

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT - DENVER, INC

**BYLAWS
(Revised January 2012)**

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NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT - DENVER, INC.

BYLAWS

ARTICLE I

NAME AND LOCATION

SECTION 1. Name. The name of this Association shall be National Association of Purchasing Management - Denver, Inc., a nonprofit corporation organized and existing by virtue of the laws of the State of Colorado (hereinafter referred to as the "Association").

SECTION 2. Location. The principal office of the Association shall be located in the City of Boulder, State of Colorado, or in such other location as may be determined by the Board of Directors.

ARTICLE II

PURPOSES

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 by all lawful means the practice 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 education 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 and materials management profession.
- (j) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but 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 Colorado.

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 and Guide for Antitrust Compliance, as amended from time to time by the ISM Board of Directors.

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 at all times with ISM policy as it may be adopted from time to time by the ISM Board of Directors and the provisions of this Article III.

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 non-profit corporation in accordance with the laws of the State of Colorado and to be validly existing and in good standing during the period of its affiliation with ISM.
- (b) To cause these Bylaws to conform at all times with 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 V of the ISM Bylaws.
- (f) To comply at all times 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 and Guide For Antitrust Compliance.
- (g) To obtain the 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. Any person interested in the supply management profession shall be eligible to be a Regular Member of an Affiliated Association provided that such person does not solicit business on behalf of such person or his or her employer during meetings of any ISM activity, including without limitation, meetings of Affiliated Associations (including chapters), ISM Committees and ISM Groups and forums (as defined in policy).

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 dues and fees. 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 Regular Members of the Affiliated Association of which he/she has been a Member. 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 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, provided that at least one member of the same company holds a regular membership in the Association.
- (b) *Honorary Members* as described in Section 4(e) of this article.
- (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.
- (b) 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, Article II, and Section 1. 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 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 had been decided by the ISM Affiliate Support Council 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 dues or any other charges theretofore accrued but unpaid.

SECTION 11. No Transfer of Membership. Membership in the Association shall be vested in the individual member of the Association and shall not under any circumstances be transferred or assigned to any other person by such member.

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 when required by the change in the cost of meals at the regular dinner meetings, or by a vote of the members of the Association when required by changes of other costs. 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 4 (d) of Article IV on condition that the ISM Board of Directors has waived all ISM dues with respect to such members.

SECTION 2. 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 3. 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).

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 the authority to take such action in matters of policy and procedure as, in its judgment, will best promote the interest 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. Membership. The Board of Directors shall consist of the President, Past President, President Elect, Treasurer, Secretary, Executive Director (appointive), and four Directors. All members of the Board of Directors must be regular members of NAPM-Denver, Inc. and ISM.

SECTION 3. Election. The Board of Directors shall be elected by the regular members of the Association at their annual meeting in accordance with Article IX hereof.

SECTION 4. Term of Office. Officers of the Association shall be elected to the Board of Directors for a term of five years, and appointed by the Board of Directors to serve in an individual office for a term of one year. The five-year terms for the Officers shall be staggered, with no individual terms to begin or expire concurrently, and shall commence at the close of the annual meeting of the membership of the Association next following his or her election in accordance with Section 2 of this Article and shall terminate upon the later of the close of the fifth annual meeting of the membership of the Association next following or upon the qualification and succession of office by his or her successor.

The Executive Director shall be appointed in accordance with Article IX hereof.

Two Directors shall be elected for a term of two years, with the two terms alternating. The term of office for each such Director shall commence at the close of the annual meeting of the membership of the Association next following his or her election in accordance with Section 2 of this Article and shall

terminate upon the later of the close of the second annual meeting of the membership of the Association next following or upon the qualification and succession of office by his or her successor. Two Directors shall be elected for a term of one year. The term of office for each such Director shall commence at the close of the annual meeting of the membership of the Association next following his or her election in accordance with Section 2 of this Article and shall terminate upon the later of the close of the annual meeting of the membership of the Association next following or upon the qualification and succession to office by his or her successor.

SECTION 5. 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 6: Meetings. The Board of Directors shall meet monthly at a regular time and place established by the Board of Directors. The President may alter this schedule by giving adequate notice. Special meetings of the Board of Directors may be called by the President or upon written notice by three or more members of the Board of Directors.

SECTION 7. Authority to Act without a Meeting. Except as otherwise provided in these Bylaws, the Board of Directors may, upon initiative of the President with the written consent of each member of the Board of Directors, take action without a meeting that it might take at a meeting duly held.

SECTION 8. Board Action by Conference Call. Any one or more members of the Board of Directors or any Committee thereof, may participate in a meeting of the Board of Directors or Committee by means of a telephone conference or similar equipment which enables all persons participating in a meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

SECTION 9. Quorum and Voting. At all meetings of the Board of Directors, a quorum necessary for the transaction of business shall be seven (7) members of the Board of Directors. Except as otherwise provided in these Bylaws, the vote of a majority of the Board of Directors present at the time of a vote, if a quorum is present at such time, shall be the act of the Board of Directors. Voting rights of a member of the Board of Directors shall not under any circumstances be delegated to another or exercised by proxy.

SECTION 10. Executive Committee. The Board of Directors may, if it so desires, elect from among its members an Executive Committee of 4 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. The Board of Directors shall consist of the President, President Elect, Executive Director, Secretary, Treasurer, the Immediate Past President and 4 directors. All members of the Board of Directors must be regular members of NAPM-Denver, Inc. and ISM.

SECTION 2. Election. The Directors shall be elected by the regular members of the Association at their annual meeting in accordance with Article IX hereof.

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 membership and 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 provisions of these Bylaws and which may be assigned by the Board of Directors.

SECTION 4. Duties of President Elect. The President Elect 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 President Elect shall perform all duties of the office of President until such time as the incumbent is able to resume the duties of the office.

SECTION 5. Duties of Secretary. The Secretary shall be responsible for the preparation of all minutes of meetings of the Board of Directors; 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 the Board of Directors of the Association or which may be required by law.

SECTION 6. Duties of Treasurer. The Treasurer shall have the responsibility for the following: All Association funds and securities; full and accurate account of all receipts and disbursements of funds; deposits of funds in such depositories as may be designated by the Board of Directors of the Association; and shall report on the disbursement of funds of the Association in accordance with the instructions furnished by the Board of Directors. The Treasurer shall render to the Board of Directors and members of the Association upon request, but at least annually, an account of all 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 Board of Directors of the Association or which may be required by law..

SECTION 7. Duties of the Executive Director. The Board of Directors shall appoint or reappoint an Executive Director of the Association to manage certain affairs of the Association and to provide continuity from one administration to the next administration. The Executive Director shall be a voting member of the Board of Directors, except in such matters which pertain to the position of Executive Director. The Board of Directors shall determine the compensation and specify the term of appointment which shall not exceed three (3) years, with authority to terminate such appointment at any time for causes which said board may deem sufficient. The Executive Director may, at the discretion of the President and the Board of Directors, be assigned certain duties and powers of the office of Secretary and the office of Treasurer, relieving them of certain tasks, but not the responsibility of the office; shall invoice and collect all dues and fees and other monies due to the Association; shall, with the Treasurer, be responsible for recommending investment recommendations and for the purchase and sale of investments as determined by the Board of Directors; shall be bonded as directed by the Board of Directors of the Association; and to perform such other and further duties as may be assigned from time to time by the President and the Board of Directors.

ARTICLE IX

MEETINGS OF THE ASSOCIATION MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the Association membership shall be held in April of each year at such place and at such time as may be determined by the Board of Directors of the Association. Written notice thereof shall be given to all members at least sixty (60) days prior thereto.

SECTION 2. Special Meetings. Special meetings of the Association membership may be called by the Board of Directors or the members of the Association in accordance with the provisions set forth in the laws and statutes of the State of Colorado.

SECTION 3. Quorum. At all annual or special meetings of the Association membership, a quorum shall be present at such meetings of at least fifty (50) members 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 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. Action by Membership without a Meeting. Notwithstanding any other provision of this Article IX to the contrary, whenever any question or issue is presented for a vote of the regular membership, such vote may be taken without a meeting by written consents (either by mail or facsimile) setting forth the action so taken, and signed by the number of regular members casting a vote sufficient for membership action required by Section 4 of this Article.

Action by the regular membership without a meeting as permitted by this Section 5 may be authorized by the Board of Directors, provided written notice thereof and a statement fully explaining the proposed action is mailed to all regular members not less than sixty {60} days prior to the return date requested for such action.

The President, not later than thirty (30) days prior to the return date requested for any action without a meeting, shall appoint a Credentials Committee of five (5) regular members, not members of the Board of Directors, to issue the ballots, open the polls, supervise the voting, to inspect and count the votes, and announce the results provided, however, any objections to the findings of the Credential Committee shall be resolved by a vote of the Board of Directors. A two-thirds vote of the Board of Directors shall be required to reverse the finding of the Credentials Committee with respect to any action authorized by this Section 5.

SECTION 6. 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 7. Parliamentary Rules. At all meetings of the Association, including the Board of Directors, all questions of procedure shall be determined under Roberts' Rules of Order when not in conflict with these Bylaws.

ARTICLE X
COMMITTEES

SECTION 1: Standing Committees. Standing committees shall be established within the Association by the Board of Directors, as needed.

The Board of Directors of the Association shall be authorized from time to time to add committees as Standing Committees or to reduce the number of Standing Committees whenever in their 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 and the duties of any such special committees shall be prescribed by the Board of Directors upon their appointment.

SECTION 3. Nominating Committee. On or before the January Board of Directors' meeting, the President, with approval of the Board of Directors of the Association, shall appoint three (3) regular members of the Association to serve as the nominating committee for a period ending at the Annual Meeting of the members of the Association. Not more than one (1) member of this committee shall be a member of the Board of Directors.

The names of the consenting candidates for the various positions on the Board of Directors with terms expiring at the close of the Annual Meeting of the members and the respective offices for which they are nominated shall be sent by the nominating committee to the Secretary, by whom such list of candidates shall be announced at the regular meeting immediately preceding the Annual Meeting.

ARTICLE XI
FINANCES

SECTION 1. Fiscal Year. The fiscal year of the Association shall begin on July 1 of each year and terminate on June 30 of the following year.

SECTION 2. Appropriations. Appropriations from the funds of the Association shall be made only by the Board of Directors. It shall not contract indebtedness in excess of cash and demand deposits and securities in the treasury not otherwise appropriated or required.

SECTION 3. Investments. The Board of Directors shall be responsible for investment and reinvestment of all funds of the Association in excess of the current needs.

Investment recommendations shall be under the direction of the Treasurer, who shall report at each meeting of the Board of Directors concerning the performance of investments to date and any recommended changes in such investments or reinvestments.

Funds of the Association in excess of current needs shall be invested in accordance with this Section at all times in bonds, notes, bills or in such other investments such as certificates of deposit, time deposits, shares, or interests in regulated investment companies, mutual funds, common or pooled trust funds or investment trust funds which provide a rate of return or yield based upon the rate of return offered by Government obligations.

The Association shall indemnify and hold harmless any Officer of the Association for damages awarded against him/her or against expenses actually and necessarily incurred by him/her in connection with

the defense or settlement of any action, suit or proceeding brought or threatened in which he/she is made a party or might be made a party, by reason of making or having made investment decisions regarding assets of the Association, provided that such indemnification shall be limited to liabilities that are incurred as a result of actions taken in good faith.

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 laws of the State of Colorado, 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 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 Title 7, Articles 121 to 137, Colorado Revised Nonprofit Corporation Act of the State of Colorado or for any act or omission which occurred prior to the adoption of this provision.

ARTICLE XV

AMENDMENTS

SECTION 1. Approval. These Bylaws or the Certificate of Incorporation of the National Association of Purchasing Management -- Denver, Inc., may be amended only by a vote of the regular membership cast at any meeting of the membership or by action without a meeting in accordance with Article IX. Before amendment may be submitted for a vote at any meeting or for any action without a meeting; it must have approval of the Board of Directors.

SECTION 2. Notice of Proposed Amendment. The written notice of a meeting of the membership of the Association or the written notice required by Article IX in connection with action by the members without a meeting shall include a copy of the proposed amendment' and shall be mailed not less than sixty (60) days before the date on which the membership meeting is scheduled or the return date of the requested action, whichever is applicable.

SECTION 3. Authorization of Amendments by the Board of Directors. Notwithstanding any other provision of this Article XIV to the contrary, any one or more of the following changes to the Certificate of Incorporation may be authorized by action of the Board of Directors without a vote of the membership of Association:

- (a) To specify or change the location of the office of the National Association of Purchasing Management - Denver, Inc.
- (b) To specify or change the post office address to which the Secretary of State shall mail a copy of any notice required by law.
- (c) To make, revoke or change the designation of a registered agent, or to specify or change the address of its registered agent.