

REGIONAL ASSOCIATION COUNCIL POLICIES & PROCEDURES MANUAL

January 2008

This manual is the record of policies and procedures approved by the Board of Directors of the Regional Association Council (RAC) for the conduct of said Council.

It shall be the responsibility of the Executive Committee to review, on an annual basis, the RAC Bylaws and the RAC Policies & Procedures Manual for content, accuracy and compliance.

| TABLE OF CONTENTS | Page |
|--|-------------|
| Structure of the Regional Association Council | 2 |
| RAC Delegates – Election and Duties | 2-3 |
| Board of Directors | 3 |
| RAC Elections Timeline | 3 |
| Eligibility to Attend Meetings – RAC Board | 3-4 |
| Eligibility to Attend Meetings – Delegate Assemblies | 4 |
| Committees | 4 |
| Committee Chairs | 4 |
| Board Liaisons | 4 |
| Past Presidents’ Advisory Committee | 5 |
| Dues Structure | 5 |
| Expenses and Perquisites – RAC Board Members | 5 |
| Expenses and Perquisites – District | 5 |
| Expenses and Perquisites – Individuals | 5 |
| Other Staff Executive Personnel | 6 |
| Legal Guidelines for Committee Meetings | 6 |
| Books and Records | 7 |
| Amendment Procedures | 7 |

POLICIES & PROCEDURES

STRUCTURE OF THE REGIONAL ASSOCIATION COUNCIL

The Regional Association Council (RAC) exists as a body to foster communication and cooperation between the regional associations and Promotional Products Association International (PPAI).

A regional association is an organization comprised of member individuals and companies that are engaged in the promotional products industry and associated fields. They represent members that have met the local association's bylaws.

The object and purpose of a regional association is to promote the general welfare of the promotional products industry and the membership by providing and engaging in such lawful trade association activities as the regional's board of directors may determine.

RAC is comprised of dues-paying members (regional associations), as outlined in the Bylaws. All member regional associations are divided into five districts:

District 1: SAAGNY, SACDV, NEPPA, CPPA, MAPPA, TRASA

District 2: PPAMS, SPPA, GCPPA, PPAF, CASA, GAPPP, CAAMP

District 3: MiPPA, OPPA, TSPPA, UMAPP, PPACHicago, PPAW

District 4: HPPA, CAPP, PPAM, RMR/PPA, PPAS

District 5: SAAC, AzPPA, PMANC, NWPMA

In addition to the regularly scheduled RAC Delegate meetings, districts are encouraged to meet in their geographic areas at least once a year to discuss common opportunities and problems, as well as to foster communication within their respective districts.

RAC Delegates – Election and Duties

Each regional association elects or appoints (according to their bylaws) one delegate to represent the regional at district and RAC Delegate meetings. This delegate is the representative of record and voting member for all RAC Delegate meetings.

Each district is represented on the RAC Board of Directors by two regional delegates selected by the voting members in each district. Each district will elect one regional delegate each year to serve on the RAC Board of Directors. In the event of a tie during this election process, the tie breaker will be determined by a coin toss conducted by the Immediate Past President of RAC, who serves simultaneously as the RAC Nominating Committee Chair. This procedure shall be witnessed by at least two regional association board members approved by the current RAC President. The term for a RAC Board member is two years. When a regional's delegate is elected to a RAC Board term, that regional has the option of electing or appointing (according to their bylaws) a new delegate to represent their interests in all district and RAC Delegate meetings. If the regional chooses this option they still only have one vote on all RAC issues.

Among other duties as directed by the President of RAC, each delegate shall have the responsibility of reporting back to their regional association and district (i.e., the other regional delegates) on events and decisions after all board meetings and RAC Delegate meetings.

Board of Directors

The number of Directors shall be eleven (11). The members of the Board of Directors shall be the President, Vice President, Secretary, Treasurer, RAC Delegate to the PPAI Board of Directors, PPAI Board Delegate to the RAC, and five directors. The Immediate Past President shall serve one year in an ex officio, non-voting capacity and is not a director of the board.

Any delegate, representing a member regional association in good standing, is eligible to serve on the RAC Board, providing he/she consents to serve. Once a delegate has served a first term on the RAC Board they may choose to pursue a second consecutive term without being designated as their regional's RAC Delegate. No two district delegates, representing the same regional, can sit on the RAC Board at the same time. To remain eligible to represent a district on the RAC Board, an individual must be employed by a member company of a regional association in that district and obtain the highest number of votes in the district board member election.

The term of each elected officer shall be one year, except for the RAC Delegate to the PPAI Board, which shall be two years. Any person may be elected to serve in the same office for a maximum of two (2) consecutive terms. After sitting out of that office for one (1) term, that person is eligible to be re-elected to that office again.

The Board of Directors meets two times a year. It may also meet at other times and places in accordance with the Bylaws.

RAC Elections Timeline

In order to elect officers in a timely manner, the following schedule is recommended to all regional associations and districts:

Regional Associations – Regional Delegate confirmed by July 1.

Districts – District Delegate elected by August 1.

RAC Board Officers – Elected by September 1.

ELIGIBILITY TO ATTEND MEETINGS

RAC Board Meetings

Persons (other than staff and counsel) entitled to attend board meetings of the Regional Association Council are:

1. Members of the RAC Board of Directors
2. Those who have received permission to attend from the RAC President.

Representatives of the trade press may attend RAC Board meetings only if they are members of the body or if they have received permission to attend from the RAC President.

RAC Delegate Assemblies

Persons (other than staff and counsel) entitled to attend meetings of the RAC Delegate Assembly are:

1. Members of the RAC Board of Directors
2. RAC Delegates and Regional Presidents
3. Those who have received permission to attend from the RAC President.

Representatives of the trade press may attend a RAC Delegate Assembly only if they are members of the body or if they have received permission to attend from the RAC President.

COMMITTEES

Three committees function within the Council structure: Marketing & Communications, Membership and Professional Development.

Agendas are prepared for all committee meetings and minutes are kept in accordance with instruction of Legal Counsel.

Committee Chairs

The chairs of all RAC committees must be RAC Delegates. Each chairmanship is a one-year term.

Each committee chair should:

1. Keep the RAC Board Liaison fully informed of committee activities.
2. Work in concert with staff coordinators to ensure at least two committee meetings are held annually, establish goals for the meetings and maintain contact with committee members as needed.

Board Liaisons

The board liaisons of all RAC committees must be members of the RAC Board. Board liaison is a one-year term.

Each board liaison should:

1. Attend committee meetings and participate in discussions.
2. Report to the board about the committees' activities.

PAST PRESIDENTS' ADVISORY COMMITTEE

Former presidents of the Council shall comprise the RAC Past President's Advisory Committee. This group is invited to and recognized during meetings of the Delegate Assembly, the VIP Regional Reception held in conjunction with The PPAI Expo and the annual RAC Leadership Development Workshop. Past RAC presidents provide historical perspective for the benefit of the Council and serve in an advisory capacity as requested by the RAC Board of Directors.

DUES STRUCTURE

Each member pays annual dues according to the structure as determined by the RAC Board of Directors. The operating budget for RAC is comprised of these collected dues and financial support from Promotional Products Association International.

EXPENSES AND PERQUISITES

RAC Board Members

As provided in the Bylaws, RAC Board members shall receive no compensation for their services/time but will be compensated for reasonable expenses incurred while doing business for the organization upon Board approval.

Approval of expenditures may be made during creation of the annual budget. Items included in the annual budget do not need an additional vote of approval unless otherwise required by bylaw or by this manual.

Approval may be voted upon during a normal Board of Directors meeting or may be voted upon during a teleconference call.

District

Shall be at the discretion of the members of each district.

Individuals

Individuals shall be reimbursed in accordance with the policies of their respective regional associations.

OTHER STAFF EXECUTIVE PERSONNEL

PPAI provides paid staff as operational support for RAC (i.e., Director of Member and Regional Relations, Senior Manager of Regional Relations, Manager of Regional Programs, Manager of Affiliate Relations and Regional Relations Assistant).

The duties and functions of these staff are defined in job descriptions that are on file in the President's office.

LEGAL GUIDELINES FOR COMMITTEE MEETINGS

RAC's Legal Counsel has provided a few very elementary but basic rules for guidance in conducting committee meetings. These are to assure that nothing is done in a meeting that would violate the anti-trust laws or the Federal Trade Commission order, which became final against the previous Advertising Specialty National Association and its members on November 5, 1956. This order prohibits Distributors from undertaking any concerted activity, such as:

1. Demanding that Suppliers establish or maintain resale list prices.
2. Boycotting Suppliers who do not establish or maintain such prices.
3. Reporting price cutting of a Supplier's list prices.
4. Otherwise eliminating, lessening or suppressing price competition among Distributors.

This order prohibits Suppliers from cooperating with Distributors in any activity that would violate any of the above instructions. The order is not outstanding against members of the old Guild or against members of ASNA who joined PPAI after the complaint in the Federal Trade Commission case was issued, February 7, 1952. Nevertheless, the activities the order prohibits would violate Section 5 of the FTC Act if carried on by PPAI members who are not subject to the order. Every effort should be made, therefore, by all RAC members to keep their activities within the order and within other requirements of the anti-trust law.

Counsel advises that in planning and conducting meetings, you should:

1. Prepare a written agenda for each meeting; the agenda to contain only subjects that can be lawfully discussed.
2. Follow the agenda at the meeting. If topics not on the agenda come up for discussion, discussion should be postponed unless the subject is shown clearly to be one that can be lawfully discussed.
3. See that an accurate summary is prepared for each meeting, and that nothing is included in the summary that did not actually take place at the meeting.
4. Remind committee members that they must not resort to informal meetings outside committee meetings, to try secretly to accomplish things that cannot lawfully be done through the Council.
5. Submit a draft of the summary for review by Legal Counsel as promptly as possible after the meeting is completed.

BOOKS AND RECORDS

The Regional Association Council shall keep accurate and complete records and books of financial accounts and keep minutes or summaries of the proceedings of its membership meetings, and the meetings of its Board of Directors and Executive and all other committees. A copy of the Bylaws and all its amendments to date is to be properly maintained and available to the membership. It shall keep a record showing the names and addresses of the members and their elected and executive staff representatives and the elected or appointed Delegates entitled to vote. RAC shall publish an annual membership directory and schedules of general meetings.

All records, except information that is confidential and protected by law may be inspected by any member of a member Association, member's agent or attorney for any proper purpose at any reasonable time.

AMENDMENT PROCEDURES

No amendment, repeal or addition to the Bylaws or Policies & Procedures Manual can be considered at any Board meeting unless it is a scheduled agenda item with proposed wording and appropriate background material supplied in advance of the meeting.

The only exception to the above will be when the President feels good cause exists. In such a case, a change may be considered and adopted unless two or more Board members vote in opposition. If this occurs, consideration of the proposal will be deferred until the next regularly scheduled Board meeting where it will be included as a regular agenda item.