

INSTITUTE FOR SUPPLY MANAGEMENT-NEW JERSEY, INC.

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INSTITUTE FOR SUPPLY MANAGEMENT- NEW JERSEY, INC.

BY-LAWS

ARTICLE I

NAME AND LOCATION

SECTION 1. NAME. The name of this Association shall be the Institute for Supply Management-New Jersey, Inc., a nonprofit corporation organized and existing by virtue of the laws of the State of New Jersey (hereinafter referred to as the "Association").

SECTION 2. LOCATION. The principal offices of the Association shall be located in the Town of Hillsborough, State of New Jersey or in such other localities as may be determined by the Board of Directors.

SECTION 3. USE OF NAME. Refer to Article XVII

ARTICLE II

PURPOSE

SECTION 1. PURPOSE. The Association is a nonprofit corporation organized and operated not for pecuniary profit, but exclusively for educational purposes within the meaning of Section 501 (c) (3) 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 encourage, foster, promote and advance the development of education and educational programs, courses, seminars and materials in the field of purchasing management and supply management and all subjects related thereto;
- (b) To establish, develop, conduct and make available educational courses and similar programs of instruction for the benefit of the general public, other procurement professionals, and the members of the Association on the subject of purchasing management and supply management and all subjects related thereto;
- (c) To conduct, sponsor and encourage research and study in the field of purchasing management and supply management and all subjects related thereto and to make available to the general public, other procurement professionals, and members of the Association the results of such research and study;

- (d) To cooperate and consult with educational institutions in the development of educational courses and similar programs of instruction for the education of persons interested in the study of purchasing management and supply management and all subjects related thereto;
- (e) To develop through research, education, discussion and the exchange of information, a better public understanding of purchasing management and supply management and all subjects related thereto, including the importance of the foregoing within the socio-economic system;
- (f) To publish for the benefit of the general public, other procurement professionals, and the members of the Association, writings, papers, books, periodicals, pamphlets and other educational materials to advance the study, training, skill, learning and the knowledge of persons interested in the field of purchasing management and supply management and all subjects related thereto;
- (g) To encourage and stimulate public interest in the field of purchasing management and supply management and all subjects related thereto by means of programs conducted to educate the general public, other procurement professionals, and the members of the Association;
- (h) To collect and disseminate by all lawful means information of interest and educational benefit of the general public, other procurement professionals, and the members of the Association, including surveys and reports of current business trends and other information of general educational interest;
- (i) To develop, sponsor, promote and encourage for the benefit of the general public, other procurement professionals, and the members of the Association an educational certification program pertaining to the field of purchasing management and supply management and all subjects related thereto;
- (j) To establish and operate a scholarship program for the benefit of qualified members and students interested in the study of purchasing management and supply management and all subjects related thereto;
- (k) To associate and be affiliated with other associations, educational institutions and other organizations interested in the field of purchasing management and supply management and all subjects related thereto, and to cooperate, collaborate and exchange information by all lawful means with such associations, institutions and organizations;
- (l) To do any act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for pecuniary profit or financial gain of its members, directors or officers, except as otherwise permitted by the New Jersey Not-For-Profit Corporation Law, subject, however to the limitations imposed by Section 2 hereof.

SECTION 2. SECTION 501 (C) (3) TAX EXEMPTION. Notwithstanding anything contained herein to the contrary, nothing herein contained shall authorize the Association, directly or indirectly, to engage in any act or thing incidental to or connected with the purposes set forth in Section 1 hereof or in advancement thereof which would cause the Association to be disqualified as an educational organization within the meaning of Section 501 (c) (3) of the Code, and in this connection the following limitations shall apply to the purposes for which the Association shall be organized and operated:

- (a) The Association shall not be operated for the purpose of carrying on a trade or business for profit.
- (b) No substantial part of the activities of the Association shall consist of attempting to influence legislation (including action by Congress, any state legislature, any local council or similar governing body, or the public in referendum, initiative, constitutional amendment, or similar procedure) through propaganda or otherwise (including contacting, or urging the public to contact members of a legislative body for the purpose of proposing, supporting or opposing legislation, or advocating the adoption or rejection of legislation) in contravention of applicable provisions of the Code permitting such legislative activities without loss of exemption under Section 501 (c) (3) of the Code; nor shall the Association directly or indirectly, participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- (c) No compensation, loan, or other payment shall be made to any officer or board member, or member of the Association, or substantial contributor to it, except as reasonable compensation for services rendered and/or as a reasonable allowance for authorized expenditures incurred on behalf of the Association; and no part of the assets or net earnings, current or accumulated, of the Association shall be distributed to or divided among such persons, or inure, be used for, accrue to, or benefit any such person or private individual (pursuant to the prohibition contained in Section 501 (c) (3) of the Code).
- (d) No solicitation or contributions to the Association shall be made, and no gift, bequest, or devise to the Association shall be accepted upon any condition or limitation that in the opinion of the Association may cause it to be disqualified for exemption under Section 501 (c) (3) of the Code.
- (e) Notwithstanding any other provision of these Bylaws to the contrary, including without limitation, Article XVI, Dissolution, hereof, in the event of a liquidation, dissolution, termination or winding up of the Association whether voluntary, involuntary or by operation of law, and subject to the approval of a Justice of the Supreme Court of the State of New Jersey, none of the property or assets of the Association shall be made available in any way to any individual, corporation or other organization, except to corporations or other organizations located in the United States which qualify for exemption under Section 501 (c) (3) of the Code, or organizations contributions to which are deductible under Section 170 (c) (1) of the Code.

- (f) 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 Board of Directors of ISM.*

ARTICLE III

MEMBERSHIP

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

SECTION 2. 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 3. 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 purchasing management or materials management or other related fields or subjects. Academic members are Regular voting members.

(b) Student Members. An undergraduate or graduate student enrolled fulltime 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 dues and may be exempted from 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) Honorary Members. A person not qualified for regular membership but who has rendered distinguished or unusual services to the purchasing and materials management profession, and who has been elected to the class of membership by vote of the Board of Directors of the Association and by a vote of the regular members of the Association. Election to honorary membership shall be for such a period as the Association may designate, but the Board of Directors of the Association shall have the authority and duty to revoke the honorary membership of any individual whenever they shall determine that continuation of the honorary membership would be inconsistent with the policies and objectives of ISM, or the Association.

SECTION 4. 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 III, Section 1. This is an ISM-NJ member only.

(b) Honorary Members as described in Section 3(d) of this article.

(c) Student Members are Regular non-voting members as described in Section 3 (b) of this article.

SECTION 5. Admission of Members. Admission of all applicants for membership in the Association shall be in accordance with the following procedures:

- a. The Membership Committee of the Association shall review all applications for membership in the Association which shall be in writing and on an official Association form.
- b. The Membership Committee, through the Eligibility 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 and notify all applicants of the action by the Board of Directors.

SECTION 6. Denial of Membership. An affiliated association has the right to deny Regular membership, as authorized in the ISM Bylaws, Article II, Section 1. ISM Affiliate Support will consider an appeal by the applicant. Except for rare and extraordinary circumstances, the decision of Affiliate Support concerning denial of Regular membership will be final and binding and will not be considered by the ISM Board of Directors.

SECTION 7. 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 8. Reinstatement. A former member of the Association, whether a resigned or expelled member desiring reinstatement of membership, may be reinstated as a member of the Association upon showing proof of eligibility and paying all current year's dues [and an administration fee or similar charge which may be imposed by the Association from time to time].

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

ARTICLE IV

MEETINGS AND VOTING

SECTION 1. ANNUAL MEETING. The annual meeting of the Association membership shall be held 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 thirty (30) days prior thereto.

SECTION 2. REGULAR MEETINGS. The regular meetings of the Association shall be held as determined by the Board of Directors. Due notice of such meetings shall be sent to all members.

SECTION 3. 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 Title XV Corporations and Associations Not for Profit Act of the State of New Jersey.

SECTION 4. QUORUM. At all annual or special meetings of the Association membership a quorum shall be the presence at such meeting of at least (5 percent) of the total regular membership of the Association. In the event a quorum is not achieved at the annual or special meeting the Board of Directors may determine to proceed by seeking a mail or e-mail vote from the membership. A ballot to be considered valid must be signed by the regular member casting the ballot.

SECTION 5. 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 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 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 order shall be decided under Robert's Rules of Order when not in conflict with these Bylaws.

ARTICLE V

AFFILIATION WITH THE INSTITUTE FOR SUPPLY MANAGEMENT

SECTION 1. GENERAL. The Association shall be affiliated with the Institute for Supply Management; otherwise referred to in these Bylaws as 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 V.

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 New Jersey 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 IV, Dues and Administrative Charges 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 and Ethical Guidelines.
- (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 VI

DUES & CHARGES

SECTION 1. APPLICATION FEE

A. The amount of application fee for regular members and each class on non-voting members of the Association shall be determined by the Board of Directors of the Association and voted upon by the members of the Association. The fee must accompany the application.

B. No application fee shall be charged by this Association to a transferee from another association affiliated with ISM.

C. No application fee shall be charged by this Association to an individual whose application for membership indicates they are replacing another member of a company

where both are employed and when approved by the Board of Directors of this Association.

SECTION 2. ANNUAL DUES. The amount of annual dues for regular members and each class of non-voting members of the Association shall be determined by the Board of Directors of the Association and notification will be sent to the members of the Association. Annual dues for regular members of the Association shall include an amount equal to the annual dues in effect from time to time for membership in ISM.

SECTION 3. DISCOUNTS.

- a. Discounts on dues and fees may be offered for multiple members of the same corporation as determined by the Board of Directors.
- b. Other discounts on dues and fees may be offered at the discretion of the Board of Directors.

SECTION 4. PAYMENT. The annual dues must be paid in advance dating from the first of the month after election through June 30th, pro-rated per month for the first year of membership and annually thereafter, payable on July 1st of the year. A member may, at their option, pay their full year dues in two installments, in which case one half would be payable on July 1st and the balance on January 1st. Honorary and lifetime members shall not be charged dues. The Board may authorize waiving dues of regular members in the academic field. All newly elected members will be billed immediately after election to membership in the Association.

SECTION 5. NONPAYMENT OF DUES. A member of the Association whose dues are sixty (60) day 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.

ARTICLE VII

DIRECTOR FOR NATIONAL AFFAIRS

SECTION 1. DIRECTOR FOR NATIONAL AFFAIRS. The Association shall annually elect a Director of National Affairs who shall be a member of the Board of Directors.. The President of the Association may be designated to serve as the Director for National Affairs as well as President of the Association. The Director for National Affairs shall have the powers and duties set forth in this Article.

SECTION 2. QUALIFICATIONS. To be eligible for election or appointment to the office of Director for National Affairs, a candidate must have been a member of ISM for not less than three (3) years and have served in at least one elective office of the Association. In addition, a Director for National Affairs must be, at the time of election or appointment and throughout the term of such office, a regular member of the Association, and termination of such membership shall immediately disqualify the candidate or incumbent.

SECTION 3. ELECTION. Director for National Affairs shall be elected in accordance with the procedures set forth in Articles IV, IX and XI of these By-laws.

SECTION 4. ALTERNATES. In the event of the temporary inability of a Director for National Affairs to perform the duties of office, resulting from illness or any other cause, an alternate shall be immediately appointed by the President of ISM-New Jersey The member elected or appointed as an alternate shall possess the qualifications set forth in Section 2 of this Article.

SECTION 5. VACANCY. In the event of a vacancy in the office of any Director for National Affairs resulting from death, resignation, disqualification or permanent inability to serve, the Board of Directors shall within thirty (30) days after the date the office is vacated, appoint a successor for the un-expired term. The successor appointed to fill such vacancy shall possess the qualifications set forth in Section 2 of this Article

ARTICLE VIII

BOARD OF TRUSTEES

SECTION 1. The policy making body of the Association shall be the Board of Trustees. The Trustees shall make no policy which is inconsistent with the purposes of the Association as stated in Article II herein.

SECTION 2. MEMBERSHIP. The Board of Trustees will consist of a minimum of six (6) members, two (2) of which shall be the President and the Executive Director of the Association who shall be an ex-officio member. The remaining four (4) members shall be either past Presidents, or past DNA's of the Association.

SECTION 3. TERM. The Board of Trustees shall be elected for two year staggered terms except the President who shall be elected for a one year term and the Executive Director who will be appointed by the Board of Directors from time to time.

SECTION 4. ELECTION. The Board of Trustees will be elected by a majority of the Association members present and voting at the annual meeting of the Association .. Vacancies will be appointed by the remaining members of the Board of Trustees to fill an un-expired term.

SECTION 5. MEETING. The Board of Trustees shall meet at least once per year. The annual meeting of this Board shall be at the discretion of the board as they deem necessary to carry out its stated purposes. Other meetings may be called for by any three trustees acting in consort provided all members of the Board of Trustees are notified of any such meeting in writing at least ten (10) days in advance of said meeting. A Quorum shall consist of four (4) Board Members.

SECTION 6. POLICY APPROVAL. Policy determinations by the Board of Trustees shall be approved by majority vote of the Association membership present at a regular meeting, however, no policy inconsistent with the purposes of the Association as stated in Article II herein shall be approved, provided such policy determinations have been

presented in writing at least thirty (30) days prior to the regular meeting at which a vote will be taken.

ARTICLE IX

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 By-laws enacted by vote of the members of the Association, shall have authority to take such action in matters of procedure as, in its judgment, will best promote the interests and welfare of the Association.

The Board of Directors shall report to and receive direction from the Board of Trustees in matters of Association policy.

The Board of Directors shall make all appropriations from its funds, but shall have no power to make the Association liable for any debt in an amount which shall exceed the sum of the funds in the hands of the Treasurer and not otherwise appropriated.

SECTION 2. MEMBERSHIP. The Board of Directors of the Association shall consist of Regular members and elected by the membership as provided under Section 3 of this Article IX. Composition of the Board of Directors shall be as specified in Article XI, Section I. At the discretion of the Nominating Committee and the Board of Directors, Co-Directors may be elected as needed.

SECTION 3. ELECTION. The Directors shall be elected by the Regular members of the Association at their annual meeting in accordance with Article IV hereof.

SECTION 4. TERM OF OFFICE. Terms of office for the Board of Directors shall be normally two years.

Terms shall begin on July 1st and conclude on June 30th as appropriate. Terms for Directors and Directors-at-Large shall be staggered so as to renew approximately half of all such Directors annually.

SECTION 5. VACANCIES. Vacancies of the Board of Directors shall be filled for the un-expired term of such vacancy on the nomination of the President and with the concurrence of two-thirds of the voting members of the Board.

Vacancies in the office of the President, whether permanent or temporary through the absence or inability by the President to fulfill the duties of the office, shall be filled in succession by the 1) President-Elect 2) Vice President of Business Development and, 3) Vice President of Finance and Treasurer.

SECTION 6. MEETINGS. The regular monthly meetings of the Board of Directors shall be held once a month on a day, time and place selected jointly by the Executive Committee. Due notice of such meetings shall be sent to all members of the Board. The July and August meetings of the Board of Directors may be dispensed with at the discretion of the Board of Directors.

SECTION 7. QUORUM AND VOTING. A quorum of the Board of Directors shall consist of a majority of its officers.

SECTION 8. EXECUTIVE COMMITTEE. The Executive Committee shall consist of the President, President-Elect, Vice President of Business Development and the Vice President of Finance and Treasurer. The Executive Committee will preside over any special meetings or forums at the discretion of the President.

ARTICLE X

DIRECTORS-AT-LARGE

SECTION 1. QUALIFICATIONS. To be eligible for election a candidate must have appropriate experience in the specialty of the position.

SECTION 2. NOMINATION AND ELECTION. The Board of Trustees shall act as the Search Committee to identify qualified candidates who shall be elected by a two-thirds vote of the Board of Directors.

SECTION 3. VACANCIES. All or none of the six (6) Directors-at-Large positions may be filled as determined by the Board of Directors.

ARTICLE XI

OFFICERS

SECTION 1. OFFICERS. The officers of the Association shall be the President, President-Elect, Vice President of Business Development, Vice President of Finance and Treasurer, Director for National Affairs and Directors of Programs, Membership, Education Liaison, Communications, Professional Development and up to six (6) Directors-at-Large as specified in Article X.

SECTION 2. QUALIFICATIONS. To be eligible for election or appointment to the office of (President, President-Elect, Vice President Business Administration or Vice President of Finance), a candidate must have been a member of ISM for not less than three (3) years and have served in at least one elective office of the Association. In addition, all officers must be, at the time of election or appointment and throughout the term of such office, a regular member of the Association, and termination of such membership shall immediately disqualify the candidate or incumbent.

SECTION 3. ELECTION. The officers shall be elected by the regular members of the Association at their Annual Meeting held in accordance with Article IV hereof.

SECTION 4. DUTIES OF PRESIDENT. The President shall be chief executive officer and chairman of the Board of Directors, and shall exercise general supervision over the

executive affairs of the Association. He/She shall preside at all meetings of the Association membership and of the Board of Directors and shall be a member, ex-officio, of all Association Committees. The President will be a member of the Board of Trustees. The President shall have, in addition, the duties made incumbent upon the office by any other provision of these By-Laws and which may be assigned by the Board of Directors. The President may from time to time recommend for approval by the Board of Directors, changes in reporting assignments (organization plan), of the Officers, Directors and Committees. In the event of a vacancy in the office of President resulting from death, resignation, disqualification or permanent inability to serve, see Article IX, Section 5.

SECTION 5. DUTIES OF PRESIDENT-ELECT. The President-Elect shall perform such duties as may be assigned from time to time by the President and 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 6. DUTIES OF VICE PRESIDENT OF BUSINESS DEVELOPMENT. The Vice President Business Development 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 or President-Elect to perform the duties of his or her office resulting from illness, absence or any other cause, the Vice President of Business Development shall perform all the duties of the office of President or President-Elect until such time as the incumbent is able to resume the duties of the office. Vice President of Business Development shall be responsible for the affiliates' Marketing Plan.

SECTION 7. DUTIES OF VICE PRESIDENT OF FINANCE AND TREASURER. The Vice President of Finance and Treasurer shall be responsible for the preparation of the annual budget and present same to the Board of Directors. It shall be the duty of the Vice President of Finance and Treasurer to regularly monitor the budget with respect to revenue and expenses. The Vice President of Finance and Treasurer shall provide for an independent annual audit for the Board of Directors.

The Vice President of Finance and Treasurer shall keep a correct account of all monies due and collected by this Association; shall be the custodian of all monies belonging to this Association; shall keep a correct account of all bills, orders, claims and demands against this Association; shall supervise all disbursements as authorized by the Board of Directors; shall each month render, or cause to be rendered, to the President a complete report of the Association finances, copies of which shall be made available for examination by members of the Board of Directors at their regular meetings, or at other times deemed necessary by the President; and shall receive and audit all requests for expenditures. All checks drawn on the order of the Association shall be signed by any two of the following officer President, President-Elect, Vice President of Business Development, Vice President of Finance and Treasurer, and Executive Director.

The Vice President of Finance and Treasurer upon election and prior to entering their office, shall furnish upon request such information as may be required for bonding purposes. Bonding expenses to be borne by the Association.

At the conclusion of the term of office, the Vice President of Finance and Treasurer shall deliver to the successor all monies, books, documents, vouchers, and any other property in his possession belonging to this Association.

SECTION 8. DUTIES OF THE DIRECTORS. The five (5) Directors each have responsibility for a key area of Association activities. They are: Programs, Membership Activities, Education Liaison, Professional Development and Communications. As such, they are to ensure that the Committee Chairs under their purview carry out their assigned tasks in a responsible and timely fashion. The Directors are required to report regularly on their assigned responsibilities to the Board of Directors through their designated Vice President or President-Elect.

SECTION 9. DUTIES OF DIRECTOR FOR NATIONAL AFFAIRS. It shall be the duty of a Director for National Affairs to represent the members of the Association as a member of the NY/NJ Forum and also to represent members of the Association at all meetings of ISM. A Director for National Affairs when assembled with other Director for National Affairs at a NY/NJ Forum Meeting or at a meeting of the ISM membership shall act as a delegate for the members of the Association and shall have and may exercise all the powers, rights and privileges of the members of the Association, including without limitation, to vote on all matters requiring the vote of the ISM membership as the delegate of the members of the Association in accordance with voting procedures and instructions as may be furnished by the Association. The Director for National Affairs shall inform the Director of ISM representing NY/NJ Forum, and other members of the NY/NJ Forum Council, concerning the membership, opinions, suggestions and recommendations of the Association. Within the Association, a Director for National Affairs shall represent ISM and the NY/NJ Forum Council and shall report on current activities, programs, and policies of ISM and NY/NJ Forum. The Director for National Affairs shall further report on such other subjects as may be required by the ISM Director representing NY/NJ Forum and shall perform such special duties as may be assigned to them by the NY/NJ Forum.

SECTION 10. DUTIES OF DIRECTOR(S)-AT-LARGE. To have General oversight responsibility and serve on special assignments as requested by the President.

SECTION 11. DUTIES OF THE EXECUTIVE DIRECTOR. The Executive Director shall perform duties such as maintaining membership database; monthly ISM membership reporting; distribution of publications (newsletters and seminar brochures); record and compile financial reports for Treasurer; responsible for payment of all invoices; make all deposits; maintain proper insurance coverage for board members and office; liaison with ISM affiliate support; editor of the newsletter (Points of Purchase); editor of Professional Development Seminar brochures; set up seminars (site and instructors) at the discretion of the Professional Development Director; customer service to all members and non-members; Programs – contact with hotels for dinner meeting space; compile and distribution of monthly board of directors meeting minutes, agenda and committee reports; maintain by-laws, policies and files for historical purposes; assist Board of Directors as needed. The Executive Director will also carry out tasks and special assignments at the discretion of the President.

ARTICLE XII

COMMITTEES

SECTION 1. STANDING COMMITTEES. Prior to the first meeting after taking office, the President shall appoint the necessary standing committees and Chairs for the current association year and such other committees as shall be deemed necessary and advisable. Terms of office are concurrent with the fiscal year (July 1st through June 30th).

Chairs of standing committees shall serve until their successors are appointed. The duties of all standing committees shall be outlined in a manual approved by the Board of Directors.

All committees shall report to the Vice President of Finance and Treasurer all monies collected or expended. All bills shall be paid by the Vice President of Finance and Treasurer unless otherwise authorized by the Board of Directors.

SECTION 2. The purpose and responsibilities of standing committees shall be as follows:

- A. Membership Activities Committee (M.A.C.) Purpose: To increase the membership of this Association by every means possible consistent with good practices and high standards of this Association. To coordinate the functions of Attendance, Reception and Eligibility.
 - Eligibility - Purpose: To investigate all applications and report to the Board of Directors through the Executive Director as to eligibility and cause to be reviewed annually the continued eligibility of regular and associate members.

- B. Nominating Committee - A committee of five (5) regular members, which shall be known as the Nominating Committee, shall be appointed by the President not later than ninety (90) days prior to the annual meeting. Members of the Committee shall choose a Chairman from among its members.

No more than 2 members of this Nominating Committee shall be members of the Board of Directors.

It shall be the duty of the Nominating Committee to nominate and obtain the consent of the persons so nominated for the following offices: President, President-Elect, Vice President of Business Development, Vice President of Finance and Treasurer, Director for National Affairs, Directors as appropriate (except for Directors-at-Large who shall be nominated and elected in accordance with Article X) and any other vacancies to be filled by election to the Board of Directors. The Nominating Committee shall also nominate a qualified person to fill full two year terms of office on the Board of Trustees when vacancies exist.

The name of the consenting nominees for the various offices for the ensuing term shall be sent by the Nominating Committee to the Executive Director by whom such a list of nominees shall be announced at the regular meeting immediately preceding the annual meeting.

Any five (5) or more regular members, acting jointly, may present to the Executive Director, not later than April 1st prior to the annual meeting, the names of any other candidates whom they wish to nominate and the respective offices for which they are to be nominated. The Executive Director shall announce such nominations prior to the election.

All the elected officers shall be installed at the June meeting but shall not assume the duties of their respective offices until July 1st.

- C. Professional Development – Purpose: To provide and make available to the membership special educational programs and self improvement opportunities through meetings and special forums, panel and instructive class work meetings for interested members, as may be deemed necessary.
- D. Program - Purpose: To develop and prepare the programs for Association meetings and coordinate programs delegated to other standing or special committees.
- Attendance - Purpose: To encourage good attendance at all regular and special meetings of this Association and maintain a record of attendance.
 - Forum - Purpose: To foster discussion of purchasing and related subjects of interest to the membership through the use of panel discussion and questions-and-answer programs.
 - Membership Meeting - Purpose: To provide the necessary locations, food and refreshments for business meetings and events.
 - Reception - Purpose: To promote fellowship among members and to encourage communications among members and guests at regular and special meetings and events.
- E. Communications – Purpose: To keep before the public the achievements and progress of this Association and its members.
- a. Public Relations - It shall be responsible for developing, maintaining and directing Public Relations programs that will enhance the supply management profession in the State of New Jersey.
 - b. Publications - To direct the professional purchasing publication and report the status to the Board of Directors.
- F. Education - Purpose: To develop and administer the Association's scholarship program. To establish a liaison with New Jersey Colleges and Universities to further the recognition of the association's educational

goals. To serve as a resource to New Jersey Colleges and Universities in developing programs relating to purchasing education and publicizing purchasing as a profession. To maintain contact with Dues Free Academic Members.

SECTION 3. 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.

ARTICLE XIII

FINANCES

SECTION 1. FISCAL YEAR. The fiscal year of the Association shall begin on July 1st of each year and terminate on June 30th of the following year.

SECTION 2. EXPENDITURES. Expenditures of the Association funds shall be made only pursuant to an annual budget which shall be approved and authorized by the Board of Directors.

SECTION 3. PERMANENT RESERVE FUND. A permanent reserve fund shall be maintained by the Association on its financial records in an amount which shall be equal to twenty-five percent (25%) of the gross expenditures incurred by the Association during the preceding fiscal year, minus fifty percent (50%) of the value of any investment of the Association in real estate and leasehold improvements, reflected at lower of cost or market and net of any secured indebtedness applicable thereto. No expenditure of the Association funds shall be authorized which causes the Permanent Reserve Fund to be less than the amount required by this Section, unless such expenditure, in the judgment of the Board of Directors, is emergent and is approved by a two-thirds (2/3) vote of the Board of Directors. If the Permanent Reserve Fund shall become less than the amount required by this Section, the Board of Directors shall annually budget and transfer to the Permanent Reserve Fund not less than three percent (3%) of the gross income for each fiscal year until the required amount has been restored.

SECTION 4. INVESTMENTS. The Permanent Reserve Fund and all other funds of the Association in excess thereof shall be invested in accordance with the following procedures:

- (a) The Board of Directors shall be responsible for the investment and reinvestment of all funds of the Association based upon investment recommendations developed by the President-Elect and the Vice President of Finance and Treasurer which shall be reviewed and approved by the Board of Directors. The status of such investments shall be reported regularly to the Board of Directors by the Vice President of Finance and Treasurer.

b) The Permanent Reserve Fund shall be invested in accordance with paragraph (a) of this Section at all times in bonds, notes, bills, or other obligations of the United States Government (hereinafter referred to as "Government Obligations") or in such other investments such as certificates of deposit, time deposits, shares of 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 or yield offered by the Government Obligations; provided, however, such other investments shall be fully insured as permitted by law or shall be secured by Government Obligations with a value equal to one hundred percent (100%) of the amount of such investment.

(c) All funds of the Association in excess of the Permanent Reserve Fund may be invested or reinvested in such assets as the Board of Directors may determine from time to time based upon the investment recommendations and procedures described in paragraph (a) of this Section, whether or not such assets are eligible investments for fiduciaries under any applicable law or statute.

(d) The Board of Directors shall be authorized in their sole discretion to retain the services of a qualified investment adviser and to pay compensation to such adviser for investment advisory services with respect to the investments of the Association funds within the limitations imposed by this Section. In the event the Board of Directors authorizes and retains an investment adviser as permitted by this paragraph, all investment decisions described in paragraph (a) of this Section shall be delegated to such investment adviser and all investments and reinvestments shall be based upon the recommendation of such adviser.

ARTICLE XIV

INDEMNIFICATION

SECTION 1. MANDATORY INDEMNIFICATION. 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 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 the Association served in any capacity at the request of the Association, by reason of the fact that he or she, his or her testator or intestate, was a director or officer of the 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 attorney's fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein. Notwithstanding the foregoing, 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 was material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she is not legally entitled.

SECTION 2. PROCEDURES FOR INDEMNIFICATION. Any indemnification made pursuant to Section 1 of this Article shall be made by the 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 set forth in Section 1 of this Article; or
2. If a quorum under subparagraph (1) above is not obtainable 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 this Article has not been violated by such director or officer, or
 - (b) by the Association members upon a finding that the director or officer has not violated the standard of conduct set forth in Section 1 of this Article.

SECTION 3. PAYMENT OF EXPENSES. 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 the Association exceed the indemnification to which he or she is entitled. If any action with respect to indemnification of directors and officers is taken, the 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.

ARTICLE XV

AMENDMENTS

SECTION 1. These Bylaws may be amended at any regular meeting of the Association by an affirmative vote of two-thirds (2/3) of the regular members present, provided the proposed amendment has been read at a previous meeting and published in the monthly meeting notice sent to all members prior to the meeting at which it is to be voted upon, and providing at least a quorum of the regular membership is present at said meeting.

SECTION 2. These Bylaws shall be reviewed every two years or more frequently by the Board of Trustees, at the discretion of the Board of Directors.

ARTICLE XVI

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 Title XV, Corporations and Associations Not For Profit Act of the State of New Jersey, 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 materials management profession to be selected by the Board of Directors and regular members of the Association.

ARTICLE XVII

USE OF NAME

SECTION 1. No officer, employee or member of this Association, nor any committee, sub-committee, or part thereof, except the President or designee, subject to such limitations as may from time to time be imposed upon him by the Board of Directors, shall under the claim of authority from the Association use its name or credit or make any statement, written or oral, for publication or other purpose to the press or otherwise, purporting to announce the contemplated acts, of the Association, or in anywise committing the Association or any of its members, unless the Board of Directors shall, at a duly assembled meeting by resolution duly passed and entered in the minutes, make such statement touching its contemplated acts and confer authority to the making thereof.

SECTION 2. The Board of Trustees from time to time may authorize the President or others to make announcements of policy or contemplated policy provided such authorization has been approved and entered by resolution into the minutes of an annual or duly called other meeting of the Board of Trustees.

ARTICLE XVIII

GROUPS AND FORUMS

SECTION 1. PURPOSES AND ORGANIZATION. Members of the Association having common interests as purchasing managers or materials managers in a particular industry or commercial activity, or common interests in a certain classification of

commodities or materials, may organize a Group and 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 and 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 or Forum within the Association shall consist only of persons who are regular members of the Association. Any group 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 III. Associate members of a Group and Forum shall not vote or hold office in the Group.

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