

# BYLAWS

of the

## Association of Suppliers to the Paper Industry

[as of September 29th, 2010]

### ARTICLE I

#### **Members**

Section 1.01. The eligibility, election rights and duties of members in the Association shall be governed by these bylaws.

Section 1.02. Any firm<sup>1</sup>, engaged in supplying products and/or services to the pulp, paper, tissue, and/or board industry is eligible for membership upon application and election as provided in these bylaws.

Section 1.03. Any individual who was formerly active in the Association via a member company, but who is no longer employed by a member company, is eligible for Emeritus membership upon application and election as provided in these bylaws. Emeritus members have all rights and privileges except to be officers, but they may serve on the Board of Directors.<sup>2</sup>

#### **Election of Members**

Section 1.04. Any eligible firm or individual may apply for membership by submitting to the Association at its principal office a duly executed application form in writing (email is an acceptable form of writing unless otherwise noted), stating that the applicant is eligible under these bylaws, that if elected the applicant agrees

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<sup>1</sup> Bylaws amended 09-12-03 to reflect broadening of Membership eligibility.

<sup>2</sup> New Section 1.03 inserted 01-16-02 to add the classification of Emeritus members.

to abide by these bylaws, and setting forth the applicant's name, address, dues classification, and such other information that may be requested by the Board of Directors.

Section 1.05. Notice of filing of a membership application shall be mailed (email is an acceptable form of mailing unless otherwise noted) to all members within ten days after the receipt of such application. Any member desiring to comment upon an application may do so by submitting a written statement to the Board of Director's at the Association's principal office within thirty days of the date such notice is mailed. Objection to an application should specify in detail the grounds therefore.

Section 1.06. The Board of Directors shall approve or reject each application within forty-five days from its receipt by the Association. An affirmative vote of a majority of the Directors is needed to approve. In the event that the Board of Directors shall have taken no action on the application by the expiration of the forty-five day period, the application shall be deemed approved and applicant elected to membership.

Section 1.07. Each applicant elected to membership shall designate in writing to the Executive Director of the Association the name and address of an individual to whose attention official notices and correspondence relating to the affairs of the Association may be directed. Any member may change the designation of such individual upon notice in writing to the Executive Director of the Association. Official notices and correspondence directed to such

designated individual shall be deemed to be made to the member.

### **Resignation, Expulsion and Termination of Members**

Section 1.08. Any member may resign from membership in the Association by delivering a written resignation to the Board of Directors at the Association's principal offices, and unless otherwise provided therein, such resignation shall take effect immediately upon its receipt by the Board.

Section 1.09. Any member may be expelled from membership in the Association for conduct detrimental to the lawful interests of this Association of its members, violation of these bylaws, or conviction of a crime. Any member or the Executive Director of the Association may file a complaint with the Board of Directors at the Association's principal office calling for the expulsion of a member and setting forth the facts justifying such expulsion. If the Board, after a preliminary investigation, determines that probable grounds for expulsion do not exist, it shall so notify the parties involved, and no further action shall be taken except upon a new complaint upon new or additional evidence submitted to the Board as provided for above.

If the board, after a preliminary investigation, determine that probable grounds for expulsion do exist, It shall conduct an expulsion proceeding, pending the outcome of which the Board may suspend the accused member. The accused member shall be given written notice of any such proceeding or suspension specifying the information upon which such action is based, and shall be afforded a reasonable time in which to present to the Board facts and reasons why such accused member should not be expelled. After consideration of all such facts and reasons, the Board may terminate the expulsion proceeding and suspension, giving notice of such action to the parties involved, or may submit to the membership a written recommendation that such accused member be

expelled, stating the reason therefore. The matter of expulsion of the accused member shall be considered at a regular or special meeting of the members no less than 30 days after the mailing of such recommendation, and the member shall have the right to appear and present arguments why it should not be expelled from membership. At such meeting the member may, upon affirmative vote of three-fourths of the members present and voting by secret ballot, be expelled from membership. If such three-fourths affirmative vote is not obtained, the members shall not be expelled and any suspension arising out of the expulsion proceeding shall thereupon cease.

Section 1.10. If any newly elected member shall fail to pay its dues within a period of 90 days after its election, or if any current member shall fail to report its dues classification or to pay it dues, assessments of other obligations to the Association within a period of 90 days after the same shall have become due or payable, the Board of Directors may suspend such member from the rights and privileges of membership.

Section 1.11. Resignation, expulsion or termination of membership shall not relieve the member from liability for unpaid dues, assessments or other obligations outstanding as of the effective date of its resignation, expulsion or termination.

Section 1.12. Any and all rights and privileges of membership in the Association shall be forfeited upon resignation, expulsion, or termination of membership.

Section 1.13. Suspension of any member shall deprive the member of all rights and privileges of membership but, unless otherwise voted by the Board of Directors, shall not relieve such member of the obligation to pay any assessments allocable to the suspension period.

## **Voting**

Section 1.14. Every member in good standing shall be entitled to one vote on all matters submitted to the membership for a vote.

Section 1.15. Except as otherwise expressly provided for in these bylaws any matter may, at the discretion of the Board of Directors, be submitted to the members for a vote by mail (email is an acceptable form of mailing unless otherwise noted) in lieu of a meeting.

Section 1.16. A member may cast its own vote or vote by proxy executed in writing by the member or the member's duly authorized agent. Unless otherwise provided therein, no proxy shall be valid after eleven months from the date of its execution.

Section 1.17. The affirmative vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present, or of a majority of the members responding on email ballot, as the case may be, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by the articles of incorporation, the bylaws or an applicable law or regulation.

## ARTICLE II

### **Dues and Assessments**

Section 2.01. Members shall be classified for purposes of computing annual dues in accordance with Section 2.02 of this Article. Each member's dues classification shall be determined annually as of March 30 on the basis of the member's business activity in the pulp & paper industry. It shall be the responsibility of the Officers to make the dues determination, with the review and approval of the Board of Directors. The decision of the officers and the Board of Directors shall be final and conclusive

on any question relating to interpretation of provisions of these bylaws relevant thereto.<sup>3</sup>

Section 2.02. Membership dues classifications and annual dues shall be fixed on an annual basis and shall be made known by the Board of Directors and shall be announced to the membership at the annual meeting of the members held as required in Sections 3.01 hereinafter.

Section 2.03. The Board of Directors may by the affirmative vote of three-fourths of the Board of Directors levy and collect special assessments from the membership, proportionate to the annual dues rate of each member as of the date of the assessment, to defray extraordinary expense or to cover a deficit of the Association. Notice of the assessment, stating the reason therefore, must be given to the membership at least thirty days prior to the date on which the assessment become payable. No special assessment shall be levied with respect to the expenses of a special committee of the Association.

## ARTICLE III

### **Meetings of Members**

Section 3.01. The annual meeting of the members shall be held at such time and place each year as shall be fixed in advance by the Board of Directors.

Section 3.02. At the discretion of the Board of Directors a semi-annual meeting of the members may be held at such time and place as may be fixed in advance by the Board.

Section 3.03. Special meetings of the members shall be called upon the request of a majority of the Board of Directors or upon the written request of ten or more members of the Association.

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<sup>3</sup> Section 2.01 was amended in 1984.

Section 3.04. Members shall be notified of the time and place of all annual and semi-annual meetings at least thirty days in advance.

Section 3.05. Members may be represented at any regular or special meeting of the members by one or more persons, and all such representatives shall be free to participate in the proceedings of the meetings, but in no event shall any member be entitled to more than one vote.

Section 3.06. The presence in person or by proxy of members representing one-fourth of the entire membership shall constitute a quorum at any meeting of the members. If a quorum shall not be present at any such meeting, the members present in person shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. The members present in person at a duly constituted meeting may continue to do business until adjournment, notwithstanding the subsequent absence of a quorum.

#### ARTICLE IV

##### **Board of Directors**

Section 4.01. The Board of Directors shall have power to take action in the name of the Association not inconsistent with the articles of incorporation, these bylaws, and policies approved by the members. I would delete "policies approved by members."

Section 4.02. The Board of Directors shall consist of not less than 12 nor more than 15 person, and must be members of the Association in good standing.

Section 4.03. At each annual meeting of the Association, the appropriate number of directors shall be elected by the members to serve 3-year terms.

Section 4.04. At least ninety days before the Annual Meeting, the President shall appoint a Nominating Committee of one to three members, including the immediate Past-President if still a member in good standing of the Association. The Nominating Committee shall propose nominees for any vacancies in the Board of Directors to be filled at such meeting. Nominations may also be made by any member from the floor of such meeting.

Section 4.05. Any vacancy occurring in the Board of Directors between annual meetings by reason of death, resignation or otherwise may be filled by the affirmative vote of a majority of the Board. A Director appointed to fill a vacancy shall hold office from the unexpired term of his predecessor. Thereafter any appointed Directors must be reelected by the membership.

##### **Meeting of Directors**

Section 4.06. The Board of Directors shall hold at least one regular meeting each fiscal year at such time and place as shall be agreed upon by them prior to the commencement of each year.

Section 4.07. Special meetings of the Board of Directors may be called by the President, and shall be called by him at the request of three or more Directors to be held at such times and places as the President shall designate.

Section 4.08. Notice of all meetings of the Board of Directors shall be given at least seven days in advance. A Director's attendance at any meeting shall constitute waiver of notice of such meeting, excepting such attendance at a meeting by a Director for the purpose of objecting to the transaction of business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 4.09. A majority of the Directors in office shall constitute a quorum for the transaction of business at any meeting of Directors.

Section 4.10. Unless a greater proportion is required by the articles of incorporation, these bylaws or by law, any action required or permitted to be taken by the Board of Directors may be taken by the affirmative vote of a simple majority of the Directors present at the meeting at which a quorum is present.

Section 4.11. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors. Such consent shall have the same force and effect as unanimous vote of the Board of Directors.

#### **Resignation of Directors**

Section 4.12. A Director may resign from the Board at any time by delivery a written resignation to the President of the Association or the Board of Directors at the principal office of the Association and unless otherwise provided therein such resignation shall take effect immediately upon its receipt by the President or the Board.

Section 4.13. The Board of Directors may designate and appoint one or more standing committees, consisting of two or more Directors, which shall have and exercise the authority of the Board of Directors to the extent provided by resolution of the Board. The Executive Committee shall be a permanent standing committee consisting of the President, the Vice-President, the Treasurer, the Secretary and the Executive Director, and shall have the authority of the Board of Directors to run the day to day business of the Association between meetings of the Board, and will give a report of activities to the Board at each meeting of the Board. The Board may also designate and appoint special committees of the Association not having or

exercising the authority of the Board, such as a Membership Committee or a Program Committee.

### ARTICLE V

#### **Officers**

Section 5.01. The Board of Directors shall elect from among the Directors the following Officers of the Association, to hold office until the election of their successors: a President, a Vice President, a Treasurer and a Secretary. The officers of the Association shall be elected as soon as practical after each annual meeting of the Association and be appointed to two year terms.<sup>4</sup>

Section 5.02. The Board shall also select, but not necessarily from its own membership, an Executive Director, who shall have tenure of this office at the pleasure of the Board.

Section 5.03. The Board of Directors may, in its discretion, designate additional officer positions, specify the duties thereof, and also select persons to fill such offices. Such persons shall have tenure of their offices at the pleasure of the Board, and such positions may be abolished at any time.

Section 5.04. Any salaries of officers and agents of the Association shall be fixed by or in the manner prescribed by the Board of Directors, provided that such compensation shall be reasonable and shall not adversely affect the tax exempt status of the Association.

Section 5.05. A vacancy occurring in an Officer of the Association's position may be filled by the Board of Directors at any time.

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<sup>4</sup> Section 5.01 amended 11-15-96 to omit statement allowing a person to hold more than one office.

Section 5.06. Except as otherwise provided herein, the Board of Directors may in its discretion require any officer or employee,<sup>5</sup> at the expense of the Association, to furnish bond to the Association, in such amount as may be ordered by the Board, conditioned upon the faithful performance of his respective office or employment.

### **President**

Section 5.07. The President shall be the chief executive officer of the Association and, subject to the direction of the Board of Directors, shall direct and supervise the affairs of the Association, and shall perform such other duties as may be assigned to him from time to time by the Board of Directors. He (he shall mean he or she when used to describe any officer, director or member of the Association) shall preside at the meetings of the members and of the Board of Directors, and in the case of a tie vote in any such meeting, shall cast the deciding vote. He shall have authority to execute in the name of the Association any authorized deeds, mortgages, bonds, contracts, reports, or other instruments, except in cases in which the signing or execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

### **Vice President**

Section 5.08. The Vice President shall in the absence or disability of the President perform the duties and exercise the powers of the President. In the absence or inability of both the President and Vice President, the Directors<sup>6</sup> shall elect a Chairman Pro Team to perform the duties and exercise the powers of the President. The Vice President is responsible for producing or causing the production of the Annual Meeting and Fall Meeting programs including establishing the schedule, securing speakers and

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<sup>5</sup> Section 5.06 amended 09-30-96 to delete statement that Treasurer "shall" furnish bond.

<sup>6</sup> The word "present" deleted 11-15-96 after "Directors."

related task; he shall also perform such other duties from time to time that may be assigned by the Board of Directors or the President.<sup>7</sup>

### **Secretary**

Section 5.09. The Secretary shall keep or cause to be kept the minutes of all meetings of the membership and the Board, and of meetings of the committees when required. He shall give, or cause to be given, all such notice of meetings of the members and of the Board of Directors as may be required by the bylaws, and shall perform such other duties as from time to time may be assigned to him by the Board of Directors or the President. He shall ensure the safe custody of the official record and corporate seal of the Association, and shall affix such seal to any instrument requiring it attesting to it by his signature when required.

### **Treasurer**

Section 5.10. The Treasurer shall prepare and submit to the membership at each annual meeting a budget of estimated income and expenses of the Association for the forthcoming fiscal year. He shall ensure the safe<sup>8</sup> custody of the corporate funds and securities of the Association and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Association. He shall deposit or cause to be deposited all monies in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors approved investment policy. He shall disburse or cause to be disbursed the funds of the Association in accordance with the directions of the Board of Directors, taking proper vouchers for such transactions and shall report the financial condition of the Association at the annual meeting and whenever called upon by the

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<sup>7</sup> Section 5.08 amended 09-30-96 to reflect the Vice President's meeting program responsibilities.

<sup>8</sup> Sections 5.09 and 5.10 altered 11-15-96 so that the Secretary and Treasurer *ensure* the safe custody, not necessarily keep it themselves.

Board of Directors. At the expiration of his term of office, the Treasurer shall surrender all money, books, records, and other property of the Association to his successor in office, when qualified or to such person as may be designed by the Board of Directors.

### **Executive Director**

Section 5.11. Subject to the discretion of the Board of Directors and the President, the Executive Director shall direct and supervise the affairs of the Association, and shall perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

## ARTICLE VI

### **Indemnification and Reimbursement of Directors, Officers and Employees**

Section 6.01. To the extent permitted by law, every person who is or was a director, officer or employee of the Association shall have the right to be indemnified by the Association against all reasonable expenses incurred by him in connection with or resulting from any action, suite or proceeding in which he may be come involved as party or otherwise by reason of his being or having been a director, officer or employee of the Association, proved (1) said action, suite or proceeding shall be prosecuted to a final determination and he shall be vindicated on the merits, or (2) in the absence of such a final determination vindicating him on the merits, the Board of Directors shall determine, subject to the provisions of Section 6.02 hereof, that his conduct did not constitute negligence or misconduct in the performance of duty to the Association and he cooperated effectively with the Association in the defense and disposition of any said action, suit or proceeding, said determination to be made by the Board of Directors acting through a quorum of disinterested directors, or in its absence in the opinion of counsel.

Section 6.02. For purposes of Section 6.01 of this Article: (1) "reasonable expenses" shall include but not be limited to reasonable counsel fees and disbursements, amounts of any judgment, fine or penalty, and reasonable amounts paid in settlement; (b) "action, suite or proceeding" shall include every claim, action, suit, or proceeding, whether civil or criminal, derivative or otherwise, administrative, judicial or legislative, any appeal relating thereto, and shall include any reasonable apprehension or threat of such a claim, action, suite or proceeding; (c) a settlement, plea of nolo contendere, consent judgment, adverse civil judgment or conviction shall not itself create a presumption that the conduct of the person seeking indemnification constituted negligence or misconduct in the performance of duty to the Association or such other corporation, but the Board of Directors shall be bound by a civil judgment or conviction adjudging the person liable for such negligence or misconduct.

Section 6.03 The right of indemnification shall extend to any person otherwise entitled to it under this article whether or not that person continues to be a director, officer or employee of the Association at the time of such liability or expense shall be incurred. The right of indemnification shall extend to the legal representatives and heirs of any person otherwise entitled to indemnification. If a person meets the requirements of this article with respect to others, he shall be entitled to indemnification as to the former. Advances against liability and expenses may be made by the Association on terms fixed by the Board of Directors subject to an obligation to repay if indemnification proves unwarranted.

Section 6.04 This article shall not exclude any other rights of indemnification or other rights to which any director, officer or employee may be entitled by contract, by vote of the members or directors, or as a matter of law. If any clause, provision or application of this article shall be determined to be invalid, the other clause, provision or application of this

article shall not be affected but shall remain in full force and effect. The provisions of this article shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after the adoption hereof.

Section 6.05. To the extent permitted by law, the directors of the Association and the members of any committee designated by the Board of Directors shall, in the performance of their duties, be fully protected in relying in good faith upon the books of account or reports made to the Association by any of its officers selected and supervised with reasonable care, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the cooperation.

Section 6.06. The President may, upon written request and presentation of an itemized voucher with ninety days after the expense is incurred, authorize reimbursement by the Association of the reasonable expenses of officers, directors, and committee members incurred in the transaction of Association business. For purposes of this provision, "reasonable expense" shall not include transportation expense to or from meetings of committees held at the same place as and during, or immediately prior to or after any regular or special meeting of the members. The provisions of this section shall not apply to members of the Association staff, who shall be reimbursed for expenses in accordance with policies and rules established by the Board of Directors.

## ARTICLES VII

### **Amendment of Bylaw as and Articles of Incorporation**

Section 7.01. These bylaws may be amended in whole or in part by the affirmative vote of

three-fourths of the members of the Association. Any director or any ten or more members may propose one or more amendments in writing. Any amendment so proposed shall be set forth in a resolution by the Board of Directors and submitted to a vote of the members at a regular or special meeting or by mail ballot. Board of Directors may make to the membership such recommendations or comments concerning any proposed amendment as it deems appropriate. No vote on a proposed amendment shall be taken at any meeting held less than ten or more than fifty days after such proposed amendment has been submitted to the members. In case of a vote by mail ballot, the polls shall not be closed nor the result determined less than thirty days after the proposed amendment has been submitted to the members.

Section 7.02. The articles of incorporation may be amended in the manner provided for the amendment of the bylaws, except that no amendment of the articles shall be adopted other than at a regular or special meeting of the members or by consent in writing to such amendment signed by three-fourths of the members entitled to vote thereon.

## ARTICLES VIII

### **General Provisions**

Section 8.01. This Association shall have a principal office at a place designated by the Board of Directors, and may have such other offices at such places as the Board of Directors may establish.

Section 8.02. The fiscal year of the Association shall begin on the first day of January of each year and end on the last day of December of the same year.

Section 8.0. All checks and notes of the Association shall be signed by such officer or officers as the Board of Directors shall from



time to time designate. No checks shall be signed in blank.

8.05 This Association was formerly known as the American Paper Machinery Association.