

# **POWER-MOTION TECHNOLOGY REPRESENTATIVES ASSOCIATION**

## **BYLAWS**

### **Article I**

#### **NAME AND LOCATION**

Section 1. The name of this organization shall be the POWER-MOTION TECHNOLOGY REPRESENTATIVES ASSOCIATION, a nonprofit corporation incorporated in the State of Texas.

Section 2. Offices of the Association shall be located in the State of Texas and/or in such other localities as may be determined by the Board of Directors.

### **Article II**

#### **OBJECTIVES**

The objectives of this Association shall be as follows:

- (1) To promote and advance the science of power transmission and motion control equipment;
- (2) To promote activities and programs of an educational nature, within the industry, designed to improve business practices, merchandising programs and service;
- (3) To acquaint public and private agencies, institutions, and organizations with developments in the industry and the part the representative occupies in the economy and development of the nation;
- (4) To encourage a spirit of cooperation among the members of the Association and its manufacturers;
- (5) To cooperate with other industries, organizations and government agencies on matters of common interest; and
- (6) To do anything necessary and proper to accomplish the objectives herein set forth or which shall be recognized as proper and lawful objectives of trade associations to promote the interest of this Association and which are consistent with the public interest.

Subject to prior approval of the Board of Directors, the Association may take a position and express an opinion on issues directly and generally affecting independent manufacturers' representatives as such; provided, however, that no action shall be taken on such matters as clearly fall solely within the purview of individual members.

## Article III

### MEMBERSHIP

Section 1. *Qualifications:* Active Membership in this Association shall be composed of firms, corporations, partnerships or individuals that are manufacturers' representatives and specialists in power transmission and motion control equipment selling primarily through distribution or to the markets as designated by their principals. An applicant must have been in said business for at least one year before applying for membership unless it is a successor to an entity that has been in that business for that amount of time. An applicant must represent a manufacturer of power transmission or motion control equipment or other entity eligible for Allied Membership in the Association and must operate under contracts or agreements for specific territories. An applicant may not be under the control of a distributor and must be free of financial control by any manufacturer.

All applicants shall agree to comply with the Association's "Code of Ethics" as approved by the Board of Directors.

In the event that an existing member, otherwise qualified for membership, begins to represent only one manufacturer as a manufacturers' representative and therefore may not be, or not be considered totally free of financial control by a manufacture or other entity, such existing member may retain his or her membership in PTR.A.

In the event that an applicant does not represent at least two manufacturers of power transmission or motion control equipment and is not an existing member, such applicant shall be eligible for membership in the Association as long as the applicant has been a manufacturer's representative and specialist in power transmission and/or motion control equipment for not less than one year prior to applying for membership. In all other regards, such applicants must meet the qualifications for membership set forth in this Section 1.

Section 2. *Active Membership:* Active, voting membership shall be limited to two (2) members of the same company; providing each member is an officer, director, holds a financial interest, or is a part of management in the company he or she represents in the Association.

Section 3. *Non-Voting Membership:* The following membership classes shall have no vote nor be eligible to hold office in the Association.

(a) *Affiliate Membership:* Affiliate membership shall be available to any person who is a member of a firm that holds current active membership in the Association. Policies governing the participation of affiliate members shall be determined by the Board of Directors.

(b) *Allied Membership:* Allied membership shall be available to any firm or corporation engaged in manufacturing, importing or assembling power transmission or motion control equipment which markets in at least a portion of the United States through commissioned manufacturers'

representatives. Policies governing the participation of Allied Members shall be determined by the Board of Directors. All Allied Members must have and maintain a registered office in the United States.

*(c) Trade Press Membership:* Trade press membership shall be available to any person representing a firm or corporation that publishes books, magazines, or catalogues, etc., directly related to the power transmission or motion control industry. Policies governing the participation of such members shall be determined by the Board of Directors.

*(d) Senior Membership:* Senior Membership shall be available to any person who is a retired officer, director, person holding a financial interest, or part of the management of a company or sole proprietorship that held active membership in this Association when the prospective Senior Member retired from the company or proprietorship.

*(e) Life and Honorary Membership:* Life and/or Honorary membership, without voting rights, may be conferred upon members of the Association at such time and under such terms as the Board of Directors shall determine.

*(f) Associate Membership:* Associate membership shall be available to any business firms that provide goods or services to those eligible for either Active or Allied membership. Policies governing the participation of such members shall be determined by the Board of Directors.

Section 4. *Application for Membership:* All applicants for membership shall complete in full and sign the form of application provided by the Association and submit the application to the principal office of the Association. Such application shall include an agreement by the applicant to abide by the Association's Code of Ethics and fees as prescribed.

Section 5. *Admission of Members:* Admission of all applicants for membership shall be by a majority vote of those present and voting at any meeting of the Board of Directors, or in such other manner as the Board may determine. If the application is rejected, the applicant shall be entitled to a statement of reasons for the rejection and an opportunity for a hearing before the Board of Directors to respond to the rejection.

Section 6. *Removal:* Members of any classification may be removed from membership by the Board of Directors for cause by two-thirds vote. Sufficient cause for removal shall be violation of the Bylaws or any lawful rule or practice duly adopted by the Association or any other conduct prejudicial to the interests of the Association. A member can be removed for non-payment of dues, as provided in Article IX, Section 2 hereof, without the necessity of a hearing. Removal shall occur only after the member complained against has been advised of the complaint lodged against him or her and has been given written notice of the date, time and place of the meeting of the Board of Directors at which the charges shall be considered. The member shall have the opportunity to appear in person and/or to be represented by counsel to present any defense to such charges before action is taken thereon. Such member, if removed, may appeal the decision of the Board to the general membership during the Annual Meeting of the

Association, providing that notice of intent to appeal is provided to the Executive Director at least ten (10) days in advance of the meeting.

Section 7. *Reinstatement:* A former member desiring a continuous membership record may be reinstated by paying all dues in arrears. If, however, a continuous membership is not desired, the member may be reinstated by paying current year's dues. Such reinstatement requests shall be processed in the same manner as a new member application.

Section 8. *Resignation:* Any member may resign by filing a written resignation with the Executive Director, but such resignation shall not relieve the resigning member of the obligations to pay any dues or other charges previously accrued and unpaid.

#### **Article IV**

##### **DUES**

Section 1. *Establishment of Dues:* Dues and admission fees, if any, for all classes of membership shall be established by the Board of Directors.

Section 2. *Delinquency and Cancellation:* Any member of the Association who shall be delinquent in the payment of their dues for a period of sixty (60) days from the time such dues become due shall be notified of such delinquency and suspended from further service.

If payment of dues is not made within thirty (30) days after the date of notice of delinquency, the delinquent member shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership, unless such suspension, at the request of the member, is waived by affirmative action of the Board of Directors.

Section 3. *Refunds:* No dues shall be refunded to any member whose membership terminates for any reason.

#### **Article V**

##### **MEETINGS OF MEMBERS AND VOTING**

Section 1. *Annual Meeting:* The Annual Meeting of the Association shall be held at such time and place as may be determined by the Board of Directors.

Section 2. *Special Meeting:* Special meetings of the Association may be called by the Board of Directors at any time; or shall be called by the President upon receipt of a written request by twenty-five (25) active members, within thirty (30) days after the filing of such request with the Executive Director. The business to be transacted at any special meeting shall be stated in the notice thereof, and no other business may be considered at the special meeting.

Section 3. *Regional Meeting:* Regional meetings of the Association may be held at such time and place as shall be approved by the Board of Directors.

Section 4. *Notice of Meeting:* Written notice of any meeting of the Association shall be mailed to the last known address of each member not less than ten (10) days and not more than forty (40) days before the date of the meeting.

Section 5. *Voting:* At all meetings of the Association each active member shall have one (1) vote, and may take part and vote in person only. Unless otherwise specifically provided by these Bylaws, a majority vote of those active members present and voting shall govern.

Section 6. *Voting by Mail and or Facsimile:* Proposals to be offered to the members for a mail and/or facsimile vote, excepting election ballots, shall first be approved by the Board of Directors unless such proposal is endorsed by fifty (50) percent of the active members in which case the Board of Directors' approval is not necessary. On any mail and/or facsimile vote, no less than twenty-five (25) percent of all active members shall cast a ballot to constitute a valid action and a majority of those voting shall determine the action.

Section 7. *Quorum of Members:* At an Annual Meeting or special meeting of members, a quorum shall consist of fifty (50) percent of those active members registered for said meeting, providing that no less than fifty (50) percent of the total active members are registered.

Section 8. *Cancellation of Meetings:* The Board of Directors may cancel any Annual Meeting or special meeting for cause. In the event of cancellation of the Annual Meeting, the Secretary shall cause the written report of the Nominating Committee to be mailed or sent by facsimile to the voting membership, allowing fifteen (15) days for the filing of additional nominations endorsed in writing by any ten (10) voting members. Thirty (30) days thereafter, a mail and/or facsimile ballot of Active members shall be conducted to elect directors and the Secretary shall certify their election.

Section 9. *Rules of Order.* The meetings and proceeding of this Association shall be regulated and controlled according to *Roberts Rules of Order* (Newly Revised) for parliamentary procedure, except as may be otherwise provided by these Bylaws.

## **Article VI**

### **OFFICERS**

Section 1. *Elected Officers:* The elected officers of this Association shall be a President, First Vice President, Second Vice President, Treasurer, and Secretary to be elected at the Association's Annual Meeting by vote of the members. The officers elected serve until their successors have been duly elected and assume office.

Section 2. *Qualifications for Office:* Any active member in good standing shall be eligible

for nomination and election to any elected office of this Association.

Section 3. *Nomination and Election of Officers:* In accordance with the procedure specified in Article X, Section 1 of these Bylaws, the Nominating Committee shall prepare and submit, via their chairperson, to the Board of Directors, a nomination for each of the five (5) elected offices of the Association. Any person so nominated shall have given his or her prior consent to nomination and election as an officer. Additional nominations may be made from the floor for any office.

Section 4. *Term of Office:* Each elected officer shall take office immediately upon installation and shall serve for one (1) year or until his or her successor is duly elected and qualified. Each elected officer shall serve concurrently as a member of the Executive Committee.

Section 5. *Re-election:* No elected officer, excepting the Secretary and/or Treasurer, having served one full term, shall be eligible for re-election to the same office, until at least one year shall have elapsed.

Section 6. *Vacancies--Removal:* Any vacancies in any elected office may be filled for the balance of the term thereof by the Board of Directors at any regular meeting, special meeting, or by mail vote. The Board of Directors, in its discretion, by a two-thirds vote of all of its members, may remove any officer from office for cause.

## **Article VII**

### **DUTIES OF OFFICERS**

Section 1. *President:* The President shall serve as Chairperson of the Board of Directors and the Executive Committee. He or she shall also serve as a member, ex-officio, with the right to vote, on all committees except the Nominating Committee. He or she shall make all required appointments of standing and special committees with the approval of the Board of Directors.

At the Annual Meeting of the Association, and at such other times as he or she shall deem proper, the President shall communicate to the members such matters and make suggestions as may in his or her opinion tend to promote the welfare and increase the usefulness of the Association. He or she shall perform such other duties as are necessarily incident to the office of President or as may be prescribed by the Board of Directors.

Section 2. *First Vice President:* The First Vice President's duties shall be delegated to him or her by the Board of Directors, and he or she shall perform the duties of the President in the event of his or her inability to serve.

Section 3. *Second Vice President:* The Second Vice President shall be responsible for such duties as are assigned to him or her by the President with the approval of the Board of Directors.

Section 4. *Treasurer:* The Treasurer shall be in charge of the Association's funds. As Treasurer he or she shall collect all membership dues and/or assessments and shall have established proper accounting procedures for the funds in such banks, trust companies and/or investments as are approved by the Board of Directors, He or she shall report on the financial condition of the Association at all meetings of the Executive Committee and the Board of Directors as required and at other times when called upon by either.

At the end of each fiscal year, as Treasurer, he or she shall prepare an annual report which shall reflect an audit or review by an independent accounting firm. At the expiration of his or her term of office, he or she shall deliver over to his or her successor all books, money, and other property in his or her charge, or, in the absence of a successor, he or she shall deliver such properties to the President. Such duties of the Treasurer as may be specified by the Board of Directors may be delegated to the Executive Director or a designated member of his or her staff.

Section 5. *Secretary:* The Secretary shall be in charge of the Association's records. He or she shall be responsible for the proper and legal mailing of notices to members. He or she shall see to the proper recording of proceedings of meetings of the Association and all committees; and carry into execution all orders, votes and resolutions not otherwise committed. He or she shall keep the seal of the Association. Such duties of the Secretary as may be specified by the Board of Directors may be delegated to the Executive Director or a designated member of his or her staff.

## **Article VIII**

### **BOARD OF DIRECTORS**

Section 1. *Authority and Responsibility:* The governing body of this Association shall be the Board of Directors: The Board of Directors shall supervise, control and direct the affairs of the Association, its committees and publications; shall determine its policies or changes therein; and shall actively prosecute its objectives and supervise the disbursement of its funds. The Board of Directors may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to the Executive Committee.

Section 2. *Composition:* The Board of Directors shall consist of the five elected officers, plus six (6) Active members and the Immediate Past President of the Association. The Immediate Past President shall serve one (1) year on the Board. In addition to the Active members, the three (3) members of the Allied Advisory Board shall serve as non-voting members of the Board of Directors and all shall be elected as herein provided.

The President shall preside over the Board of Directors and in his or her absence the First Vice President shall preside.

Section 3. *Manner of Election and Term:* The officers and the Active members of the Board of Directors shall be elected at the Association's Annual Meeting by a vote of the members. Two (2) directors shall be elected each year to serve for a term of three (3) years or until their successors have been elected and assume office. Allied members of the Board of Directors shall be elected by the Allied membership at a meeting held during the Association's Annual Meeting. One (1) Allied member of the Board of Directors shall be elected each year to serve for a term of three (3) years or until his or her successor has been elected and assumes office.

Section 4. *Re-election:* No member of the Board of Directors, Active or Allied, who has served a full three (3) year term, shall be eligible for re-election until at least one (1) year shall have elapsed.

Section 5. *Nominations:* The Nominating Committee, acting in accordance with Article X, Section 1, of these Bylaws, shall present to the membership, at least thirty (30) days before the Annual Meeting, one (1) nomination for each seat on the Board of Directors which is vacant or is about to expire. Additional nominations may be made from the floor at the Annual Meeting.

Section 6. *Quorum of the Board:* At any meeting of the Board of Directors, no less than eight (8) Active members of the Board shall constitute a quorum for the transaction of business of the Association and any such business thus transacted shall be valid, providing it is affirmatively passed upon by a majority of those present.

Section 7. *Meeting of the Board:* A regular meeting of the Board of Directors shall be held no less than once (1) during each administrative year, at such time and at such place as the Board may prescribe. Notice of all meetings shall be given to the Directors no less than thirty (30) days before the meeting is held. Special meetings of the Board may be called by the Chairperson or at the request of any three (3) Active directors, by notice mailed, delivered, telephoned or sent by facsimile to each member of the Board of Directors not less than seventy-two (72) hours before the meeting is to be held.

Section 8. *Voting:* Voting rights of a director shall not be delegated to another nor exercised by proxy.

Section 9. *Voting by Mail and/or Facsimile:* Action taken by mail and/or facsimile ballot of the members of the Board of Directors, in which at least a majority of such directors, in writing, indicate themselves in agreement, shall constitute a valid action of the Board if reported at the next meeting of the Board of Directors.

Section 10. *Absence:* Any elected director who shall be absent from one (1) meeting of the Board of Directors shall automatically vacate the seat on the Board of Directors and the vacancy shall be filled as provided by these Bylaws; however, the Board of Directors shall consider each absence of an elected director as a separate circumstance and may expressly waive such absence by affirmative vote of a majority of its members.

Section 11. *Vacancies and Removal:* Any vacancy occurring on the Board of Directors

between Annual Meetings shall be filled by the Board of Directors. A director so elected to fill a vacancy shall serve the unexpired term of his or her predecessor. The Board of Directors may in its discretion, by affirmative vote of two-thirds of its members, remove any director for cause.

Section 12. *Compensation:* Directors and elected officers shall not receive any compensation for their services.

## **Article IX**

### **EXECUTIVE COMMITTEE**

Section 1. *Authority and Responsibility:* The Executive Committee may act in place and stead of the Board of Directors between Board meetings on all matters, except those specifically reserved to the Board by these Bylaws, pursuant to a delegation of such authority to the Executive Committee by the Board of Directors. Actions of the Executive Committee shall be reported to the Board for ratification by mail, facsimile or at the next Board meeting.

Section 2. *Composition and Election:* The Executive Committee shall consist of eight (8) members, voting members include: the five (5) elected officers and the Immediate Past President; non-voting members include: the Chairperson of the Allied Advisory Board and the Executive Director. The President shall preside over the Committee and in his or her absence the First Vice President shall preside.

Section 3. *Quorum -- Call of Meetings:* A majority of the Executive Committee shall constitute a quorum at any duly called meeting of the Committee. The President shall call such meetings of the Executive Committee as business of the Association may require, or a meeting shall be called by the Executive Director on the request of three (3) members of the Executive Committee.

Section 4. *Vacancies:* Any vacancy occurring on the Executive Committee shall be filled in the manner as provided in these Bylaws. Any Committee member so elected to fill a vacancy shall serve the unexpired term of his or her predecessor.

## **Article X**

### **SPECIAL AND STANDING COMMITTEES**

Section 1. *Nominating Committee:* The President shall appoint a Nominating Committee which shall consist of three (3) Active members; one, the Immediate Past President will serve as Chairperson, the other two being non office holders. With the approval of the Board of Directors, the Committee members shall be announced to the membership no later than six months prior to the Annual Meeting.

The Nominating Committee shall invite suggestions from the membership for those offices and directorships which are vacant or about to expire, allowing thirty (30) days for suggestions. The

Nominating Committee shall then nominate candidates for the required offices and directorships of the Association as provided in these Bylaws and report such nominations to the membership at least thirty (30) days before the Annual Meeting. Said nominations shall be voted upon at the Annual Meeting by the Active members as these Bylaws prescribe. The three Allied members serving as advisors to the Board of Directors shall serve as a Nominating Committee for their body and shall follow the procedures recited above and as these Bylaws prescribe.

Section 2. *Budget and Finance Committee:* The Budget and Finance Committee shall consist of the President, First Vice President, Treasurer and Immediate Past President. The Treasurer shall serve as Chairperson. The Committee shall counsel with the Executive Director on the annual budget of the Association and prepare recommendations for the Board of Directors. The committee may perform such other duties in connection with the finances of the Association as the Board may determine from time to time.

Section 3. *Special Committees:* The President, with the approval of the Board of Directors, shall appoint such other committees, sub-committees or task forces as are necessary and which are not in conflict with other provisions of these Bylaws. The duties of any such committees shall be prescribed by the Board of Directors upon their appointment.

## **Article XI**

### **EXECUTIVE DIRECTOR AND STAFF**

Section 1. *Appointment:* The Board of Directors shall contract with a professional manager who shall have the title of Executive Director and whose terms of engagement shall be specified by the Board.

Section 2. *Authority and Responsibility:* The Executive Director shall be the chief executive of the Association responsible for all management functions. He or she shall manage and direct all activities of the Association as prescribed by the Board of Directors and shall be responsible to the Board.

The Executive Director may employ and may terminate the employment of members of his or her staff necessary to carry on the work of the Association and fix their compensation within the approved budget. As Executive Director, he or she shall define the duties of his or her staff, supervise their performance, establish their titles and delegate those responsibilities of management as shall, in the Executive Director's judgment, be in the best interest of the Association.

## **Article XII**

### **FINANCE**

Section 1. *Fiscal Period:* The fiscal period of the Association shall be prescribed by the

Budget and Finance Committee with the approval of the Board of Directors.

Section 2. *Bonding:* Trust and surety bonds shall be furnished by the Executive Director and such other officers or employees of the Association as the Board of Directors shall direct. The amount of such bond shall be determined by the Board and the cost paid by the Association.

Section 3. *Budget:* With recommendations of the Budget and Finance Committee, the Board of Directors shall adopt an annual operating budget covering all activities of the Association.

The Treasurer shall furnish the membership a financial report for the year just completed within ninety (90) days following the end of each annual fiscal period.

Section 4. *Audit:* The accounts of the Association shall be audited or reviewed not less than annually by an independent accounting firm, which shall be appointed by the Board of Directors and which shall provide a report to the Board of Directors.

### **Article XIII**

#### **DISSOLUTION**

Section 1. The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws. 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 charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

### **Article XIV**

#### **AMENDMENTS**

Section 1. These Bylaws may be amended or replaced by a two-thirds vote of the Active members present at any Annual Meeting of the Association duly called and regularly held, notice of such proposed changes having been sent in writing to the members thirty (30) days before such meeting, or by a two-thirds vote of the Active members voting by a thirty-day mail and/or facsimile ballot.

Amendments may be proposed by the Board of Directors on its own initiative, or upon petition of any twenty-five (25) Active members addressed to the Board of Directors. All such proposed amendments shall be presented by the Board to the membership with or without recommendation.

(As amended through November 20, 2002)

