

# NATURAL PRODUCTS ASSOCIATION

## BYLAWS

### Table of Contents

<b>Article 1 – Name, Office and Agent</b>	Page 3
1.1 Name	Page 3
1.2 Office and Agent	Page 3
<b>Article 2 – Purpose and Powers</b>	Page 3
2.1 Specific Purposes	Page 3
2.2 General Purposes	Page 4
2.3 Powers	Page 4
2.4 Actions Required to be in Writing	Page 4
<b>Article 3 – Membership</b>	Page 4
3.1 Election and Enumeration	Page 4
3.2 Voting Members	Page 5
3.3 Designated Representatives of Voting Members	Page 5
3.4 Privileges of Voting Members	Page 6
3.5 Nonvoting Members	Page 6
3.6 Privileges of Nonvoting Members	Page 6
3.7 Duties, Dues, Assessments and Admission Fees	Page 6
3.8 Resignation	Page 6
3.9 Expulsion	Page 7
3.10 Meetings of Members	Page 7
3.11 Notice of Meetings	Page 7
3.12 Quorum	Page 7
3.13 Action at a Meeting	Page 7
3.14 Proxy Prohibited; Attendance by Telephone Prohibited	Page 7
3.15 Action Without a Meeting Prohibited	Page 8
3.16 Fixing Record Date for Voting	Page 8
3.17 Inspectors	Page 8
<b>Article 4 – Officers</b>	Page 8
4.1 Enumeration	Page 8
4.2 Qualification	Page 8
4.3 Election and Term of Office	Page 8
4.4 Resignation	Page 9
4.5 Removal	Page 10
4.6 Vacancies	Page 10
4.7 Compensation	Page 11
4.8 Duties of Officers	Page 11
<b>Article 5 – Board of Directors</b>	Page 11
5.1 General Powers and Duties	Page 11
5.2 Composition and Qualifications	Page 12
5.3 Election and Term of Office	Page 13
5.4 Resignation	Page 13

5.5	Removal	Page 13
5.6	Vacancies	Page 14
5.7	Meetings	Page 14
5.8	Quorum	Page 14
5.9	Action at a Meeting	Page 15
5.10	Proxy Prohibited; Presumption of Assent	Page 15
5.11	Attendance by Telephone	Page 15
5.12	Action Without a Meeting Permitted	Page 15
5.13	Compensation	Page 15
5.14	Interested Directors	Page 15
<b>Article 6 – Committees</b>		Page 16
6.1	Committees of the Board of Directors	Page 16
6.2	Actions of Committees of the Board of Directors	Page 18
6.2	Committees of the Association	Page 18
6.4	Actions of Committees of the Association	Page 19
<b>Article 7 – Election by Mail Ballot</b>		Page 19
7.1	Procedures	Page 19
7.2	Election	Page 20
<b>Article 8 – Executive Director</b>		Page 21
<b>Article 9 – Chartered Regional Organizations</b>		Page 21
9.1	Regional Organizations	Page 21
9.2	No Obligations or Liabilities	Page 21
<b>Article 10 – Contracts, Financial Transactions, and Trademarks</b>		Page 21
10.1	Contracts	Page 21
10.2	Loans	Page 21
10.3	Checks, Drafts, Etc.	Page 21
10.4	Deposits	Page 22
10.5	Gifts	Page 22
10.6	Trademarks	Page 22
<b>Article 11 – Records</b>		Page 22
<b>Article 12 – Fiscal Year</b>		Page 22
<b>Article 13 – Notices</b>		Page 22
13.1	Manner of Notice	Page 22
13.2	Waiver of Notice	Page 23
<b>Article 14 – Rules</b>		Page 23
14.1	Policies and Procedures Manual	Page 23
14.2	Robert’s Rules of Order	Page 23
14.3	Conflict of Interest Disclosure	Page 23
<b>Article 15 – Indemnification and Insurance</b>		Page 24
<b>Article 16 – Dissolution</b>		Page 24
<b>Article 17 – Amendments</b>		Page 25
17.1	Authority	Page 25
17.2	Procedure for Initiating Amendments	Page 25
17.3	Amendments by Mail Ballot	Page 25
17.4	Effective Date	Page 26
17.5	Publication	Page 26

# NATURAL PRODUCTS ASSOCIATION

## BYLAWS

### ARTICLE 1

#### **Name, Office and Agent**

Section 1.1 Name. The name of this organization shall be the Natural Products Association (the "Association"), a not for profit corporation organized under the laws of the State of Illinois.

Section 1.2 Office and Agent. The Association shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose business office is identical with such registered office, and may have other offices in such other locations as the Board of Directors may determine.

### ARTICLE 2

#### **Purposes and Powers**

Section 2.1 Specific Purposes. The principal purposes of the Natural Products Association, an association of businesses that promote optimum health, shall be:

- (a) To support and encourage the production, marketing and consumption of nutritional foods, dietary supplements and related products and services which provide optimum health benefits to consumers;
- (b) To encourage the recruitment and retention of businesses for membership whose primary focus is the promotion of optimum health products and services and who agree to observe the Natural Products Association Code of Ethics;
- (c) To encourage adherence to product and label integrity and to develop adequate guidelines to improve the quality of health products and services;
- (d) To provide education to Association members and the consumer;
- (e) To encourage and support nutrition research and disseminate the findings;
- (f) To encourage laws and regulations consistent with Association goals, and to protect the industry from laws, regulations and other actions adverse to its best interest; and
- (g) To serve as a unified voice for businesses that promote optimum health.

Section 2.2 General Purposes. The general purposes of the Association are to engage in any activity that is lawful under the Illinois General Not for Profit Corporation Act of 1986, as amended, and within the scope of Section 501(c)(6) of the Internal Revenue Code. All policies and activities of the Association shall be consistent with applicable federal, state and local laws, trade regulations and other legal requirements, and applicable tax-exemption requirements, including the requirements that the Association not be organized for profit and that no profit and no part of its net earnings inure to the benefit of any private individual.

Section 2.3 Powers. Except as provided otherwise by the Articles of Incorporation or by these Bylaws, the Association shall have all the powers of a corporation organized under the Illinois General Not For Profit Corporation Act of 1986, as amended, and shall have such additional powers as are permitted by any applicable law.

Section 2.4 Actions Required to be in Writing. Unless otherwise provided in the resolution approving an action, any action required to be "written", to be "in writing", to have "written consent", to have "written approval" and the like by Association directors, committee members, or members shall include any communication transmitted or received by electronic means. Further, any reference to "email" or "emailing(s)" shall include communications transmitted or received by electronic means.

### **ARTICLE 3**

#### **Membership**

Section 3.1 Election and Enumeration. (a) Membership in the Association is open to persons or entities involved in, or associated with, the nutritional food, dietary supplements and related products and services industry.

(b) "Nutritional food, dietary supplements and related products and services" shall hereinafter be referred to as "nutritional products" or "nutritional products and services" and shall be defined as those foods, dietary supplements, and related products and services which may be helpful to consumers who seek to maintain or improve physical fitness and good nutrition or seek to correct nutritional deficiencies, and which are not inconsistent with the recognized concept of natural foods.

(c) Membership in the Association is a privilege, not a right. Admission to all classes of membership in the Association shall be made pursuant to the qualifications set forth in these Bylaws and according to rules, regulations, and procedures not inconsistent herewith as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

(d) The Association shall have two classes of membership:

(1) Voting members, and

(2) Non-voting members.

(e) Use of the term "members" herein shall refer to all members of the Association.

Section 3.2 Voting Members. (a) Voting membership in the Association shall be open to persons or entities engaged in the manufacturing, distributing, and marketing of nutritional products and services.

(b) The Association shall have two categories of voting members:

(1) Retailers, and

(2) Suppliers,

as defined herein and according to rules, regulations, and procedures not inconsistent herewith as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

(c) A Retailer is defined as a person or entity engaged in the retailing of nutritional products from one or more self-contained store(s) where a minimum of seventy-five percent (75%) of the gross sales consists of nutritional foods, dietary supplements, and related items.

(d) A Supplier is defined as a person or entity engaged in the business of providing nutritional products and services as a manufacturer, wholesaler, distributor, broker, or marketer, and who participates in the TruLabel Program, or as a consultant to the nutritional products and services industry.

Section 3.3 Designated Representatives of Voting Members. (a) Each voting member shall designate one (1), and only one (1), representative to the Association.

(b) The Designated Representative shall be an owner, officer, director, or employee of the voting member.

(c) The Designated Representative shall represent the interests of the voting member and, in such capacity, may exercise the privileges of the voting member.

(d) If the Designated Representative of a voting member cannot attend a meeting of members, the voting member may designate another individual to attend the meeting as its voting representative.

(e) Generally, use of the term "voting member" herein may refer to the voting member or the Designated Representative of the voting member.

Section 3.4 Privileges of Voting Members. Voting members of the Association shall be eligible for election or appointment to office, to vote on matters submitted to a vote of the membership, to serve on committees, to attend meetings of members, and to receive information, notices, and other mailings from the Association.

Section 3.5 Nonvoting Members. (a) The Association shall have two categories of nonvoting members:

- (1) Associate Members, and
- (2) Life and Honorary Members,

as defined herein and according to rules, regulations, and procedures not inconsistent herewith as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

(b) An Associate Member is defined as a person or entity that furnishes goods or services to members but is not primarily engaged in the business of providing nutritional products and services.

(c) A Life or Honorary Member is defined as an individual or entity who has received such designation by the Board of Directors pursuant to policies and procedures as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

Section 3.6 Privileges of Nonvoting Members. Nonvoting members of the Association shall be eligible to attend meetings of members, and to receive information, notices, and other mailings from the Association.

Section 3.7 Duties, Dues, Assessments and Admission Fees. (a) It shall be the duty of each member to keep on file with the designated office of the Association a current official address to which all notices required by applicable law or by these Bylaws may be sent. The mailing of a notice to such address shall be the extent of the Association's responsibility for such notice.

(b) Members shall pay nonrefundable dues, assessments, and fees as determined by the Board of Directors.

(c) A member required to pay dues shall be considered delinquent for failure to pay such dues and may be dropped from the rolls of the Association and deprived of all rights and privileges of membership, pursuant to policies and procedures as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

Section 3.8 Resignation. Any member may resign at any time by giving written notice to the Board of Directors or the Treasurer; provided that, resignation shall not relieve a member from liability for dues accrued and unpaid as of the date of resignation.

Section 3.9 Expulsion. A member may be expelled for cause, after notice and a reasonable opportunity to be heard, by the affirmative vote of two-thirds of the Directors present and voting at a meeting at which a quorum is present and for which notice of the proposed expulsion has been provided. Cause shall be limited to failure to pay dues, failure to continue to meet the qualifications for membership, or actions which are detrimental to the best interests of the Association.

Section 3.10 Meetings of Members. (a) An Annual Business Meeting of the members of the Association shall be held at such time and place as may be determined by resolution of the Board of Directors.

(b) Special meetings of members may be called by the President or the Board of Directors, and shall be called by the President within thirty (30) days after receipt of a written request for a meeting containing the signatures of not less than one hundred and twenty five (125) voting members of the Association delivered to the Treasurer. Notice of a special meeting shall state the business to be transacted and no other business shall be considered at such meeting.

Section 3.11 Notice of Meetings. (a) Written notice stating the place, day, hour, and purpose of a meeting of members shall be delivered by first class mail not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each member of the Association at the address shown for such member on the records of the Association.

(b) Notice of any meeting of members may be waived in a writing signed by the person or persons entitled to such notice either before or after the time of the meeting. Attendance of a member at any meeting shall constitute a waiver of notice of such meeting except where the member attends the meeting for the express purpose of objecting to the holding of the meeting because proper notice was not given.

Section 3.12 Quorum. Ten percent (10%) of the voting members of the Association registered for a meeting of members shall constitute a quorum for the consideration of matters at such meeting. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

Section 3.13 Action at a Meeting. All voting members of the Association may vote on matters submitted to a vote of members. Each voting member shall be entitled to one vote on each matter. The affirmative vote of a majority of voting members present and voting at a meeting at which a quorum is present shall be the act of the members, unless the vote of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 3.14 Proxy Prohibited; Attendance by Telephone Prohibited. No member may act by proxy on any matter.

(b) Members may not participate or vote at any meeting of members through the use of a conference telephone or other communications equipment.

Section 3.15 Action Without a Meeting (Mail Vote) Prohibited. Members may not take any action without a meeting; provided that:

(a) Elections of the Association may be conducted by mail ballot pursuant to the procedures set forth in Article 7 of these Bylaws; and

(b) These Bylaws may be amended by mail ballot pursuant to the procedures set forth in Article 17 of these Bylaws.

Section 3.16 Fixing Record Date for Voting. For the purpose of determining members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for such determination of members, such date to be not more than sixty (60) days and, for a meeting of members, not less than five (5) days, immediately preceding such meeting or other event requiring a determination of members. If no record date is fixed for the determination of members entitled to notice of or to vote at any meeting of members, the date on which notice of the meeting is delivered shall be the record date for such determination of members.

Section 3.17 Inspectors. At any meeting of members, the President of the Association may, or upon the request of any voting member shall, appoint one or more persons as inspector(s) for such meeting. Such inspector(s) shall impartially ascertain and report the number of voting members present at the meeting; count all votes and report the results to the President; and do such other acts as are proper to conduct the voting with impartiality and fairness to all members. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of votes represented at the meeting and the results of the voting shall be *prima facie* evidence thereof.

## **ARTICLE 4**

### **Officers**

Section 4.1 Enumeration. The officers of the Association shall be a President, a President-Elect, an Immediate Past President, a Treasurer, a Retail Council Chairperson, and a Supply Council Chairperson.

Section 4.2 Qualifications. Officers of the Association shall be voting members in good standing. The President-Elect shall be a voting member who has served at least one (1) year as a Director at any time prior to the beginning of his or her term as President-Elect.

Section 4.3 Election and Term of Office. (a) The President-Elect of the Association shall be elected biennially by the voting members pursuant to the procedures set

forth in Article 7 of these Bylaws and according to rules, regulations and procedures not inconsistent herewith as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual. The President-Elect shall hold office for one (1) term of one (1) year prior to succeeding to the office of President; provided that, if the President-Elect holds office by appointment due to a vacancy in the office, he or she shall hold office only for the unexpired portion of the term and shall not succeed to the office of President unless elected to do so by the voting members.

(b) The President of the Association shall succeed from the office of President-Elect. The President shall hold office for one (1) term of two (2) years; provided that, if the President-Elect fills a vacancy in the office of President, he or she shall hold office for the unexpired portion of the President's term and for an additional full two (2)-year term.

(c) The Immediate Past President of the Association shall succeed from the office of President and shall hold office for one (1) term of one (1) year.

(d) The President Elect, President, and/or Immediate Past President, and any individual, partnership, corporation or commonly owned business entity represented by the President Elect, President, and/or Immediate Past President, must be off the Board for at least two (2) years before serving as a Director or as President-Elect.

(e) The Treasurer of the Association shall be elected by the Board of Directors, from among the current Directors, at the first Board meeting each year, shall hold office for a term of one (1) year, and shall not hold office for more than two (2) full consecutive terms.

(f) The Retail Council Chairperson shall be elected by and from among the Retail Council Directors prior to the end of the year, shall hold office for a term of one (1) year, and shall not serve more than two (2) full consecutive terms.

(g) The Supply Council Chairperson shall be elected by and from among the Supply Council Directors prior to the end of the year, shall hold office for a term of one (1) year, and shall not serve more than two (2) full consecutive terms.

(h) The term of office of each officer shall begin on January 1 after his or her election or appointment. Each officer shall hold office until the end of the officer's term of office and until a successor has been elected and qualified, or until such officer's earlier death, resignation, or removal in the manner hereinafter provided. Election of an officer shall not of itself create any contract rights.

Section 4.4 Resignation. Any officer may resign at any time by giving notice to the Board of Directors, the President, or the Treasurer. A resignation is effective when the notice is delivered unless the notice specifies a date later than the date of delivery. The resignation of an officer need not be accepted in order to be effective.

Section 4.5 Removal. (a) One or more officers of the Association may be removed for cause. Cause for removal may be found where the officer has neglected his or her duty as an officer; has engaged in improper conduct prejudicial to the interests of the Association; has violated the law, the Articles of Incorporation, or these Bylaws; or has engaged in other activity deemed to be cause for removal by the voting members or Directors eligible to remove such officer, as provided in Sections 4.5(b), (c) and (d) of these Bylaws.

(b) The President-Elect, President, or Immediate Past President may be removed only by the affirmative vote of two-thirds (2/3) of the voting members of the Association present and voting at a meeting of the members for which written notice stating that a purpose of the meeting is to vote upon the removal of one or more officers named in the notice is delivered to all members. Only the named officer(s) may be removed at such meeting.

(c) The Treasurer may be removed by the affirmative vote of two-thirds (2/3) of all the Directors.

(d) The Retail Council Chairperson and the Supply Council Chairperson may be removed by the affirmative vote of two-thirds (2/3) of the Retail Council Directors or the Supply Council Directors, respectively.

(e) The removal of an officer shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4.6 Vacancies. (a) A vacancy in the office of President during the first year of the term shall be filled by the Immediate Past President, who shall hold office for the unexpired portion of that year.

(b) A vacancy in the office of President during the second year of the term shall be filled by the President-Elect, who shall hold office for the unexpired portion of the President's term and for the succeeding two (2)-year term.

(c) In the event that the vacancy in the office of President cannot be filled by the Immediate Past President or the President-Elect as provided above, it shall be filled by appointment of the Board of Directors, from among the Directors, until the next regular election of the Association, at which time a President and a President-Elect shall be elected.

(d) A vacancy in the office of President-Elect or Immediate Past President shall be filled by appointment by the Board of Directors until the next regular election of the Association; provided that, a President-Elect so appointed shall not succeed to the office of President unless elected to do so by the voting members.

(e) A vacancy in the office of Treasurer shall be filled from among the current Directors by election of the Board of Directors for the unexpired portion of the term.

(f) A vacancy in the office of Retail Council Chairperson or Supply Council Chairperson shall be filled from among and by election of the Retail Council Directors or the Supply Council Directors, respectively, for the unexpired portion of the term.

Section 4.7 Compensation. No officer shall receive any compensation for service as an officer, except that an officer may be reimbursed for reasonable expenses incurred in connection with his or her service as an officer.

Section 4.8 Duties of Officers. (a) The officers of the Association shall have such express authority and perform such duties as may be provided in these Bylaws and as may be determined by resolution of the Board of Directors and published in the Association's Policies and Procedures Manual, and such implied authority as is recognized by common law.

(b) The President shall be the principal executive officer of the Association and Chairperson of the Board of Directors and the Executive Committee. Subject to the general supervision and direction of the Board of Directors, the President shall in general perform all duties incident to the office of President and such other duties as may be assigned from time to time by the Board of Directors or as may be provided in these Bylaws. When present, the President shall preside at all meetings of the Association.

(c) The President-Elect or the Immediate Past President shall, in the absence of the President or in the event of the President's inability or refusal to act, perform the duties of the President and, when so acting, shall have the powers of and be subject to the restrictions upon, the President.

(d) The Treasurer shall have the authority to certify the Bylaws, resolutions and minutes of meetings of the members and Board of Directors and committees thereof, and other documents of the Association as true and correct copies thereof.

## **ARTICLE 5**

### **Board of Directors**

Section 5.1 General Powers and Duties. (a) The affairs of the Association shall be managed by or under the direction of its Board of Directors.

(b) The Board of Directors of the Association shall have the powers and duties ordinarily delegated to the governing body of a corporation, including but not limited to the following:

1. To exercise its legal authority and responsibility in the general supervision, direction, and control of the affairs of the Association in order to promote the purposes of the Association;

2. To establish general administrative rules and procedures governing the activities of the Association and to develop long-term policies to foster the Association's growth and development;
3. To transact the general business of the Association;
4. To adopt an annual budget to carry out the affairs of the Association;
5. To represent the Association and present the Association's views and opinions to the public;
6. To organize and sponsor trade shows, workshops, and other educational meetings on topics of interest to members and to the public;
7. To report to the Association annually on its activities, including a full financial statement prepared by a certified public accountant, and to make such interim reports as may be necessary or advisable; and
8. To take or cause to be taken such other action as it deems necessary to carry out the duties and intentions of these Bylaws.

Section 5.2 Composition and Qualifications. (a) The Board of Directors of the Association shall consist of twenty (20) voting members (the "voting Directors") plus the President, and the Immediate Past President or the President-Elect as provided herein. Hereinafter, all members of the Board generally shall be referred to as Directors and, unless otherwise provided in these Bylaws, shall have the general powers and duties, and be subject to the restrictions and limitations, indicated herein.

(b) Ten (10) of the voting Directors shall be Retailers (the "Retailer Council") and ten (10) shall be Suppliers (the "Supplier Council").

(c) The Retailer Council of the Board shall consist of ten (10) members (the "Retailer Directors") elected from among the Retailer membership, reflecting to the best practical extent a balanced representation of all segments of the retail side of the industry, in accordance with rules and procedures as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

(d) The Supplier Council of the Board shall consist of ten (10) members (the "Supplier Directors") elected from among the Supplier membership, reflecting to the best practical extent a balanced representation of all segments of the supply side of the industry, in accordance with rules and procedures as may be adopted and from time to time amended by the Board and published in the Association's Policies and Procedures Manual.

(e) The President of the Association shall serve as Chairman of the Board of Directors; provided that, the President shall vote only in the case of an otherwise tied vote.

(f) The Immediate Past President shall serve as a nonvoting *ex officio* member of the Board during the one (1)-year period immediately following his or her presidency.

(g) The President-Elect, if not a current voting Director, shall serve as a nonvoting *ex officio* member of the Board during the one (1)-year period immediately preceding his or her presidency. If the President-Elect is a current voting Director, he or she shall continue as a voting Director until succeeding to the office of President.

(h) Directors shall be voting members of the Association in good standing.

(i) No individual, partnership, corporation, or commonly owned business entity shall have more than one (1) voting representative on the Board of Directors.

Section 5.3 Election and Term of Office. (a) One (1) Regional Retailer Director shall be elected by the members of each Regional Organization, according to the Regional Organization's policies and procedures, prior to December 31, for a term of two (2) years.

(b) At-large Retailer Directors and Supplier Directors shall be elected pursuant to the procedures set forth in Article 7 of these Bylaws for a term of two (2) years.

(c) No individual shall serve as a voting Director for more than three (3) full consecutive two (2)-year terms. A Director who has served for three (3) full consecutive terms must be off the Board for at least one (1) year before serving again; provided that, such Director which has served for three (3) full consecutive terms may serve as President-Elect of the Association..

(d) The term of office of each Director shall begin on January 1 following the election. Each Director shall hold office until the end of the Director's term and until a successor has been elected and qualified, or until such Director's earlier death, resignation, or removal in the manner hereinafter provided.

Section 5.4 Resignation. A Director may resign at any time by written notice delivered to the Board of Directors or to the President or Treasurer of the Association. A resignation is effective when the notice is delivered unless the notice specifies a date later than the date of delivery. The resignation of a Director need not be accepted in order to be effective.

Section 5.5 Removal. (a) One or more Directors may be removed, with or without cause. Cause for removal may be found where the Director has neglected his or her duty as a Director; has engaged in improper conduct prejudicial to the interests of the Association; has violated the law, the Articles of Incorporation, or these Bylaws; or has

engaged in other activity deemed to be cause for removal by the voting members entitled to remove such Director, as provided in Sections 5.5(b), (c), (d) and (e) of these Bylaws.

(b) A Director may be removed only by the affirmative vote of two-thirds (2/3) of the votes present and voting at a meeting of the members of the Association entitled to vote on removal of that Director.

(c) A Regional Retailer Director may be removed at a meeting of the members of the Regional Organization that elected the Director.

(d) At-large Regional Retailer Directors may be removed at a meeting of the Retailer members.

(e) Supplier Directors may be removed at a meeting of the Supplier members.

(f) No Director may be removed at a meeting of members unless written notice of such meeting is delivered to all members entitled to vote on removal of that Director. Such notice shall state that a purpose of the meeting is to vote upon the removal of one or more Directors named in the notice. Only the named Director(s) may be removed at such meeting.

Section 5.6 Vacancies. (a) A vacancy occurring among the Regional or At-large Retailer Directors shall be filled by election by the remaining Retail Council Directors.

(b) A vacancy occurring among the Supplier Directors shall be filled by election by the remaining Supply Council Directors.

(c) A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. The Director filling the vacancy may then be elected for three (3) full terms; provided that, a Director filling a vacancy for more than half of an unexpired term may be elected for only two (2) additional terms.

Section 5.7 Meetings. Meetings of the Board of Directors of the Association shall be held at such time and place, and upon such notice, as shall be determined by resolution of the Board.

Section 5.8 Quorum. (a) Fifteen (15) voting Directors shall constitute a quorum for the transaction of business at any meeting; provided that, if fewer than fifteen (15) are present, a majority of the voting Directors then present may adjourn the meeting to another time. The quorum requirement shall remain the same notwithstanding vacancies on the Board of Directors.

(b) Withdrawal of interested Directors from any meeting shall not cause failure of a duly constituted quorum at that meeting. Withdrawal of other Directors from a meeting shall not cause failure of a duly constituted quorum; provided that, the presence of less than twelve (12) voting directors shall cause failure of the quorum.

Section 5.9 Action at a Meeting. Each voting Director shall be entitled to one (1) vote. The affirmative vote of the majority of the voting Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 5.10 Proxy Prohibited; Presumption of Assent. (a) No Director may act by proxy on any matter; provided that, Directors may act without a meeting pursuant to the procedures set forth in Section 5.12 of these Bylaws.

(b) A voting Director who is present at a meeting at which action on any corporate matter is taken by the Board of Directors is conclusively presumed to have assented to the action taken unless such Director's dissent or abstention is entered in the minutes of the meeting or unless such Director files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment of such meeting or forwards such dissent or abstention by registered or certified mail to the Treasurer immediately after the adjournment of such meeting. Such right to dissent or abstain does not apply to a Director who voted in favor of such action.

Section 5.11 Attendance by Telephone. Directors may participate in and act at any meeting through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting.

Section 5.12 Action Without a Meeting (Unanimous Written Consent) Permitted. (a) Any action required or permitted by law to be taken at a meeting of the Board of Directors may be taken without a meeting by unanimous written consent of the voting Directors.

(b) The unanimous written consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more voting Directors. All the approvals evidencing the consent shall be delivered to the Treasurer to be filed in the records of the Association.

(c) The action taken shall be effective when all the Directors have submitted signed approvals unless the consent specifies a later effective date. Any such consent shall have the same force and effect as a unanimous vote.

Section 5.13 Compensation. No Director shall receive any compensation for services as a Director, except that a Director may be reimbursed for reasonable expenses incurred in connection with his or her service as a Director.

Section 5.14 Interested Directors. (a) An "interested Director" is a Director who is directly or indirectly a party to a transaction with the Association. A Director is indirectly a party to a transaction if the Director has a material financial interest

in the transaction or is an officer, Director, or general partner in an entity which is a party to the transaction.

(b) An interested Director shall disclose the material facts of the transaction and his or her interest in or relationship to such transaction to the members, the Board of Directors, or any committee of the Board of Directors or committee of the Association considering such transaction prior to any action by the members, the Board of Directors, or such committee to authorize, approve, or ratify such transaction.

(c) The presence of an interested Director or of a Director who is otherwise not disinterested may not be counted in determining whether a quorum of the Board of Directors or a committee of the Board of Directors is present, and may not be counted when action is taken on the transaction.

## **ARTICLE 6**

### **Committees**

Section 6.1 Committees of the Board of Directors. (a) The Board of Directors may by resolution create one or more standing or special committees of the Board of Directors and appoint Directors and other members of the Association to serve on the committee(s). Each committee may exercise the authority of the Board of Directors to the extent permitted by law and as specified by the Board of Directors or in the Articles of Incorporation or these Bylaws, but the designation and appointment of any such committee(s) and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law.

(b) A committee shall not take any action that revokes or amends any previous action by the Board of Directors which is still in effect. A committee also shall not:

1. Approve or recommend to members any act the law, the Articles of Incorporation, or these Bylaws require to be approved by members;
2. Fill vacancies on the Board or on any committees of the Board;
3. Elect, appoint or remove any officer or Director or member of any committee of the Board;
4. Adopt, amend, or repeal the Articles of Incorporation or these Bylaws; or
5. Take any other action inconsistent with the law, the Articles of Incorporation, or these Bylaws.

(c) Each standing or special committee of the Board of Directors shall have two or more Directors as members, at least a majority of its members shall be

Directors, and all committee members shall serve at the pleasure of the Board of Directors. Committee members shall be Designated Representatives or otherwise designated owners, officers, directors, or employees of voting members in good standing. The President and the President-Elect or the Immediate Past President shall be *ex officio* voting members of each committee of the Board of Directors.

(d) Notwithstanding the limitations set forth in Sections 6.1(b) and (c) of these Bylaws, committees of the Board of Directors relating to the election, nomination, qualification, or credentials of directors, or other committees involved in the process of electing directors, may be composed entirely of non-directors and may make recommendations to the members relating to electing directors.

(e) The Board of Directors shall have the following standing committees:

1. Executive Committee
2. Finance Committee

The Board of Directors may by resolution create other standing committees, and may create special or ad hoc committees whose functions and duration shall be specified in the creating resolution.

(f) The Executive Committee shall be composed of the President, the President-Elect or Immediate Past President, the Treasurer, the Retail Council Chairperson, and the Supply Council Chairperson, all of whom shall be *ex officio* voting members of the Committee. The President shall serve as chairperson of the Executive Committee.

1. The Executive Committee shall act upon such matters as may be referred to it during intervals between meetings of the Board of Directors to the extent permitted by law and as specified by the Board of Directors or in these Bylaws. Actions of the Executive Committee shall be reported to the Board within five (5) working days after the action was taken and shall be deemed ratified unless challenged in writing, delivered by mail, fax, or e-mail, by at least three (3) Directors within ten (10) working days after delivery of such report.
2. All current Executive Committee members shall constitute a quorum for the transaction of business at a meeting of the Executive Committee, and the affirmative vote of all current Executive Committee members shall be the act of the Executive Committee; provided that, in the event of an emergency meeting, as determined by the President, three (3) Executive Committee members shall constitute a quorum and the affirmative vote of three (3) Executive Committee members shall be the act of the Executive Committee.

3. The President shall call meetings of the Executive Committee as the business of the Association may require by providing notice, including an agenda, to all members of the committee and to all other Directors, not less than seven (7) days prior to the meeting; provided that, in the event of an emergency meeting, as determined by the President, such notice shall be provided as is reasonably practicable in the existing circumstances.
4. A record of the proceedings of the Executive Committee shall be kept and presented to the Board of Directors for review two (2) weeks prior to each Board of Directors meeting.

(g) The Finance Committee shall be chaired by the Treasurer of the Association and shall oversee the financial affairs of the Association. It shall provide for an annual audit of the financial records of the Association by a certified public accountant and, subject to approval and adoption by the Board of Directors, prepare the Annual Budget, and prepare a summary of the financial affairs of the Association for presentation to the membership.

Section 6.2 Actions of Committees of the Board of Directors. (a) Except as otherwise provided in these Bylaws, a majority of a committee shall constitute a quorum, and the act of a majority of committee members present and voting at a committee meeting at which a quorum is present shall be the act of the committee.

(b) No member of a committee may act by proxy and, to the extent provided in these Bylaws for presumption of assent of Directors, assent is presumed for committee members. A committee member may participate in and act at any meeting through the use of a conference telephone or other similar communications equipment, and the committee may act by unanimous consent in writing without a meeting, in the manner provided in these Bylaws for the Board of Directors.

(c) Subject to these Bylaws and to action by the Board of Directors, a majority of the members of the committee shall determine the time and place of committee meetings and the notice required for such meetings.

Section 6.3 Committees of the Association. (a) The Board of Directors may by resolution create one or more standing or special committees of the Association, the majority of whose members need not be Directors. Committees of the Association may not act on behalf of the Association or bind it to any action, but may make recommendations to the Board of Directors or to the officers.

(b) The Association shall have such standing committees as may be created by resolution of the Board of Directors and listed in the Association's Policies and Procedures Manual. The Board of Directors also may by resolution create special or ad hoc committees as it deems necessary and appropriate.

(c) The Board of Directors shall appoint a chairperson of each committee and the President, in consultation with each chairperson, shall select volunteers to serve on each committee, subject to approval by the Board of Directors.

(d) The functions of each committee shall be specified in the resolution creating the committee and published in the Association's Policies and Procedures Manual. Committee members shall be Designated Representatives or otherwise designated owners, officers, directors or employees of voting members in good standing. The President and the President-Elect or Immediate Past President shall be *ex officio* nonvoting members of each committee of the Association; provided that, the President shall vote in the case of an otherwise tied vote.

(e) Each committee shall make an annual report on its activities to the Board of Directors and such interim reports as the Board of Directors may request.

Section 6.4 Actions of Committees of the Association. (a) A majority of a committee shall constitute a quorum, and the act of a majority of committee members present and voting at a committee meeting at which a quorum is present, and all committee members have received notice not less than seven (7) days prior to the meeting, shall be the act of the committee.

(b) No member of a committee may act by proxy and, to the extent provided in these Bylaws for presumption of assent of Directors, assent is presumed for committee members. A committee member may participate in and act at any meeting through the use of a conference telephone or similar communications equipment, and the committee may act by unanimous written consent in writing without a meeting, in the manner provided in these Bylaws for the Board of Directors.

(c) Subject to these Bylaws and to action by the Board of Directors, the chairperson of the committee shall determine the time and place of committee meetings.

## **ARTICLE 7**

### **Election By Mail Ballot**

Section 7.1 Procedures. (a) Election of the President, the At-large Retailer Directors, and the Supplier Directors shall be accomplished by means of mail ballot sent to voting members in good standing of the Association. Nomination and election of candidates shall be conducted in accordance with these Bylaws and with rules and procedures not inconsistent herewith as may be adopted and from time to time amended by the Board of Directors and published in the Association's Policies and Procedures Manual.

(b) Nominations for elected positions shall be accepted from July 1 until September 30.

(c) By November 1, each voting member of the Association shall be sent an election ballot containing the names of candidates, as follows:

1. Ballots sent to Retailers shall set forth at least one (1) nomination for each At-large Retailer Council directorship to be filled and, biennially, at least one (1) nomination for the office of President-Elect.
2. Ballots sent to Suppliers shall set forth and at least one (1) nomination for each Supplier Council directorship to be filled and, biennially, at least one (1) nomination for the office of President-Elect.
3. In the event that it is necessary to elect a President in addition to a President-Elect, each ballot also shall set forth at least one (1) nomination for the office of President.
4. Ballots shall include provision for write in candidates.
5. No nominee's name shall be included on the election ballot unless the nominee has indicated in writing a willingness to serve if elected.
6. The election ballot also shall contain a notice explaining the procedure to be followed in submitting such ballots.

(d) Ballots shall be returned to the Association's offices no later than November 30.

Section 7.2 Election. (a) Five percent (5%) of the Retailers and five percent (5%) of the Suppliers must submit mail ballots to constitute a quorum for elections.

(b) The affirmative vote of a majority of the appropriate category of voting members submitting mail ballots in an election in which a quorum is present shall be required for election of a candidate.

(c) If no candidate for President-Elect or, in the case of directorships, an insufficient number of candidates, receives a majority of the votes cast, the unfilled position(s) shall be filled by the candidate(s) receiving the largest number of votes cast.

(d) If a ballot contains more candidates than the number of directorships to be filled, and if more than the required number of candidates receive a majority of the votes cast, the directorship(s) shall be filled by the candidate(s) receiving the largest number of votes cast.

## **ARTICLE 8**

### **Executive Director**

The Board of Directors may employ an Executive Director to manage and direct the activities of the Association subject to the general supervision of the Board of Directors and the Executive Committee.

## **ARTICLE 9**

### **Chartered Regional Organizations**

Section 9.1 Regional Organizations. The Association may charter Regional Organizations by resolution of the Board of Directors of the Association and the Board of Directors of the Regional Organization. A chartered Regional Organization shall provide services to members within its region on regional issues such as membership recruitment and education, regional trade shows and publications, and regional legislation, pursuant to the terms of the charter.

Section 9.2 No Obligations or Liabilities. Neither the Association nor a chartered Regional Organization shall obligate or otherwise make the other party liable for any expenditures, nor shall either party make commitments or advance positions on behalf of the other party, without prior approval by the other party's Board of Directors and express written authorization from an authorized officer of the other party.

## **ARTICLE 10**

### **Contracts, Financial Transactions, and Trademarks**

Section 10.1 Contracts. The Board of Directors may authorize the President, the Treasurer, or the Executive Director of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Contracts shall be reviewed by Association counsel prior to execution, as provided in the Association's Policies and Procedures Manual.

Section 10.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in the name of the Association unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specified instances. No loan shall be made by the Association to a Director, officer, or employee of the Association.

Section 10.3 Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of

Directors. In the absence of such determination, such instruments may be signed by the Treasurer and countersigned by one other officer.

Section 10.4 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 10.5 Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Association.

Section 10.6 Trademarks. No Association member or other person may use or otherwise display Natural Products Association trademarks and other identifying emblems, logos, acronyms, etc., without prior approval by the Board of Directors and express written authorization from an authorized officer of the Association. All such use and display shall be in accordance with guidelines as may be established and from time to time amended by the Board of Directors and published in the Association's Policies and Procedures Manual.

## **ARTICLE 11**

### **Records**

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees, and shall keep at its registered office or principal office a record giving the names and addresses of its members, Directors, officers, and committee members. All books and records of the Association may be inspected by any voting member, or any member's agent or attorney, for any proper purpose at any reasonable time at the Association's principal offices.

## **ARTICLE 12**

### **Fiscal Year**

The fiscal year of the Association shall be the calendar year.

## **ARTICLE 13**

### **Notices**

Section 13.1 Manner of Notice. Whenever under the provisions of law, the Articles of Incorporation, or these Bylaws, any notice whatever is required to be given to any officer, Director, or member of the Association, it shall not be construed to require personal delivery. Such notice may be given in writing by depositing it in a sealed envelope in the mail, first class, postage prepaid and addressed to such officer, Director,

or member at his or her address as it appears on the books of the Association, and such notice shall be deemed to be given at the time when it is thus deposited in the mail; or such notice may be given in writing by any other means and if given by such other means, shall be deemed given when received. Such requirement for notice shall be deemed satisfied, except in case of meetings of members or meetings of the Board of Directors or committees of the Board with respect to which written notice is required by law, if actual notice is received orally or in writing by the person entitled thereto as far in advance of the event with respect to which notice is given as the minimum notice period required by law, by the Articles of Incorporation, or by these Bylaws.

Section 13.2 Waiver of Notice. Whenever any notice is required to be given by law, by the Articles of Incorporation, or by these Bylaws, a waiver thereof in writing signed by the person(s) entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person attends the meeting for the express purpose of objecting to the holding of the meeting because proper notice was not given.

## **ARTICLE 14**

### **Rules**

Article 14.1 Policies and Procedures Manual. (a) The Association shall maintain a Policies and Procedures Manual which shall contain such rules, regulations, policies, and procedures as may be adopted and from time to time amended by the Board of Directors; provided that, such rules, regulations, policies and procedures shall not be inconsistent with the law, the Articles of Incorporation, or these Bylaws.

(b) The Manual shall be updated annually and a copy of the updated Manual shall be sent to all Directors and made available to all members upon request. Whenever the Manual is materially revised, the revisions shall be sent to all Directors within forty-five (45) days of such revision, and shall be made available to members upon request.

Article 14.2 Robert's Rules of Order. All deliberations of the Association, its Board of Directors, and its committees shall be governed by parliamentary procedure as interpreted by the current edition of Robert's Rules of Order, Newly Revised, when not in conflict with the law, the Articles of Incorporation, these Bylaws, or the Association's Policies and Procedures Manual.

Article 14.3 Conflict of Interest Disclosure. Each officer, Director, committee member, staff member, and agent of the Association shall complete and sign a conflict of interest disclosure form and shall comply with such conflict of interest policies

and procedures as may be adopted and from time to time amended by the Board of Directors and published in the Association's Policies and Procedures Manual.

## **ARTICLE 15**

### **Indemnification and Insurance**

Each person who at any time is or shall have been a Director, officer, employee, or agent of the Association or is or shall have been serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified by the Association in accordance with and to the full extent permitted by the Illinois General Not For Profit Corporation Act of 1986, as in effect at the time of adoption of these Bylaws or as amended from time to time, and by any subsequent Illinois not for profit corporation law, and in accordance with such policies and procedures not inconsistent therewith as may be adopted and from time to time amended by the Board of Directors and published in the Association's Policies and Procedures Manual. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested Directors, or otherwise. If authorized by the Board of Directors, the Association may purchase and maintain insurance on behalf of any person to the full extent permitted by the Illinois General Not for Profit Corporation Act of 1986, as in effect at the time of the adoption of these Bylaws or as amended from time to time, and by any subsequent Illinois not for profit corporation law.

## **ARTICLE 16**

### **Dissolution**

Upon the dissolution of the Association, the Board of Directors shall make provision for the payment, satisfaction, and discharge of all of the liabilities and obligations of the Association, and shall return, transfer, or convey any assets held by the Association upon a condition requiring return, transfer, or conveyance by reason of the dissolution. Thereafter, the Board of Directors shall transfer or convey the remaining assets of the Association to such organization or organizations organized and operated exclusively for charitable, religious, scientific, literary, or educational purposes as shall at the time qualify as an exempt organization or organizations under the Internal Revenue Code of 1986, as amended (or corresponding provision of any future United States internal revenue law), in such manner as the Board shall determine pursuant to a plan of distribution adopted by the Board of Directors. Any such assets not so disposed of shall be disposed of by the Court of general jurisdiction of the county in which the principal office of the Association is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE 17**

## **Amendments**

Section 17.1 Authority. These Bylaws may be altered, amended, or repealed, or new bylaws adopted, provided that the resulting Bylaws of the Association are consistent with the law and the Articles of Incorporation.

Section 17.2 Procedure for Initiating Amendments. (a) A duly proposed amendment may be initiated as follows:

1. Any voting member, or any committee chairperson on behalf of his or her committee, may propose an amendment to the Board of Directors. At its discretion and upon the affirmative vote of a majority of the Directors, the Board of Directors may present such amendment for adoption by the voting members of the Association;
2. The Board of Directors may, upon the affirmative vote of a majority of the Directors, propose and present an amendment for adoption by the voting members of the Association; or
3. The Board of Directors shall, upon receipt of an amendment petition signed by at least 40 voting members of the Association, present such amendment for adoption by the voting members of the Association;

provided that, any proposed amendment shall be evaluated by the Bylaws Committee and Association counsel for consistency with the law, the Articles of Incorporation, and other provisions of these Bylaws.

(b) The Bylaws Committee and Association counsel shall evaluate proposed amendments, and Association staff shall respond to requests for member mailing lists to facilitate preparation of an amendment petition, in a timely manner, as provided in the Association's Policies and Procedures Manual.

Section 17.3 Amendments by Mail Ballot. A duly proposed amendment shall be adopted by the affirmative vote of two-thirds (2/3) of the voting members of the Association voting by mail, provided that:

(a) The proposed amendment was received by the Board of Directors by September 30;

(b) An official authorized ballot, and the text of the proposed amendment, was sent by mail to all voting members of the Association by November 1;

(c) Ballots were returned by mail to the Association's offices by November 30; and

(d) At least twenty percent (20%) of the voting members of the Association submitted ballots.

The results of the mail ballot shall be communicated to members by December 31.

Section 17.4 Effective Date. Amendments to these Bylaws shall become effective immediately upon adoption and final implementation shall be completed as soon as practicable but in no event later than the end of the following year.

Section 17.5 Publication. Whenever these Bylaws are amended, notice of such amendment shall be sent to members and copies of the resulting document shall be made available to members upon request.

ADOPTED: July, 1998

MOST RECENT AMENDMENT: September, 2013