <u>Association Dues</u> 25%
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The Board of Directors of ISM shall be authorized to determine the amount of the Employer Discount described in this Section 2 by a vote of two-thirds (2/3) of all the members of the Board of Directors; provided, however, (i) the Board of Directors shall not vote upon any proposed change in the amount of the Employer Discount unless such proposal has been presented to and considered by the Board at the regularly scheduled meeting of the Board immediately preceding the regular meeting of the Board at which such proposal is voted upon by the Board; and (ii) a written notice of any change in the amount of the Employer Discount as

authorized by this Section 2 shall be mailed to the ISM members not less than ninety (90) days prior to the effective date of such change.

**Section 3. Payment.** Dues for regular and non-voting members in the Association shall be assessed on a calendar year basis and shall be payable in advance of or on January 1 of each year. Members elected to membership in the Association at any time during a calendar year shall be required to pay a proportionate amount of the annual dues in effect at the time of their election to membership which amount shall be payable commencing on the first of the month following the month in which they are elected to membership in the Association.

**Section 4. Nonpayment of Dues.** A member of the Association whose dues are sixty (60) days in arrears may be expelled from membership in the Association and ISM upon notice by the Association to such member, such expulsion to be effective upon the date of such notice. A member expelled from membership for nonpayment of dues may be reinstated upon full payment of all delinquent dues (plus payment of an administrative fee or similar other charge which may be required from time to time by the Association).

**Section 5. Schedule of Dues.** The Association shall provide each member of the Association on or before January 1<sup>st</sup> of each year a schedule of annual dues payable for each category of membership for the coming membership period. Membership dues are payable in advance. (The mailing of the schedule of dues described in this Section shall not preclude the Association from causing a change in the amount of any dues set forth on such calendar year provided such change is made effective on or after the date such change in dues is approved by the Association in accordance with these Bylaws). See Exhibit A which is the current Schedule of Annual Dues.

## **ARTICLE VII BOARD OF DIRECTORS**

**Section 1. Authority and Responsibility.** The governing body of the Association shall be the Board of Directors. The Board of Directors shall have general charge, management and control of the affairs, funds and properties of the Association and, subject to the provisions of these Bylaws and any contrary statement of policy enacted by vote of the members of the Association, shall have authority to take such action in matters of policy and procedure as, in its judgment, will best promote the interests and welfare of the Association, including authority to promulgate, amend or rescind in whole or in part all statements of Association policy as they may exist from time to time.

**Section 2. Management.** The management of the Association shall be vested in the elected Board of Directors consisting of at least five (5) voting members, who shall authorize all expenditures of funds, accept or reject all applications of membership and direct all Officers and committees in their work.

**Section 3. Eligibility.** To qualify to be considered to be a nominee for the Board of Directors, a Regular member must:

1. Be a member of ISM-Cleveland, Inc. or ISM for a period of one (1) year
2. Have served or currently serving as a member of at least one ISM-Cleveland, Inc. committee or team
3. Understand the responsibilities of a Director/Officer
4. Have the endorsement of his/her employer

**Section 4. Election.** The Directors shall be elected by the regular members of the Association at their annual meeting in accordance with Article IX hereof.

**Section 5. Term of Office.** Directors shall be elected for a term of two (2) years. When elected to complete the vacated term of a previous Director, such new Director shall serve only until the completion of the vacated term.

**Section 6. Vacancies.** Mid-term vacancies occurring in any office shall be filled for the unexpired term through appointment by the President, with the approval of the Board of Directors, until the vacancy can be filled at the next election.

In the event of a vacancy in the office of President resulting from death, resignation, disqualification or permanent inability to serve, the Board of Directors shall promptly elect a successor from its own number for the remainder of the term.

**Section 7. Meetings.** There will be at least 4 regular meetings per calendar year of the Board of Directors of the Association. Meetings of the Board of Directors may be held more frequently at the discretion of the President.

**Section 8. Authority to Act Without a Meeting.** No action will be taken without a meeting.

**Section 9. Board Action by Conference Call.** Any one or more members of the Board of Directors or of any committee thereof may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar equipment which enable all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

**Section 10. Quorum and Voting.** A quorum of the Board of Directors shall consist of not less than one more than half of the total voting members including the President. A quorum is necessary to vote on any business acted upon by the Board of Directors. Per Roberts Rules of Order (reference: Article 9 Section 5) the President does not vote except in the cases below:

- a) The President is entitled to vote when the vote is by ballot (but not after the tellers have commenced to count the ballots)
- b) The President is entitled to vote in all other cases where the vote would change the result. Examples of this include casting a vote to break a tie.

**Section 11. Motions.** All motions from the floor affecting the welfare of the Association must be submitted to the Board of Directors for consideration at its next regular meeting. The Board shall report its findings at subsequent regular meetings.

**Section 12. Expenditures.** The Board of Directors shall manage and control the business of this Association and shall make all appropriations from its funds. It is not empowered to authorize any expenditure or to pledge the credit of the Association which is not otherwise appropriated.

**Section 13. Removal.** Eligibility to remain on the Board of Directors of this Association shall be reviewed by the Board immediately when:

- (a) Board member does not meet the requirements of Regular membership per Article IV, Section 1.
- (b) Any officer or Director may be removed from office for lack of acceptable participation in assigned or required duties. Such action may be presented to the Board of Directors by the President or any other Board member, and become effective upon a 75% affirmative written vote of those Board members present and voting.
- (c) It shall be the responsibility of the party recommending removal of an Officer or Director to convey to the President and that specific individual a written notice of at least thirty (30) days, stating that such removal action is contemplated and will occur if the improper actions or lack of actions are not corrected on a permanent basis. Such person shall have full opportunity to respond to charges in person at the said meeting before final vote is taken.
- (d) Notified by Board member that he/she must resign from the Board for reason(s) of paragraph (a). At the first regular Board meeting after notification the Board shall establish an effective date of resignation no later than the end of the Association year; i.e., May 31st.
- (e) A Board member affected by paragraph (a) and (b) and who becomes re-eligible per Article IV - Membership, Section 1 and Article VII, Section 2 shall re-apply for membership before the established effective date of resignation. And, if re-elected to membership, shall automatically be reinstated to the Board of Directors of the Association if his/her term has not expired and he/she so desires.

**Section 14. Attendance at Board Meetings.** Due to the importance of each member of the Board of Directors, it is expected that no Board member shall accumulate more than a total of two (2) unsubstantiated absences from Board meetings during the year. The Board of Directors will determine what constitutes an unsubstantiated absence. Decisions regarding

this matter will be determined by the President.

**Section 15. Executive Committee.** The Board of Directors may, if it so desires, elect from among its members an Executive Committee of three (3) or more members; such Executive Committee shall act under the direction of and all its acts shall be subject to review by, the Board of Directors.

## **ARTICLE VIII OFFICERS**

**Section 1. Officers:** Immediately following the April election, the Board of Directors shall meet and elect, from its own members, a President, (First) Vice President, Second Vice President (optional), Secretary and the Treasurer. The newly elected officers shall assume office June 1, and shall serve for one year or until the election or qualification of their successors.

- (a) The officers of the organization are not automatically selected based on succession to the next level (i.e. vice-president becomes president, etc.), but are elected freely by the Board of Directors.**
- (b) The election of officers should be done by ballot to preserve the integrity of the voting process.**

**Section 2. Vacancies.** Any vacancies in the office of the Vice President (s) and the Secretary and the Treasurer shall be filled by the Presidential appointment with Board approval for the unexpired term from the members of the Board of directors.

**Section 3. Duties of President.** The President shall be Chief Executive Officer and Chairman of the Board of Directors and shall exercise general supervision over the executive affairs of the Association. He or she shall preside at all meetings of the Association membership and of the Board of Directors and shall be a member, ex-officio, of all Association committees. The President shall have, in addition, the duties made incumbent upon the office by any other provision of these Bylaws and which may be assigned by the Board of Directors. The President, within thirty days after election, shall appoint the chairs of the standing committees and such other committees, consisting of two or more members, as may be deemed necessary by the Board of Directors.

**Section 4. Duties of Vice-President(s).** The Vice President shall perform such duties as may be assigned from time to time by the President and the Board of Directors of the Association. In the event of the temporary inability of the President to perform the duties of his or her office resulting from illness, absence or any other cause, the Vice President shall perform all the duties of the office of President until such time as the incumbent is able to

resume the duties of the office. In case the President and both Vice Presidents are absent or unable to perform their duties, the Board of Directors shall appoint a President pro tempore.

**Section 5. Duties of Secretary.** The Secretary shall be responsible for the preparation of all minutes of meetings of the Board of Directors and members of the Association; the maintenance and safekeeping of all corporate and membership records of the Association; and the serving or publication of all notices required by law or these Bylaws concerning any meeting or any other matter applicable to the Association; and shall perform such other duties as may be assigned from time to time by the President and Board of Directors of the Association or which may be required by law.

**Section 6. Duties of Treasurer.** The Treasurer shall have the custody of all Association funds and securities; shall maintain a full and accurate account of all receipts and disbursements in books belonging to the Association; shall deposit all Association funds in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors of the Association; shall disburse the funds of the Association by debit, ACH or a check countersigned by either the President or Vice President in accordance with instructions furnished by the Board of Directors of the Association; shall render to the Board of Directors and members of the Association upon request, but at least annually, an account of all his or her transactions and of the financial condition of the Association; and shall perform such other duties as may be assigned from time to time by the President and the Board of Directors of the Association or which may be required by law.

**Section 7. Compensation for Services Rendered.** No member of the Board of Directors shall receive any salary, pay or other compensation for any activity or service performed in conjunction with their inherent duties as Board members.

## **ARTICLE IX MEETINGS OF THE ASSOCIATION MEMBERS**

**Section 1. Regular and Annual Meetings.** The regular meetings of this Association, unless otherwise provided for by the Board of Directors, shall be held on the third Thursday of each month, or at such time and place as shall be designated by them. The annual meeting of the Association membership shall be held in APRIL of each year at such place and on such date as may be determined by the Board of Directors of the Association.

**Section 2. Special Meetings.** Special meetings may be called for a special purpose at the direction of the President or Board of Directors, or upon the written petition of twenty percent of Regular membership. Notice of any such meeting must be communicated to all members at least one week in advance and shall set forth subject of such meeting.

**Section 3. Quorum.** At all annual or special meetings of the Association membership a quorum shall be the presence at such meeting of at least ten percent (10%) of the total regular membership of the Association.

**Section 4. Voting.** On all questions or issues presented for a vote at the annual meeting or any special meeting of the Association membership, each regular member whose dues are paid shall be entitled to cast one vote. Except as otherwise required by these Bylaws, all questions or issues presented to a vote of the Association membership shall be authorized by a simple majority of the votes cast at an annual or special meeting of the Association membership entitled to vote thereon (provided that the affirmative votes cast in favor of any such action shall be at least equal to the quorum required by Section 3 of this Article).

**Section 5. Order of Business.** At any meeting of the Association membership, the order of business shall be as stated on the agenda for the meeting furnished with the notice of such meeting required by this Article.

**Section 6. Parliamentary Rules.** At all meetings of the Association, including the Board of Directors, Robert's Rules of Order will prevail when not in conflict with these Bylaws.

## **ARTICLE X COMMITTEES**

**Section 1. Standing Committees.** The following standing committees shall be established within the Association: **(NOTE: these specific committees are optional.)**

- (a) Membership Committee
- (b) Marketing Committee
- (c) Education/Professional Development Committee
- (d) Communication Committee

The Board of Directors of the Association shall authorize from time to time additional committee(s) as Standing Committee(s) whenever in the sole judgment such action is deemed necessary.

**Section 2. Special Committees.** The President, with the approval of the Board of Directors of the Association, shall appoint such other special committees, subcommittees or task forces as may be deemed necessary and which are not in conflict with other provisions of these Bylaws. The duties of any such special committee shall be prescribed by the Board of Directors upon their appointment.

**Section 3. Nominating Committee.** A committee of at least three (3) members (not more than one (1) of which shall be a member of the Board of Directors) shall be appointed by the President each year. The committee shall solicit, refine, evaluate and develop a list of qualified candidates to fill anticipated future vacancies on the Board of Directors. Candidate must qualify in accordance with Article VII Section 2 above. An appropriately sized list of qualified candidates shall be presented to the President for reading at the March regular

meeting as the committee's recommended candidates for election. The list of nominees so presented shall be communicated by the secretary to the members at least one (1) week prior to the April meeting.

**Section 4. Investment Advisory Committee (optional).** The President may appoint an Investment Advisory Committee if needed each year to serve for a one-year term. The chair of this committee shall be appointed from the Board of Directors, and be assisted by two other Board members including the Secretary- Treasurer. This committee shall present to the Board of Directors, a recommended investment pattern, and is hereby authorized to make investments in accordance with such Board approved programs. This committee shall submit a written report of the results of their investment activities at least quarterly to the Board of Directors.

**Section 5. Budget and Audit Committee.** A Budget and Audit Committee consisting of the Secretary- Treasurer, the (First) Vice President, as chair, and one - two other members shall be appointed by the President each year. The committee shall prepare a budget covering the entire next fiscal year at a time designated by the President and shall maintain a study of the financial status of the Association, including its budget, reserves, investment, and future financial program. The committee shall make such reports and recommendations to the Board of Directors as said Board may request. The committee may also submit at any time recommendations it may deem necessary or appropriate for the financial welfare of ISM-Cleveland, Inc.

All records related to the finances of this Association shall be audited annually by a certified public accountant within five (5) months after the close of each fiscal year. The auditor, or firm of auditors, shall be selected by the Board of Directors.

**Section 6. Special Events Committee.** The Special Events Committee shall consist of volunteers from the membership. This committee shall serve a one-year term.

It shall be the responsibility of the Special Events Chair to be the liaison between all special activities and the ISM-Cleveland, Inc Board of Directors. Such responsibility shall require periodic reports to the Board of Directors as requested by them or the President. Details of the specific events of this committee are set forth in the Officers Manual.

**Section 7. Bylaws Committee.** The President shall appoint as deemed necessary by the board of directors a minimum of three members to insure the currency and accuracy of ISM-CLEVELAND Bylaws and their compatibility with the Bylaws of ISM. The committee will make recommendations and appropriate changes to the Board of Directors when requested by the President.

**Section 8. S. Holmes Mansfield Award Committee.** The President shall annually appoint a minimum of three past award recipients to evaluate written candidate nominations and bestow award as warranted.



## **ARTICLE XI FINANCES**

**Section 1. Fiscal Year.** The fiscal year of the Association shall begin on January 1 of each year and terminate on December 31 of the same year.

**Section 2. Appropriations.** Appropriation of funds from the Association will be made only by the Board of Directors. It shall not contract indebtedness in excess of available funds in the treasury not otherwise required or previously appropriated.

## **ARTICLE XII DISSOLUTION**

**Section 1. Dissolution.** The Association may be dissolved upon adoption of a plan of dissolution and distribution of assets adopted by the Board of Directors and approved by the regular members of the Association in accordance with the Non-Profit Corporation Act of the State of Ohio, as amended from time to time.

**Section 2. Dedication of Funds.** The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds shall inure or be distributed, to the members of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified organizations engaged in the promotion or education of the supply management profession to be selected by the Board of Directors and regular members of the Association.

## **ARTICLE XIII CHAPTERS**

**Section 1. Location.** The Association may establish chapters for members who are located in geographical areas distant from the designated meeting place for regular meetings.

**Section 2. Approval.** The Board of Directors determines the need, the organizational structure and approves the operating procedures for chapters within the guidelines of these Bylaws.

## **ARTICLE XIV INDEMNIFICATION**

**Section 1. Litigation.** This Association shall indemnify any director or officer, made or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of any other Corporation of any type or kind, domestic or foreign or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of this Association served in any capacity at the request of this Association, by reason of the fact that he or she, his or her testator or intestate, was a director or officer of

this Association or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding or any appeal therein; provided, however, that no indemnification shall be made to or on behalf of any director or officer if a judgment or adjudication adverse to the director or officer establishes that his or her act was committed in bad faith or the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage in which he or she is not legally entitled.

**Section 2. Authorization.** Any indemnification made pursuant to Section 1 of Article XIV hereof, shall be made by this Association; if authorized in one of the following ways:

- (a) By the Board acting by a quorum consisting of directors who are not parties to such action or proceeding upon a finding that the director or officer has not violated the standard of conduct as set forth in Section 1 of Article XIV hereof;  
Or
- (b) If a quorum under subparagraph (a) above is not obtainable or even if obtainable, a quorum of disinterested directors so directs:
  - (1) by the Board upon the opinion in writing of independent legal counsel that indemnification is proper under the circumstances because the standard of conduct set forth in Section 1 of Article XIV has not been violated by such director or officer or
  - (2) by the members upon a finding that the director or officer has not violated the standard of conduct set forth in Section 1 of Article XIV.

**Section 3. Expenses Incurred.** The Association shall pay expenses incurred in defending a civil or criminal action or proceeding in advance of final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amounts as and to the extent, the person receiving such advancement or allowance is ultimately found, not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced by this Association exceed the indemnification to which he or she is entitled. If any action with respect to indemnification of directors and officers is taken, then this Association shall, not later than the next Annual Meeting, unless such meeting is held within three (3) months from the date of such action and, in any event within fifteen (15) months from the date of such action, mail to its members of record at the time entitled to vote for the election of directors a statement specifying the action taken.

**Section 4. Personal Liability.** The directors of this incorporated Association shall not be personally liable to the Association or its members for damages for any breach of duty in his or her capacity as such: provided, however, that this provision shall not limit or eliminate the

liability of any director if a judgment or other final adjudication adverse to him or her establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled or that his or her acts violated Section 719 of the Not-For-Profit Corporation Law or applicable law in the state of Ohio or for any act or omission which occurred prior to the adoption of this provision.

#### **ARTICLE XV EMERGENCIES**

The Board of Directors is granted in this section, the authority to override these Bylaws on an emergency basis, only when circumstances are such that a provision herein would be violated were it not for such an emergency waiver. In no event, however, shall this provision be used by the Board of Directors as a routine means of circumventing the provisions of these Bylaws.

An emergency shall be defined as any event which, in the opinion of the Board, will or may cause irreparable damage to the Association or one of its members through the strict interpretation of these Bylaws. For an emergency waiver of these Bylaws to become effective on a one-time, spot situation basis, it will be necessary for unanimous Board approval of the remedy for the specifically defined emergency. Without such unanimous Board approval an emergency waiver shall not be permitted.

#### **ARTICLE XVI AMENDMENTS**

These Bylaws may be amended only by a vote of ten percent (10%) of the regular members present and voting as set forth in Section 4 of Article IX, such amendment(s) having been proposed in writing and read at the previous regular meeting.

#### **STATEMENT OF ANTITRUST POLICY**

It shall be the express policy and intention of ISM to comply at all times with all existing laws, including the antitrust laws, and in furtherance of this policy, no activity or program will be sponsored or conducted by or within ISM or any association affiliated with ISM which in any manner whatsoever will represent or be deemed a violation of any existing law, including the antitrust laws. This statement of policy will be implemented by the publication of the "ISM Statement of Antitrust Policy" which will be made available to all members of the Association.

End of Document

## Exhibit A – Schedule of Annual Dues

1. **Initiation Fee:** The initiation fee of \$30.00 from which \$20.00 is charged by ISM as administrative fee) shall be paid by Regular members and \$10.00 shall be paid by Associate or Dual members. Should an Associate or Dual member convert to Regular membership, he or she will not be required to pay a second initiation fee.
2. **Dues.** The annual due for Regular, Associate and Dual members shall be determined each year by the Board of Directors, effective January 1 of the upcoming year. Any dues changes recommended by the Board shall be presented and substantiated to the membership for approval by a vote of those members present and voting per Article 6, Section 1. The annual dues shall be made payable directly to ISM.
3. **ProRation of Dues.** Upon election, Regular, Associate and Dual members shall pay dues in advance at the proportional rate, dating from the first of the month in which they are elected to the close of the year.
4. **Nonpayment of Dues.** A Member of the Association whose dues are 60 days in arrears may be expelled from membership in the Association and ISM upon notice by ISM to such member such expulsion to be effective upon the date of such notice. A member expelled from membership for nonpayment of dues may be instated upon full payment of all delinquent dues plus payment of an administrative fee of \$50.00.