



Promotional Product Professionals of Canada

By-law No. 1

**As approved by the Board of Directors May 2016
Non – Fundamental changes ratified at the 2017 AGM**

PROMOTIONAL PRODUCT PROFESSIONALS OF CANADA

BY-LAW NO. 1

1. INTERPRETATION

In this By-law,

- 1.1 “Act” shall mean the *Canada Not-For-Profit Corporations Act*, including the regulations passed pursuant to the Act, as from time to time amended;
- 1.2 “AGM” shall mean the Annual General Meeting of Members of the Corporation held in accordance with Section 7.1;
- 1.3 “Auditors” shall mean the auditors appointed at the AGM in accordance with Section 4;
- 1.4 “Board” shall mean the board of directors of the Corporation elected in accordance with Section 10;
- 1.5 “By-law 1” shall mean this By-law of the Corporation;
- 1.6 “By-laws” shall mean the By-laws of the Corporation duly enacted by the Board and in force from time to time, including this By-law 1;
- 1.7 “CEO” shall mean the President and Chief Executive Officer of the Corporation, appointed by the Board and having the powers and responsibilities set forth at Section 15.3;
- 1.8 “Chair” shall mean the Chairman of the Board exercising the powers and responsibilities set forth at Section 13.3.2;
- 1.9 “Chair-elect” shall mean the Board Member elected and designated to succeed to the office of Chair, as more fully set forth at Section 13.3.3;
- 1.10 “Corporation” or “PPPC” shall mean the Promotional Product Professionals of Canada Inc./Professionnels en produits promotionnels du Canada inc.
- 1.11 “Executive Committee” shall mean the executive committee of the Board composed, and having the powers and responsibilities, as set forth at Section 14;
- 1.12 “General Counsel” shall mean the general counsel appointed by the Board to advise the Corporation, in accordance with Section 19;
- 1.13 “Immediate Past Chair” shall mean the immediate past Chair of the Board having the powers and responsibilities set forth at Section 10.3;

- 1.14 “Member” shall mean a member of the Corporation whose application has been duly approved by the Board in a designated class of membership, all in accordance with Section 6;
- 1.15 “Rules and Regulations” shall mean the rules and regulations of the Board as determined by the Board in accordance with Section 8.1;
- 1.16 “Special Meeting” shall mean a special meeting of the Members of the Corporation called and held in accordance with Section 7.2;
- 1.17 “Treasurer” shall mean the treasurer of the Corporation appointed in accordance with Section 13.3.4;
- 1.18 “Vice-Chair” shall mean the director appointed as vice-chair of the Board and acting in accordance with Section 13.3.6;
- 1.19 “Vice President” shall mean the vice-president of the Corporation appointed in accordance with Section 15.3.3;
- 1.20 Words importing the singular number shall include the plural and vice versa;
- 1.21 Words importing the masculine gender shall include the feminine and neuter genders;
- 1.22 References to persons shall include firms and corporations; and
- 1.23 References to any mode of written communication or notice shall be read and deemed to include transmission or delivery thereof by any of mail, fax, email or courier.

2. FISCAL YEAR

Unless otherwise determined by the Board, the fiscal year end of the Corporation shall be October 31.

3. HEAD OFFICE

Until changed in accordance with the Act, the head office of the Corporation shall be in the City of Montreal, Province of Quebec, at such place within the said city as the Board shall determine. The Board may establish such other offices elsewhere in Canada as it deems advisable.

4. AUDITORS

At each AGM, the Members shall appoint an auditor to audit the accounts of the Corporation for report to the Members at the next AGM and to hold office until the next

AGM, provided that the directors may fill any vacancy in the office of the Auditors. The remuneration of the Auditors shall be fixed by the Board.

5. CORPORATE SEAL

The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Corporation.

6. MEMBERSHIP

6.1 Designation

The membership of the Corporation shall be limited to persons which are actively engaged in the promotional products business as herein defined. Each Member shall have submitted a written application for admission as a Member, which application shall have been approved by the Board. Upon approval by the Board, membership shall remain subject at all times to the terms and conditions of membership set out by the Board, as amended from time to time, the Act, the Letters Patent of Incorporation and the By-laws of the Corporation. Membership may not be assigned or transferred without the prior approval of the Board.

6.2 Classes of Membership

6.2.1 The Corporation shall consist of eight (8) classes of Members: DISTRIBUTOR, SUPPLIER, ASSOCIATE, RECIPROCAL, MULTI LINE SUPPLIER SALES AND/OR MARKETING AGENCY, FRANCHISE/BUYING GROUP DISTRIBUTOR, FRANCHISOR, PREMIUM & INCENTIVE SUPPLIER.

6.2.2 An application for membership filed by a DISTRIBUTOR, SUPPLIER, MULTI-LINE SUPPLIER SALES AND/OR MARKETING AGENCY, FRANCHISE DISTRIBUTOR, PREMIUM & INCENTIVE SUPPLIER shall contain a statement verifying the information given elsewhere in the application, and giving the Corporation permission to obtain a confidential credit report for the exclusive use of the Corporation's staff and membership committee. A list of the applicant's owner(s) and or controlling shareholder(s) must accompany the application and will be held on file at the PPPC head office.

6.2.3 An application for membership filed by a FRANCHISOR and ASSOCIATE shall contain a statement verifying the information given elsewhere in the application, and giving the Corporation permission to obtain a confidential credit report for the exclusive use of the Corporation's staff and membership committee. A list of the applicant's owner(s) and/or controlling shareholder(s) must accompany the application and will be held on file at the PPPC head office.

6.3 Distributors

6.3.1 Definition

A DISTRIBUTOR develops ideas for the use of promotional products as an advertising medium, buys such items from suppliers and sells them to an arm's length client base, as its business or through a wholly owned subsidiary. A distributor carries their own accounts receivable, sells and bills completely in their own name and operates their own place of business.

6.3.2 Membership requirements

To qualify for membership in the Corporation as a DISTRIBUTOR, an applicant must:

6.3.2.1 own or control a registered business enterprise, a division, department, affiliate or a wholly owned subsidiary, in which the majority of its revenue is derived from the buying of promotional products from suppliers and the selling of such merchandise to its arm's length client base. (A copy of the registration must be submitted with the application);

6.3.2.2 be sponsored by a representative of at least three (3) PPPC Members. Sponsorship forms and/or copies of invoices, from 5 arm's length clients, for orders (excluding sample orders), dated within twelve (12) months of the application date must be submitted with the application;

6.3.2.3 provide a bank reference listing the name and address of the applicant's bank and business account number and the applicant must have an acceptable credit history during the past twelve (12) months with no record of bankruptcy in the last twenty-four (24) months;

6.3.2.4 application for membership may be made on a voting or non-voting basis, on such conditions as may be determined appropriate by the Corporation.

6.3.3. Franchise/Buying Group distributors

6.3.3.1 Definition

A FRANCHISE/BUYING GROUP DISTRIBUTOR develops ideas for the use of promotional products as an advertising medium, buys such items from suppliers and sells them to advertisers, as its business or

through a division, department, affiliate or a wholly owned subsidiary. A Franchise Distributor is under contract to receive services from a Franchisor. The Franchise Distributors also are able to operate using the Franchiser name.

6.3.3.2 Requirements

To qualify for membership in the Corporation as a DISTRIBUTOR under section 6.3.2 of this By-law 1.

6.3.3.3 Representation

Same as those of a DISTRIBUTOR under section 6.11 of this By-law 1, including the right to vote and the right to be a member of the Board.

6.4 Suppliers

6.4.1 Definition

A SUPPLIER is a person whose principal Business is manufacturing, importing, converting, imprinting or otherwise processing promotional products from Inventory and/or Raw Materials for sale to a promotional products DISTRIBUTOR and/or RESELLER; or a firm maintaining an affiliate, division or department devoted to this Business.

6.4.2 Membership requirements

To qualify for membership in the Corporation as a SUPPLIER an applicant must:

6.4.2.1 own or control a registered business enterprise which is, or contains an affiliate, division or department which is, primarily engaged in the manufacturing, importing, converting, imprinting or otherwise processing promotional products or promotional programs from Inventory and/or Raw Materials and the selling of such products or programs to distributors and/or resellers.. (a copy of the registration must be submitted with the application);

6.4.2.2 have at least one employee working exclusively on a full time basis selling promotional products. (names, titles and duties of the full time person or people must be submitted with the application);

6.4.2.3 be sponsored by a representative of at least three (3) PPPC Members. Sponsorship forms and/or invoice copies for five (5) orders (excluding samples) from Promotional Product Distributors and/or resellers dated within twelve (12) months of the application

date must be submitted with the application. Foreign-based suppliers also need a reference as to their good standing from a not-for-profit promotional products association of which they are current members;

6.4.2.4 provide a bank reference listing the name and address of the applicant's bank and business account number and the applicant must have an acceptable credit history over the past twelve (12) months with no record of bankruptcy in the last twenty-four (24) months;

6.4.2.5 have an appropriate catalogue and/or Website illustrating the applicant's products and services in a generally recognized industry format at the time of application and, except for foreign-based suppliers, listing the suggested retail prices in Canadian funds. These catalogues are to be submitted to PPC electronically once a year upon publication; and

6.4.2.6 application for membership may be made on a voting or non-voting basis, on such conditions as may be determined appropriate by the Corporation.

6.4.3 Premium & Incentive Suppliers

6.4.3.1 Definitions:

A P & I SUPPLIER is a person whose principal business is manufacturing, importing, converting, imprinting or otherwise processing premium & incentive promotional products or programs and providing premium and incentive services for sale to distributors; or a firm maintaining an affiliate, division or department devoted to this business exclusively. These products, programs and/or services are defined, without limiting their usage, by their principal purposes of Recognizing, Motivating and Rewarding employees and clients. These include:

- (a) P & I merchandise suppliers and manufacturers, importers, converters and im printers of premium and incentive promotional products or programs;
- (b) P & I wholesalers, manufacturers' representatives, fulfillment houses & full-service incentive houses; and
- (c) P & I travel programs and incentive and loyalty programs.

6.4.3.2 Membership requirements

To qualify for membership in the Corporation as a PREMIUM & INCENTIVE SUPPLIER an applicant must:

- (a) own or control a registered business enterprise which is, or contains an affiliate, division or department which is, primarily engaged in the manufacturing, importing, converting, imprinting or otherwise processing premium & incentive promotional products or programs and the selling of such products or programs to distributors. (a copy of the registration must be submitted with the application);
- (b) have at least one employee working exclusively on a full time basis selling premium & incentive promotional products or programs or services to distributors. (Names, titles and duties of the full time person or people must be submitted with the application);
- (c) be sponsored by a representative of at least (3) PPPC Members. Sponsorships forms and/or invoice copies for (5) orders (excluding samples) from Promotional Product Distributors and/or resellers dated within twelve (12) months of the application must be submitted with the application. Foreign-based suppliers also need a reference as to their good standing from a not-for-profit Premium & Incentive association or a Promotional Products association of which they are current members; and
- (d) provide a bank reference listing the name and address of the applicant's bank and business account number and the applicant must have an acceptable credit history over the past twelve (12) months with no record of bankruptcy in the last twenty-four (24) months.

6.5 Associate Members

6.5.1 Definition

An ASSOCIATE MEMBER is a person engaged in the manufacture and/or sale of machinery, equipment, materials, publications, services or supplies purchased or used by persons engaged in the promotional products business.

6.5.2 Membership requirements

To qualify for membership in the Corporation as an ASSOCIATE

MEMBER, an applicant must be engaged in the business of supplying the promotional products industry with machinery, equipment, materials, publications (including periodicals, catalogues, business forms), services (freight, courier, or similar services) or supplies for use by the industry in the conduct of its business.

6.6 Franchisors

6.6.1 Definition

A Franchisor is a company engaged in providing services to Distributor companies. These Distributors referred to as Franchise Distributors also are able to operate using the Franchiser name.

6.6.2 Membership requirements

To qualify for membership in the Corporation as a FRANCHISOR, an applicant must be engaged in the business of supplying the promotional products Franchise Distributors with services such as, but not limited to, office space, accounts receivables, accounts payables, advertising material, information technology. The Franchise Distributors also are able to operate using the Franchiser name.

6.6.3 Representation

Franchisor shall not be entitled to vote on any proposal, but shall be entitled to receive notice of and attend any meetings of the Corporation. They shall not participate in any distribution of the assets of the Corporation upon its dissolution. They shall not be eligible to serve as Directors.

6.7 Reciprocal Members

A RECIPROCAL MEMBER is a member in good standing of any other promotional products association which by agreement grants reciprocal privileges to Members of the Corporation and who qualifies for membership in the Corporation under this By-law 1. A Reciprocal Member may not have [their](#) place of business in Canada.

6.8 Multi-Line Supplier Sales, and/or Marketing Agencies

6.8.1 Definition

A Multi-Line Supplier Sales and/or Marketing Agency shall be a registered Canadian company with a current business address in Canada, contracted exclusively in the Promotional Products industry providing sales and/or Marketing Services for two (2) or more PPPC Supplier Members (who invoice their own clients).

6.8.2 Membership Requirements

To qualify for membership in the Corporation as a Multi-Line Supplier Sales Agency, or as a Multi-Line Supplier Marketing Agency, an applicant must:

6.8.2.1 have worked full-time in the Promotional Products industry with a Corporation member company as an employee, sales representative or multi-line agent for at least twelve (12) consecutive months, and submit names of employers for the previous three (3) year period immediately preceding the application;

6.8.2.2 Provide the Corporation with the names of current Suppliers that the applicant represents, upon the date of application, with a minimum of two (2) PPPC Supplier Members (in good standing). If more than two (2) Suppliers are represented then a majority of the total number of Suppliers represented must be PPPC Members (in good standing);

6.8.2.3 Provide evidence of current representation, by providing the Corporation with letters from the voting Members of PPPC represented, confirming ongoing contractual relationships between the applicant and Suppliers, (which must be Members in good standing);

6.8.2.4 Upon acceptance of the application by the Corporation, it shall be stipulated that membership does not entitle the agent to exhibit or otherwise represent non-member Suppliers at Corporation functions; and

6.8.2.5 Application for membership may be made on a voting or non-voting basis, on such conditions as may be determined appropriate by the Corporation.

6.9 Application for Membership

6.9.1 Application for membership in the Corporation shall be made in writing on the official application form containing an agreement to abide by the By-laws and addressed to the Director, Membership Services Department at the head office of the Corporation. The application shall be accompanied by payment of the non-refundable processing fee and the annual membership fee.

6.9.2 Decisions as to membership shall be initially taken by the membership committee, to be ratified at the next meeting of the Board.

- 6.9.4 The CEO shall notify applicants of the decision rendered on their application, and if the application has been accepted, shall supply the applicant with evidence of membership in a form determined from time to time by the Board.
- 6.9.5 Any application which receives negative comments from the membership shall be submitted to the Executive Committee for approval.
- 6.9.6 Should an application be refused by the Executive Committee, an appeal in writing by the refused applicant may be made to the Board. Any decision of the Board, whether concerning an application for membership or an appeal following rejection of an applicant by the Executive Committee, is final and shall be made in writing.
- 6.9.7 All information included in the application is to be held in the strictest confidence at the head office of the Corporation and shall be made available to the Executive Committee and Board only.

6.10 Processing and Membership Fees

Each new Member shall pay a non-refundable processing fee in the amount fixed for each class of membership from time to time by the Board. They shall also pay, upon application for membership, and each year thereafter, the entire amount of the annual membership fee in the amount set from time to time by the Board. The membership fee payable for the first membership year or part thereof shall be pro-rated on a quarterly basis, and any credit due resulting from said pro-rating shall be applied to the membership fee relating to the following year. The processing fee and annual membership fee determined for each class of Member shall be set forth in the rules and regulations governing the Corporation. The membership fee of any refused applicant shall be refunded.

6.11 Representation

6.11.1 Each active Member of the Corporation shall designate in writing the name and title of its representative and/or alternate representative who shall be its voting representative entitled to act officially on behalf of the Member in all matters presented to the Corporation and who shall be eligible for membership on the Board. Such representative must be an employee of the Member company or firm or otherwise acceptable to the Board. All rights conferred upon such representative in virtue of such position shall cease simultaneously upon termination of their designation or of their employer's membership in the Corporation. Other officers or employees of a Member may serve on committees, attend meetings and take part in Corporation discussions in an unofficial capacity. Members may change their representatives at will or appoint a proxy by giving written notice thereof to the Chair.

- 6.11.2 One or several representatives of a Member of the Corporation may be a member of a regional Board, but only the designated representative of a Member may sit on the Board of the Corporation.
- 6.11.3 Associate, Reciprocal, Franchisor and foreign based members shall not be entitled to vote on any proposal, but shall be entitled to receive notice of and to attend any meeting of the Members of the Corporation. They shall not participate in any distribution of the assets of the Corporation upon its dissolution. They shall not be eligible to serve as directors.
- 6.11.4 The rights and obligations of Reciprocal Members shall be governed by the terms of special agreements entered into between the Corporation and the promotional products association to which reference is made in section 6.7 above. In no event, however, shall they be elected directors or officers of the Corporation or participate in the distribution of the assets of the Corporation on its dissolution.

6.12 Termination of Membership

- 6.12.1 Membership in the Corporation shall terminate if:
- 6.12.1.1 a Member ceases to be engaged in the promotional products business;
 - 6.12.1.2 a Member delivers written notice of resignation to the CEO; or
 - 6.12.1.3 a Member is suspended for any of the reasons set forth in section 6.13.
- 6.12.2 Upon termination of membership for any reason, the rights of such Member and of their designated representative and/or alternative representative as voting Member in the Corporation shall be automatically extinguished. However, such Member shall remain obligated to pay dues for the portion of the calendar year preceding the termination of membership, and to pay all sums due by the member to the Corporation at the date of said termination. He shall not however be entitled to the refund of any membership fee paid to the Corporation prior to the time of termination of their membership.

6.13 Review/Suspension of Members

- 6.13.1 The Board shall have the discretion to review the membership of any Member, upon being advised or becoming aware of any direct or indirect change in control of such Member, as deemed appropriate.
- 6.13.2 The Board shall have the discretion to revoke or suspend the membership of any Member who neglects to pay their membership fee upon the due date,

who fails to abide by the By-laws of the Corporation, or whose conduct or activities are deemed prejudicial to the Corporation. The decision of the Board upon such matters shall be final and without appeal, and the Board is authorized to adopt and follow such procedure in such matters as it may from time to time determine. A Member so suspended shall not be entitled to an abatement or refund of the annual membership fee.

7. MEETINGS OF MEMBERS

7.1 Annual General Meeting

The AGM shall be held within one hundred and eighty (180) days of the end of the fiscal year, at such place in Canada and at such date and hour as the Board may designate. At such meetings, the most recent financial statement of the Corporation shall be reviewed and submitted for Member approval, Auditors shall be appointed, directors shall be elected and the directors shall submit a report to the Members and shall submit for their approval the decisions and actions taken, made or undertaken for and on behalf of the Corporation since the last AGM.

7.2 Special Meetings

The Chair, the Board or the Executive Committee may call Special Meetings of the Members. These shall be held at such place, date and time as may be decided upon at such time by the Chair, the Board, or the Executive Committee, and may be held by email through the head office of the Corporation if the Members are so advised in the notice thereof. The Chair, the Board or the Executive Committee shall call a Special Meeting if requested to do so in writing by ten percent (10%) of Members in good standing of the Corporation within twenty-one (21) days following the receipt of such request. Should the Chair, the Board or the Executive Committee fail to do so within the said delay, the said ten percent (10%) of Members may themselves give notice of the place, date and time of such Special Meeting together with a written explanation of the reason for the meeting and a detailed agenda.

7.3 Notice of Meetings

The Secretary of the Corporation shall send to each Member a notice of the date, time and place of an AGM at least thirty (30) days prior to the date of the said AGM, and in the case of a Special Meeting, at least ten (10) days prior to the date fixed therefore. Such notices shall be considered as having been given when sent to each Member at their address as it appears in the books of the Corporation. Notice may also be given by courier, by facsimile transmission or electronically. Subject to the provisions hereof, all notices of any meeting shall indicate that Members eligible to vote will be entitled to vote by proxy as described herein.

7.4 Meetings Without Notice

Members' meetings may be held at any time and place without notice if all Members eligible to vote waive in writing the right to notice of such Members' meetings.

7.5 Quorum

Five percent (5%) of the total number of national Members present in person or by proxy shall constitute a quorum at any AGM or Special Meeting of the Corporation. No business shall be transacted and no motions shall be made nor shall any meeting be opened until a quorum of Members is present.

7.6 Vote

At all AGM or Special Meetings of the Corporation, every question shall be determined by a majority of votes of the Members in good standing present in person or by proxy and eligible to vote, save in the cases otherwise specifically provided by the Act or by the By-laws (including notably any fundamental change pursuant to s. 197 (1) of the Act). In the case of a tie, the Chair shall have the deciding vote on any such matter. Voting shall be by show of hands, except in respect of elections or in situations where a ballot is specifically requested. Any Member eligible to vote may demand a poll and a demand for a poll may be withdrawn at any time prior to the taking thereof. No mail ballot shall be accepted on any issue.

7.7 Proxies

7.7.1 At any Annual Meeting, Members of the Corporation may, in writing, appoint the Chair or any other person to cast their ballot on their behalf. Any Member who does not attend the meeting may indicate their vote in writing, seal it in the envelope provided, and mail, fax, email or courier this back to the Chair, together with a power of attorney indicating that the person identified therein may vote on their behalf for the election of Directors. At the meeting, the Chair will deliver all such proxy ballots to the scrutineer and the scrutineer shall open these envelopes privately and count the ballots with the other ballots cast at the meeting.

7.7.2 For the above purposes, whenever sending out notices for an AGM or Special Meeting of Members, the Corporation shall include a ballot for the election of Directors, and a power of attorney in favor of the Chair or other person identified on the proxy form.

7.7.3 For any matter other than the election of the Board, each Member may give to any other Member a proxy to vote on his behalf, which proxy may indicate whether the Member granting it wishes to cast their vote in favour or against any resolution.

8. LOCAL CHAPTERS

8.1 Formation of Local Chapters

The Board may, subject to its Rules and Regulations, authorize groups of Members residing in any given locality to organize their own local chapter. Each chapter may foster objects of a purely local nature and shall have complete autonomy provided that it shall abide by the By-laws of the Corporation and/or requirements of government legislations. The Corporation may grant funds from time to time and manage these funds along with the chapters in accordance with the Corporations policies and procedures. The Corporation shall provide sufficient insurance coverage against any liability of the local chapters, their directors, officers and employees, for any act or omission of such local chapter, its directors, officers or employees which are done or omitted to be done by virtue of the instructions of the Corporation.

9. LIABILITY OF DIRECTORS

9.1 Limitation of Liability

No director or officer of the Corporation shall be liable for the acts or omissions of any other director or officer or employee of the Corporation or for any loss, damage or expense suffered by the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board, or in respect of any deficiency of any security in or upon which any monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited or for any loss occasioned by any error of judgment or oversight on their part, or for any loss or damage which may occur in the execution of the duties of their office, in relation thereto or in respect of any other act or omission of a director in their capacity as such causing loss, damage or expense, unless the same shall happen through their own willful neglect or fault.

9.2 Indemnity

Every director and officer of the Corporation and their heirs, executors, administrators and estates shall from time to time and at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses that such director or officer sustains or incurs by way of action, suit or proceeding commenced against the director or officer or in respect of any acts, deeds, matters or thing whatsoever made, done or permitted by the director or officer in or about the execution of the duties of their office, except such costs, charges or expenses which are occasioned by their own willful neglect or default.

9.3 Insurance

The Corporation shall purchase such directors', officers' and employees' liability and fidelity insurance as may be required to protect the interests of all interested parties.

10. BOARD OF DIRECTORS

10.1 Number of Directors

The property and business of the Corporation shall be managed by a Board which shall consist of no fewer than six (6) and not more than twenty (20) Members. Any change to the Board shall be communicated in writing by the Chair to all Members in good standing.

10.2 Eligibility

Any Member in good standing of the Corporation of a class eligible to serve as director, or any duly authorized representative or alternate representative designated as the voting representative of a Member in good standing of the Corporation, shall be eligible to become a Member of the Board. All directors other than the Executive Committee shall be eligible for re-election at the AGM provided that said directors shall not serve more than five (5) consecutive years. A director who has served for a period of five (5) consecutive years shall be eligible for re-election after the expiration of a period of two (2) years. Notwithstanding the foregoing, 4/5 of the directors may waive any or all of the restrictions set forth herein, except the succession of the Chair-elect to the Chair.

10.3 Immediate Past Chair

The Immediate Past Chair whilst a Member in good standing shall have the right to attend meetings of the Board and of the Executive Committee and shall have the right and power to vote on all matters. He shall be authorized to propose motions. If the Immediate Past Chair cannot act as such, said function shall be filled by the last Chair not sitting on the Board at that time.

10.4 Term

The term of each director shall be for a period of one (1) year to commence on such director's election by the Members at an AGM or as such director shall be otherwise elected or appointed and to conclude at the next AGM.

10.5 Vacation of Office

The office of director shall be vacated upon the occurrence of any of the following events:

10.5.1 the director resigns by delivering written notice of such resignation to the Secretary of the Corporation, which resignation shall take effect upon delivery;

10.5.2 the director is found by a court to be of unsound mind; or, in Quebec, if

protective supervision is awarded by the court;

10.5.3 the director becomes bankrupt or suspends payment or compounds with their creditors;

10.5.4 at a duly called meeting of the Members, a resolution is passed by a majority of votes cast, removing the said director;

10.5.5 the director is absent for two (2) meetings of the Board or of the Executive Committee within a 12 month period, and their position is thereupon declared vacant by a majority of the Board;

10.5.6 the director leaves the employment of, or terminates their association with, the PPPC Member or such Member is no longer in good standing; or

10.5.7 on death of the director;

provided that if any vacancy shall occur for any reason, the Board by majority vote may fill the vacancy.

10.6 Powers

The directors shall be empowered to receive and act upon all matters of termination of Members, uphold By-laws of the Corporation and set policies to enable the Corporation to comply with its objects as described in its letters patent or supplementary letters patent, to recommend amendments to this By-law 1 and other By-laws of the Corporation, to form such permanent or temporary committees as it sees fit, to administer and control monies, funds, investments and securities of the Corporation, to administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract into which the Corporation may lawfully enter, to exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do and to perform any other duties as from time to time may be in the best interests of the Corporation. The directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interests of the Corporation in accordance with such terms as the Board may prescribe. The Board shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endorsements and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation. The Board may enter into any agreement with any person, firm or corporation to further the welfare of the Members of PPPC.

10.7 Regional Representatives

10.7.1 Four (4) regions are created for election purposes as follows:

- (a) Western Region -Victoria to Manitoba/Ontario boundary
- (b) Ontario Region -Manitoba/Ontario boundary to Ontario/Québec Boundary
- (c) Quebec Region - Ontario/Québec boundary to Québec/New Brunswick Boundary
- (d) Atlantic Region - Québec/New Brunswick boundary to St. John's, Newfoundland

10.7.2 The regional distribution of directors, or the number thereof, shall be determined from time to time by the Executive Committee of the Board and shall be principally based on the then current membership of the Corporation by region and membership category.

11. ELECTION PROCEDURES

11.1 Nominations

The initial nomination list shall be sought out from within each region by a nominating committee composed of the Immediate Past Chair, the Chair-Elect and the Chair, with the Chair-Elect as chairman of nominating committee. When seeking nominees, care will be taken to ensure equal representation by both suppliers and distributors where numbers warrant.

11.2 Member Participation

Nominations must be in writing and be made and seconded by ten (10) voting Members of companies in good standing of PPPC within the designated region, and such nomination, to be valid, must be received by the PPPC national office or by the CEO ninety (90) days before the AGM. All nominations will be placed before the nomination committee who will prepare a slate of directors of those nominated to ensure national and member category representation based on membership.

The initial nomination list will be sent to each voting Member in each region by the Corporation ninety (90) days before the AGM. Additional names may be added to each regional list providing each is submitted to the Corporation-accompanied by ten (10) signatures of voting Members in good standing of the Corporation from within that region at least sixty (60) days before the AGM.

11.3 Appointment/Election

11.3.1 Should no additional names be submitted to a regional nomination list by any Member pursuant to sub-section 11.2 above, the initial nominees will be automatically appointed to the Board.

11.3.2 Should one or more names be added to a regional nomination list, an election shall be carried out from among the voting Members in good standing in that region by ballot which shall be supplied by the Corporation immediately upon the expiration of the thirtieth (30th) day preceding the AGM. Voting Members can exercise their voting rights by returning said ballot to the Corporation by mail, fax, email or courier or they may vote in person at the AGM. Unless voting in person, ballots must be received by the Secretary of the Corporation at least one (1) hour prior to the time of the AGM in order to be counted.

11.3.3 All elections shall be carried out, and ballots shall be counted, at the AGM.

12. MEETINGS OF THE BOARD OF DIRECTORS

12.1 Date, Convocation and Notice

At least two (2) meetings of the Board shall be held during each fiscal year. Other meetings shall be held during the fiscal year at such time, date and place as the Board shall determine. Notice of the time, date, place and purpose of such meetings shall be given to the directors by the Chair by mail, fax, email or courier at least fifteen (15) days prior to said meetings. Special meetings of the Board may also be called at the request of a majority of the directors. Notice of any special meeting of the Board shall be given in writing at least ten (10) days prior to said meeting and shall be delivered personally, electronically or sent by facsimile transmission or courier to each Director at their business address as shown in the records of the Corporation. With the consent of all directors, any Board meeting may be conducted by telephone conference or any other communication facility that would permit all participant directors to hear each other simultaneously and a director participating in such a meeting by such means is deemed to be present at the meeting.

12.2 Waiver

Notice of any meeting may be waived or the time for the sending of the notice may be waived or abridged at any time with the consent in writing of a director or upon the attendance of a director at the Board meeting, provided that no Board meeting may be held without the written waiver, consent or attendance in person of all directors.

12.3 Quorum and Vote

12.3.1 Six (6) Members of the Board, including at least two (2) officers shall constitute a quorum. All questions submitted shall be decided by majority vote of the directors present at said meeting, unless otherwise specified or provided in this By-law 1. In the event of a tie, the Chair shall cast a second and deciding vote.

12.3.2 In the case of a Special Meeting, six (6) Members of the Board being present at such meeting shall constitute a quorum.

12.4 Resolution in Writing

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the Board or committee of directors, is as valid as if it had been passed at a meeting of the Board or committee of directors.

13. OFFICERS

13.1 Composition

The officers of the Corporation shall be the Chair, the Chair-Elect, the Secretary, the Treasurer, the Vice-Chair and any such officers as the Board may by By-law determine. The CEO shall also be an officer of the Corporation; however, he shall not be subject to the following sections 13.2 and 13.3.

13.2 Election of Officers

13.2.1 The election of the officers of the Corporation shall take place at the meeting of the directors immediately following the AGM. The officers shall be chosen from among the Board members, and shall remain in office for a term of five (5) years from the date of election as long as they remain directors. Officers previously in office shall be eligible for re-election, with the exception of the Chair, whose term of office shall not exceed one (1) year, and the Vice-Chair designated to succeed the Chair upon the expiration of their term, subject to reelection to, and approval by, the Board.

13.2.2 Vacancies occurring in respect of any office may be filled by the Board by appointment and such appointment shall subsist until the first election of officers following such appointment.

13.3 Duties of the Officers

13.3.1 The CEO shall be the chief executive officer of the Corporation. The CEO shall oversee the general and active management of the business of the Corporation. The CEO shall give direction to the Corporation's employees

and shall see that all orders and resolutions of the Board and the Executive Committee are carried into effect, and he, along with the Secretary or any other officer appointed by the Board for such purpose, shall sign all By-laws, resolutions and other documents requiring the signatures of the officers of the Corporation.

- 13.3.2 The Chair shall preside over and chair the Board. The Chair shall either preside, or request the CEO to preside, at all meetings of the Board and of the Executive Committee. The Chair shall be a Member of all committees. The Chair shall be the custodian of the seal of the Corporation which the Chair shall deliver only when authorized by a resolution of the Board or of the Executive Committee to do so, and only to such persons as may be named in the resolution.
- 13.3.3 The Chair-Elect shall, in the absence or disability of the Chair, perform and exercise the powers of the Chair and shall perform such other duties as shall, from time to time, be assigned to the Chair-Elect by the Board. Following their election to the Board, he shall succeed to the office of Chair of the Board.
- 13.3.4 The Treasurer shall, in the absence or disability of the Chair and of the Chair-Elect, perform the duties and exercise the powers of the Chair and shall perform such other duties as shall from time to time, be assigned to the Treasurer by the Board. The Treasurer will provide fiduciary oversight for all accounting aspects of the Corporation with respect to receipts and disbursements as may be designated by the Board from time to time. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board taking proper vouchers for such disbursements. The Treasurer shall also perform such other duties as may, from time to time, be determined by the Board.
- 13.3.5 The Secretary shall attend all meetings of the Board, of the Executive Committee and of the Members, and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose, or see to it that it is done by somebody for that purpose. The Secretary shall, along with the Chair, sign all By-laws, resolutions and other documents requiring the signatures of the officers of the Corporation.
- 13.3.6 The Vice-Chair shall act as a Member of the Executive Committee without portfolio. The Vice-Chair shall attend all meetings of the Board and of the Executive Committee and shall perform such duties as shall, from time to time, be assigned to the Vice-Chair by the Board.

13.4 Vacation of Office

The office of an officer shall be vacated upon the occurrence of any of the following events:

- 13.4.1 the officer resigns by delivering a written notice of such resignation to the Secretary of the Corporation, which resignation shall take effect upon delivery;
- 13.4.2 the officer is found by a court to be of unsound mind; or in Quebec, if protective supervision is awarded by the court;
- 13.4.3 the officer becomes bankrupt or suspends payment or compounds with their creditors;
- 13.4.4. if at a duly called Board meeting, a resolution is passed by at least 75% (seventy-five per cent) of votes cast, removing the officer;
- 13.4.5 the officer leaves the employment of, or terminates their association with, the PPPC Member, or such Member ceases to be in good standing; or
- 13.4.6 on death of the officer;

provided that if any vacancy shall occur for any reason, the Board by majority vote may fill the vacancy.

14. EXECUTIVE COMMITTEE

14.1 Composition

The Executive Committee shall consist of the Past Chair, the Chair, the Chair-Elect, the Secretary, the Treasurer, the Vice-Chair, the CEO, and such other member or members of the Board that a majority of the Executive Committee may appoint to constitute a quorum.

14.2 Powers

- 14.2.1 The Executive Committee shall have the authority to exercise all the powers of the Board when the Board is not in session, except the suspension or expulsion of Members, amendments to By-laws or any other action expressly or by law reserved to the Board.
- 14.2.2 The Executive Committee shall make a report of its activities to the Board by mail, email or by confirmed fax, as soon as practicable, or at the first subsequent meeting of the Board, and the latter may then confirm, reverse, change or modify the decisions taken by said Executive Committee, subject to the rights of third parties affected by any such decision.

14.3 Meetings and Quorum

Meetings of the Executive Committee may be held on not less than two (2) days' notice, at such time, date and place as the Chair may determine. Three (3) officers being present shall constitute a quorum. The Executive Committee may meet by telephone conference or by similar electronic means whereby each Executive Committee member present may hear and be heard by all other Executive Committee members present at such meeting, provided that all such members consent, and provided further that at any such meeting quorum shall be constituted by a majority of all members of the Executive Committee.

14.4 Chairman

The Chair, their designate or, in their absence, the Chair-Elect, shall preside over all Executive Committee meetings.

14.5 Votes

Each member of the Executive Committee shall be entitled to one vote at all meetings of the Executive Committee. Every question shall be decided by a majority of votes cast. The chairman of the Executive Committee meeting shall not be entitled to a second or casting vote in the event of an equality of votes.

15. CORPORATION EMPLOYEES

15.1 Appointment

Employees may be appointed by the Board to serve at the Board's discretion and at such compensation as the Board may deem proper.

15.2 Duties of the Corporation Employees

Employees appointed by the Board shall attend certain meetings of Members, directors and committees, and keep a record of the proceedings; conduct all correspondence; carry to execution all orders, votes and resolutions; collect fees, dues and subscriptions and remit them to the Treasurer; prepare, under the direction of the Board, an annual report of the transactions and condition of the Corporation and, generally, devote their best efforts to the business of the Corporation and to its interests.

15.3 CEO

15.3.1 The Board shall appoint a CEO, who shall manage the general day-to-day activities of the Corporation, including, but not limited to, the activities set forth in section 15.2, oversee the other employees of the Corporation and perform any other duties as shall be assigned to the CEO by the Board. The CEO shall be an officer of the Corporation, and shall report on the

Corporation's activities to the Board on a regular basis.

15.3.2 The office of the CEO may be terminated in accordance with the terms of the employment contract entered into between the CEO and the Corporation. Such termination shall automatically remove the CEO from the Executive Committee and from their position as an officer of the Corporation.

15.3.3 The Board, upon the recommendation of the CEO, shall appoint a Vice-President who shall in the absence or disability of the CEO, perform and exercise the powers of the CEO and shall perform such other duties as shall, from time to time, be imposed upon the CEO by the Board. The role of the Vice-President CEO is one of advice and help to the CEO. Final responsibility remains with the CEO.

15.4 Other Employees

The Board may, at its discretion, employ legal counsel or other employees and affix the terms, duties, and compensation of such employees as it deems necessary.

16. COMMITTEES

In addition to the Executive Committee, the Board or the Chair shall have the power to appoint, from time to time, ad hoc committees for the purpose of furthering the objectives of the Corporation. The powers and duties of said committees shall be provided for by the resolution of the Board or vested in them by the Chair.

17. FINANCIAL DISPOSITIONS

17.1 Contracts

The Board shall appoint, from time to time, any officer or officers, agent or agents, to sign any contracts, documents and instruments in writing, either generally or specifically on behalf of the Corporation.

17.2 Cheques, Drafts, Etc.

All cheques, notes and other banking papers of the Corporation shall be signed by the persons designated, from time to time, for that purpose, by the Board, and in such a manner as the Board shall determine.

17.3 Deposits

The Corporation shall transact its banking affairs with such financial institution or bank and according to such conditions as may be determined, from time to time, by the Board.

17.4 Gifts and Donations

The Board shall take such steps as it may deem requisite to enable the Corporation to receive donations and benefits for the purpose of furthering the objectives of the Corporation.

17.5 Remuneration

With the exception of the CEO, the officers and the members of the Board, of the Executive Committee and of any other committee, shall serve without remuneration. Expenses incurred by officers, directors and committee members in the interest of the Corporation shall be reimbursed, when said expenses are authorized by the Board or by the Executive Committee. This provision shall not be construed to preclude any officer, director or committee member from serving the Corporation in some other capacity and receiving remuneration therefor.

17.6 Financial Dispositions

17.6.1 In the preparation of the yearly budget and of financial reports the procedure as outlined in a separate Procedures manual must be followed. The content of the manual may be changed from time to time on the recommendation by the Treasurer to the Executive Committee and the Board.

17.6.2 In the preparation of the yearly budget, the proforma surplus of revenue over expenses shall not be less than 2% of total annual revenues or \$25,000, whichever is greater, unless so approved by a majority of the Board.

18. BOOKS AND RECORDS

18.1 Records

The Corporation shall keep accurate and complete records and books of accounts and keep minutes of the proceedings of its membership meetings and of the meetings of the Board, the Executive Committee and other committees. It shall keep a record showing the names, addresses and classifications of the Members and of their representatives and alternate representatives entitled to vote. All records, except the confidential report of any Member, may be inspected at the head office of the Corporation by any Member or their agent or attorney for any proper purpose, at any reasonable time during regular business hours.

18.2 Membership Cards and Certificates

The Board may decide to issue membership cards and/or certificates, upon conditions set, from time to time, by said Board, to Members in good standing. Said cards and/or certificates, to be valid, must bear the signature of the Chair and of the Secretary of the Corporation, written or printed thereon, except that such requirement may be waived at the discretion of the Executive Committee.

18.3 Directory

18.3.1 Publication

An annual membership directory shall be published by the Corporation, listing the Member firm's name, designated voting representative and alternate representative, address, telephone and fax numbers email addresses and membership classification, for all Members in good standing as of November 1st of each year. The directory may be modified to include other pertinent information as deemed appropriate from time to time.

18.3.2 Reproduction

The directory is published as a service exclusively for the use and convenience of the membership. Distribution of the directory for use by anyone other than a Member of the Corporation is prohibited. Reproduction of the directory or any portion thereof is prohibited.

19. GENERAL COUNSEL

At the meeting of the Board immediately following the AGM, the Board may appoint a General Counsel of the Corporation, who shall be a member of the Bar in good standing. The General Counsel shall advise the Corporation on all matters of law, and on such matters as may be requested by the Board or the Executive Committee, and shall be advised of all meetings of the Board, the Executive Committee and the Members, which General Counsel shall attend whenever possible.

20. AMENDMENT OF BY-LAWS

The By-laws of the Corporation may be repealed or amended by a majority of the directors, except those making any fundamental change as defined at Section 197 (1) of the Act for which a special resolution of the members shall be required before they become effective.

21. RULES AND REGULATIONS

The Board may prescribe such rules and regulations not inconsistent with these By-laws relating to the management and operation of the Corporation as it deems expedient, provided that such rules and regulations shall have force and effect only until the next AGM when they shall be confirmed, and in default of confirmation at such AGM shall at and from that time cease to have any force and effect.

22. OFFICIAL LANGUAGES POLICY

The Corporation recognizes the equal status of the two official languages of Canada and promotes full participation in the Corporation of the two official language communities.