



Affiliated with The
Institute for Supply
Management



ByLaws of the National Association of Purchasing Management - Denver, Inc.

**As amended by a vote of the
Membership April, 2002**

NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT - DENVER, INC.

BYLAWS

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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 the National Association of Purchasing Management - Denver, Inc., a not-for-profit 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 City of Boulder, State of Colorado, or in such other localities as may be determined by the Board of Directors.

ARTICLE II

PURPOSES

The purposes of the Association shall be:

- (1) To foster and promote interchange of ideas and cooperation among its members.
- (2) To promote the study, development, and application of purchasing management, and supply management, including improved procurement or purchasing methods and practices and all matters related to the foregoing (hereinafter referred to as "the purchasing and supply management profession").
- (3) 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 purchasing and supply management profession.
- (4) To develop and encourage standards of personal and ethical conduct among persons engaged in the purchasing and supply management profession.
- (5) To develop, sponsor, promote and encourage a professional certification program for persons engaged in the purchasing and supply management profession.
- (6) To encourage and cooperate in the institution and development of educational courses, seminars, programs and materials on the subject of purchasing and supply management and all matters related thereto.
- (7) To strive by all lawful means to promote and enhance the purchasing and supply management profession.
- (8) To be affiliated with the Institute for Supply Management, Inc. ("ISM") and other associations or organizations of persons engaged in the purchasing and supply management profession throughout the United States and all foreign countries.
- (9) To cooperate, collaborate and exchange information by lawful means with professional, trade and other associations and organizations of persons engaged in the purchasing and supply management profession, and to advance public relations with governmental agencies and the public in general concerning the purchasing and supply management profession.

(10) To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, and not for the pecuniary profit or financial gain of its members, directors or officers, except as otherwise permitted by the laws of the State of Colorado.

In the accomplishment of these purposes, it shall be the policy of the Association to comply at all times with all existing 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 Board of Directors of ISM.

ARTICLE III

AFFILIATION WITH INSTITUTE FOR SUPPLY MANAGEMENT

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.

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

(a) To be incorporated as a not-for-profit corporation in accordance with the laws of the State of 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 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 a two-thirds vote of 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 given to the Association Board of Directors. The Association will be granted an opportunity to present a defense to the charges before the ISM Affiliate Support Council. Before

action may be taken by the ISM Board of Directors, the ISM Affiliate Support Council shall review the charges and make a recommendation to the ISM Board of Directors upon the basis of a hearing conducted by the ISM Affiliate Support Council at the principal office of ISM at which the Association shall have the right to be heard to defend against such charges. If the Association is suspended or terminated it may be reinstated by a two-thirds vote of 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 Membership. All regular members in the Association shall have voting rights. Regular membership shall be limited to the following categories of personnel:

- (a) A person who is involved in the purchasing or supply management process, including without limitation, purchasing, purchasing research, value analysis, inventory control, supply management, supply chain management, or any other activity or function which is related to the purchasing or supply process.
- (b) An editor/secretary or business manager employed by the Association.
- (c) A person with a full-time appointment as a teacher, research specialist, department head, director or dean of a college, university, or other academic institution whose academic responsibility includes purchasing management or supply management or other related fields or subjects.
- (d) A regular member whose dues are currently paid on a continuous basis who is unemployed shall continue to be eligible for membership.
- (e) A regular member whose dues are currently paid on a continuous basis who retires shall continue to be eligible for membership.
- (f) An undergraduate or graduate student enrolled full time in an accredited community college or four-year college or university.
- (g) A person who is engaged in the business of providing consulting services primarily in the field of purchasing management and supply management on condition that such person does not solicit members of an Affiliated Association for consulting engagements.
- (h) 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 elected for this class of membership by a vote of the regular members of the. Life members receive the publications and services of ISM upon application through the Association and upon payment to ISM of an amount equivalent to current ISM dues.

SECTION 2. Nonvoting Membership. The Association shall have the following membership classes which shall not represent membership in ISM nor entitle any member of such class to vote or hold office in the Association nor to serve as chairman of affiliate committees as determined by the Board of Directors.

- (a) Associate Members. A person who satisfies the eligibility standards of Section 1 (a) of the Article, provided that at least one member of the same company holds a regular membership in the Association.

- (b) **Honorary Members.** A person not qualified for regular membership, but who has rendered distinguished or unusual services to the purchasing and supply management profession, and who has been elected to the class of membership by vote of the Board of Directors 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

SECTION 3. Sales Activity. No person shall be admitted to membership, nor shall be retained as a member of the Association who engages in the solicitation of orders, or who is primarily responsible for sales, even though such person may be otherwise eligible for membership; provided, however, that no person shall be ineligible by reason of incidentally disposing of scrap, surplus stock or equipment of the concern by which he or she is employed. For purposes of this Section 3, "primarily" shall mean a majority of a person's time. The eligibility of an editor, secretary or business manager employed by the Association shall not be affected by reasons of sales activities directly related to any magazine, bulletin, or other publication, or any exhibit, product show or similar activity sponsored by the Association.

SECTION 4. Admission of Members. Admission of all persons in the Association shall be in accordance with the following procedures:

- (a) The Membership Committee Application shall review all applications for membership in the Association which shall be in writing and on a form prepared by the committee.
- (b) The Membership Committee shall advise the Board of Directors of the Association concerning the eligibility of all applicants for membership in the Association.
- (c) The Board of Directors of the Association shall approve or deny all applications for membership in the Association.

SECTION 5. Denial of Membership. The Association shall have the right to deny membership to any applicant who fails to satisfy the eligibility requirements for any class of membership provided; however, denial of membership shall occur only after the applicant has been given the opportunity to submit proof in support of his or her eligibility for membership in the Association. An applicant denied membership in the Association shall be given written notice of such denial and shall be advised in writing that he or she may appeal the action taken by the Association to the ISM Affiliate Support Council by filing a notice of intent to appeal to the ISM Affiliate Support Council at least thirty (30) days prior to the next regularly scheduled meeting of the ISM Affiliate Support Council. Upon receipt of a timely filed notice of appeal, the ISM Affiliate Support Council shall consider the appeal and shall allow the applicant the opportunity to submit proof in support of the applicant's eligibility for membership in the Association. Except for rare and extraordinary circumstances, the decision of the ISM Affiliate Support Council concerning denial of membership shall be final and binding and the denial will not be considered by the Board of Directors of ISM.

SECTION 6. 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 Policy Manual, the ISM Policy Manual for National Groups, The ISM Organizational Guide, 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 the ISM Affiliate Support Council by filing a notice of intent to appeal to the ISM Affiliate Support Council at

least thirty (30) days prior to the next regularly scheduled meeting of the ISM Affiliate Support Council. Upon receipt of a timely filed notice of appeal, the ISM Affiliate Support Council 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 the ISM Affiliate Support Council concerning expulsion of a nonvoting member shall be final and binding and the expulsion will not be considered by the ISM Board of Directors. Except for rare and extraordinary circumstances, the decision of the ISM Affiliate Support Council concerning expulsion of a regular member will likewise be final and binding and the expulsion will not be considered by the Board of Directors of ISM.

SECTION 7. Reinstatement. A former member of the Association, whether a resigned or expelled member, desiring reinstatement of membership, may be reinstated as a member of the Association upon showing proof of eligibility and paying all current year's dues and an administration fee or similar charge which may be imposed by the Association from time to time. The procedure for an appeal of an adverse determination to reinstate a former member shall be the same as provided in Section 6 of this Article, provided, however, an appeal to reinstate membership may not be taken in the same calendar year in which an appeal has been decided by the ISM Affiliate Support Council concerning the expulsion of the same member seeking reinstatement.

SECTION 8. Resignation. Any member of the Association may resign by filing a written resignation with the Association, but such resignation shall not release the member so resigning of the obligation to pay any dues or other charges theretofore accrued but unpaid.

SECTION 9. Nontransferability 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

SECTION 1. Purposes and Organization. Members of the Association having common interests as purchasing managers or supply managers in a particular industry or commercial activity, or common interests in a certain classification of commodities or materials, may organize a Group 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 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 within the Association shall consist only of persons who are regular members of the Association. Any Group may have associate members of the Association, provided such associate members meet the eligibility standards set forth in Section 1 (a) of Article III and provided, further, that at least one member of the same company hold a regular membership in the Association. Membership in the Association as a nonvoting member shall be required for election as an associate member of a Group and associate members of a Group shall not vote or hold office in the Group.

ARTICLE VI

DUES

SECTION 1. Amount. The amount of annual dues for regular members and each class of nonvoting 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 in 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.

SECTION 2. Payment. Dues for regular and nonvoting 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 according to a schedule established by the Board.

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.

SECTION 4. Schedule of Dues. The Association shall cause to be mailed to each member of the Association on or before the First of December of each year a schedule of annual dues payable for each category of membership as of January 1 of the next succeeding calendar year. The mailing of the schedule of dues described in this Section shall not preclude the Association from causing a change in the amount of any dues set forth on such schedule during any calendar year, provided such change is made effective on or after the date such change in dues is approved by the Association in accordance with these Bylaws.

ARTICLE VII

BOARD OF DIRECTORS

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

SECTION 2. Membership. The Board of Directors shall consist of the President, President Elect, Treasurer, Secretary, Executive (appointive) and four Directors.

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 above.

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 of office by his or her successor.

SECTION 5. Vacancies. Vacancies on the Board of Directors shall be filled by appointment by the remaining Board of Directors.

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 Telephone Conference. Any one or more members of the Board of Directors, or of any Committee thereof, may participate in a meeting of the Board of Directors or Committee by means of a 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 that 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 at any regular meeting, or at a special meeting called for the purpose, may appoint an executive committee of the Board of Directors consisting of the President and four (4) other members of the Board of Directors. The Executive Committee will be presided over by the President, who will call the meetings of the Executive Committee, designating the time and place and the matters to be discussed and acted upon. The Executive Committee may participate in a committee by means of a telephone conference as provided in Section 8 of Article VII.

The Executive Committee shall have the authority, as directed by the Board of Directors, to act on business and administrative matters in place and instead of the Board of Directors between meetings of the Board of Directors by these Bylaws. Actions of the Executive Committee shall be reported to the Board of Directors within ten (10) days for ratification at the next board meeting.

ARTICLE VIII

OFFICERS

SECTION 1. Officers. The officers of the Association shall be the President, President Elect, Treasurer and Secretary.

SECTION 2. Appointment. The officers shall be appointed to individual offices by the Board of Directors of the Association at their first meeting following the annual meeting held 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 the Association committees. The President shall have, in addition, the duties made incumbent upon the office by any other provision of these Bylaws and which may be assigned by the Board of Directors. In the event of a vacancy in the office of President resulting from death, resignation, disqualification or permanent inability to serve, the President Elect shall assume the office of President and shall perform all the duties of such office for the unexpired term.

SECTION 4. Duties of President Elect. The Presidents 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 the 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 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 the 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 the Board of Directors of the Association or which may be required by law.

SECTION 6. Duties of Secretary. The Secretary shall be responsible for the preparation of all minutes of meetings of the Board of Directors and members of the Association; the maintenance and safekeeping of all corporate and membership records of the Association, and the serving or publication of all notices required by law or these Bylaws concerning any meeting or any other matter applicable to the Association; and shall perform such other duties as may be assigned from time to time by the President and Board of Directors of the Association or which may be required by law.

SECTION 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 investment s 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 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 on such date 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 the presence at such meeting of at 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.

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 Credentials 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 Robert's Rules of Order when not in conflict with these Bylaws.

ARTICLE X

COMMITTEES

SECTION 1. Standing Committees. The following standing committees shall be established within the Association:

- (a) Membership Activities
- (b) Professional Development
- (c) Public Relations
- (d) Pre-Dinner Seminars
- (e) Programs
- (f) International
- (g) Presidential Advisory
- (h) Diversity Awareness/Minority Business
- (i) Industry Show

The Board of Directors of the Association shall be authorized from time to time to designate additional 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 committee 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 the 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 nominees 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. Appropriated 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 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 purchasing and supply management profession to be selected by the Board of Directors and regular members of the Association.

ARTICLE XIII

CHAPTERS

SECTION 1. Qualifications. The Board of Directors is authorized to establish one or more chapters of members organized for geographical convenience, provided the following organization, qualification, policies and procedures are consistent with the Bylaws of both the National Association of Purchasing Management-Denver, Inc. and ISM:

- (a) The Bylaws and purposes therein;
- (b) The requirements of membership;
- (c) The chapter Board of Directors including Officers' and Directors' qualifications;
- (d) Standing Committees organization.

SECTION 2. Organization. The organization of the Chapter should mirror the organization of the National Association of Purchasing Management-Denver, and its Bylaws. Membership meetings however, should not conflict with those of the National Association of Purchasing Management-Denver, in order to afford attendance at both where desired by the membership.

SECTION 3. Representatives. The Board of Directors of the National Association of Purchasing Management-Denver, Inc. shall be expanded to accommodate a maximum of three (3) additional Directors from each chapter as representatives of their chapter.

SECTION 4. Affiliation. The Chapter is an integrated activity of the National Association of Purchasing Management-Denver, Inc. until such time the chapter has sufficient membership and funds to meet the qualifications as an affiliated Association of ISM.

ARTICLE XIV

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 a meeting or for any action without a meeting, it must be approved by 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.

ARTICLE XV

INDEMNIFICATION

SECTION 1. The 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 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. Any indemnification made pursuant to Section 1 of Article XV hereof, shall be made by this Association if authorized in one of the following ways:

1. 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 XV hereof; or
2. If a quorum under subparagraph (1) above is unobtainable or, even if obtainable, a quorum of disinterested directors so directs:
 - a) 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 XV has not been violated by such director or officer, or
 - b) 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 XV.

SECTION 3. 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 of members, 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.