



SANITARY SUPPLY WHOLESALING ASSOCIATION

ARTICLES
OF
ASSOCIATION
FOR THE
SANITARY SUPPLY
WHOLESALING
ASSOCIATION

REVISED MARCH 31, 2005

ARTICLES OF ASSOCIATION OF SANITARY SUPPLY WHOLESALING ASSOCIATION

Table of Contents

<p>Article I..... 1 Name 1</p> <p>Article II..... 1 Principal Office 1</p> <p>Article III..... 1 Purpose 1 Section 1. Purpose 1 Section 2. Operating Principles 1</p> <p>Article IV 1-2 Membership 1-2 Section 1. Definition of S.S.W.A. 1 Section 2. Requirements for Membership 1 Section 3. Application for Membership 1 Section 4. Acceptance 2 Section 5. Special Criterion for Wholesaler Membership ... 2 Section 6. Supplementary Membership 2 Section 7. Associate Membership 2 Section 8. Termination of Membership 2 Section 9. Reinstatement 2</p> <p>Article V 2 Finances 2 Section 1. Dues and Application Fee 2 Section 2. Delinquency 2 Section 3. Budget 2 Section 4. Fiscal Year 2</p> <p>Article VI 2 Voting Privileges 2 Section 1. Representation 2 Section 2. Wholesaler Members 2 Section 3. Manufacturer Members 2</p> <p>Article VII 2-3 Officers, Directors, and Their Election 2-3 Section 1. Officers and Directors 2 Section 2. Method of Election 2-3 Section 3. Installation and Assumption of Duties 3 Section 4. Vacancies 3 Section 5. Eligibility 3</p> <p>Article VIII 3-4 Duties of Officers 3-4 Section 1. President 3 Section 2. Vice-President 3 Section 3. Secretary 3 Section 4. Treasurer 3 Section 5. Immediate Past President 3-4</p>	<p> Section 6. Director-At-Large 4 Section 7. Executive Director 4 Section 8. Records 4</p> <p>Article IX 4 Meetings 4 Section 1. Regular Meetings 4 Section 2. Special Meetings 4 Section 3. Quorum 4</p> <p>Article X 4 Board of Directors 4 Section 1. Composition 4 Section 2. Authority 4 Section 3. Meetings 4 Section 4. Mail Vote 4 Section 5. Telephone Vote 4 Section 6. Quorum 4</p> <p>Article XI 5 Committees 5 Section 1. Standing Committee 5 Section 2. Additional Standing and Special Committees 5 Section 3. Committee Members 5</p> <p>Article XII 5 Dissolution 5 Section 1. Assets 5 Section 2. Liabilities 5</p> <p>Article XIII 5 Parliamentary Authority 5</p> <p>Article XIV 5-6 Indemnification 5-6 Section 1. Right of Indemnification 5-6 Section 2. Advances of Expenses 6 Section 3. Purchase of Insurance 6 Section 4. Rights Not Exclusive 6</p> <p>Article XV 6 Amendment of Articles 6 Section 1. Methods of Amending 6 Section 2. Amending by Mail Vote 6</p>
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**Articles of Association
Sanitary Supply Wholesaling Association
Revised March 31, 2005**

Article I

Name

The name of this association shall be the Sanitary Supply Wholesaling Association hereinafter referred to as S.S.W.A.

Article II

Principal Office

The principal office of the association shall be at 1432 Riverwalk Ct., City of Waterville, Lucas County, State of Ohio. The association may have such other offices as may from time to time be designated by its members or its executive committee.

Article III

Purpose

Section 1. Purpose

The purpose of this Association shall be to foster and promote the interests and welfare of the sanitary and maintenance supply distributing trade and the industry of which it is a part by:

- A) seeking the recognition and observance of fair competition and fair practices in said trade;
- B) using its efforts to increase efficiency, economy, and ethical conduct in the distribution, and to wholesalers and distributors of sanitary and maintenance supplies distributed, by said trade;
- C) seeking to promote broad acquaintance and to establish and maintain cordial relations and understanding of mutual problems between members of the trade and between them and their suppliers;
- D) facilitating social intercourse and interchange of knowledge and experience between members of the trade;
- E) sponsoring and conducting studies and statistical research into operations and services of the trade, its relations with its suppliers and with the public, and disseminating the facts developed, thereby making available to the industry the benefits derived therefrom;
- F) conducting relations with governmental departments and agencies and cooperating with them in all matters involving governmental requirements; and
- G) performing any other activities and functions tending to promote the welfare of the trade and operations in the public interest.

Section 2. Operating Principles

The operating principles of this Association shall be:

- A) to encourage manufacturers to distribute their products through wholesalers;
- B) to assist those manufacturers who desire to distribute their products through wholesalers in the development of the marketing plans;
- C) to develop data that will include to the manufacturers how their overall selling policies affect their wholesale distributors; and
- D) to provide assistance to those distributors who wish to improve their distribution and increase their level of efficiency.

Article IV

Membership

Section 1. Definition of S.S.W.A.

The Sanitary Supply Wholesaling Association shall be the term used for the entire international trade association of the wholesaler and manufacturer firms concerned with the distribution of sanitary and maintenance supply products and which operate for the purpose of generating profits which are taxable. Wholesaler and manufacturer shall be defined as follows:

- A) A Wholesaler Member shall be a firm whose principal function is to buy merchandise (sanitary and maintenance supplies) on its own account for resale to distributors in the course of which it warehouses the merchandise, promotes its sales, counsels the distributor on inventory control, and merchandising programs, and publishes a price list of the goods offered to the distributors in the area in which it operates;
- B) A Manufacturer Member shall be a firm which manufactures (sanitary and maintenance supplies) and whose plans and policies include the sale of their products through wholesalers.

Section 2. Requirements for Membership

Individuals, firms, or corporations which manufacture or wholesale sanitary and/or maintenance supply products, and which meet the requirements herein specified, shall be eligible for membership in the Association.

Section 3. Application for Membership

Application for membership shall be obtained from the Membership Committee, completed, and returned to the offices of the Association. Dues payment for the current fiscal year, and the application fee shall be sent with the application.

Section 4. Acceptance

After investigation by the Board of Directors, the applicant may be accepted by a majority vote of the Board members *present*. The applicant shall be notified of the Board's decision by the President.

Section 5. Special Criterion for Wholesaler Membership

Three (3) manufacturer members must endorse in writing the application of the proposed wholesaler in order for the application to be processed.

Section 6. Supplementary Membership

Branches and subsidiaries of member wholesaler and manufacturer companies shall be provided supplementary membership with the payment of a membership fee to be determined from time to time by the Board of Directors.

Section 7. Associate Membership

Companies who publish trade journals serving the sanitary and maintenance industry shall be provided associate membership with the payment of a membership fee to be determined from time to time by the Board of Directors.

Section 8. Termination of Membership

Membership may be terminated as follows:

- A) Resignation — A resignation in writing together with any outstanding financial obligations shall be sent to the Secretary (or Association offices). Action shall be taken by majority vote of the Board of Directors at their next meeting. The Secretary shall notify the member of the Board's action.
- B) Suspension and Expulsion — The Board of Directors may, on its own initiative or based on information presented to it, direct the Secretary to investigate any change in manner of conduct of any member or officer that may disqualify the member from further membership or office in the Association. Notice of the proposed suspension or expulsion shall be sent by Registered Mail to the member concerned at his address as appearing on the books of the Association at least 30 days prior to the date of the meeting at which such action is to be considered. Such member shall have the right to appear in his defense and may be represented by counsel. The Secretary shall submit the results of the investigation to the Board of Directors, which may, by two-thirds (2/3) vote, suspend or terminate the membership and/or office of such member.
- C) Financial — Membership shall be terminated without notice if financial obligations remain in arrears sixty (60) days after notification. The Board of Directors by three-fourths (3/4) vote may extend the time of payment.

Section 9. Reinstatement

A member whose membership has been terminated may reapply as per Section 3 of this Article.

Article V

Finances

Section 1. Dues and Application Fee

The annual dues and application fee shall be determined from time to time by the Board of Directors.

Section 2. Delinquency

Membership shall be terminated upon failure to pay all financial obligations within sixty (60) days after notification.

Section 3. Budget

A proposed budget shall be submitted by the Finance and Budget Committee to the Board of Directors at least thirty (30) days before the Annual Business Meeting. The budget shall be approved by the Board of Directors by majority vote in order to become operational.

Section 4. Fiscal Year

The fiscal year shall be from January 1 to December 31.

Article VI

Voting Privileges

Section 1. Representation

Each member, firm, or corporation shall appoint and certify a representative who shall be its representative for the purpose of voting and receiving Association correspondence. This designated representative shall be an officer or executive possessing authority to bind the member firm and shall have only one vote on any matter brought before the membership and for all elective positions. A company shall designate a representative of a member branch or subsidiary who shall receive Association correspondence and who shall not have any voting privileges.

Section 2. Board Elections

A ratio factor (rounded to the nearest .1) will be determined to equally weight the votes between wholesaler and manufacturer members at the time of the election, based on paid memberships at that time, to determine the election outcome.

Article VII

Officers, Directors, and Their Election

Section 1. Officers and Directors

The officers of this Association shall be a President, a Vice-President, a Secretary, a Treasurer, and the Immediate Past President. The Board of Directors shall also include four Director-At-Large positions.

Section 2. Method of Election

Officers and Directors at large shall be elected by majority vote in the following manner:

- A) Members shall annually elect a Vice-President who shall serve as Vice-President the first year of his term. He shall serve as President the second year of his term and shall serve as Immediate

Past President the third year of his term. This position will alternate between Manufacturer and Wholesaler constituents, with a Manufacturer being elected in the odd-numbered years, and a Wholesaler being elected in the even-numbered years.

- B) Every year, the Secretary shall be elected by membership and shall serve a term of one year; a Wholesaler is to be elected in the odd-numbered years, and a Manufacturer is to be elected in the even-numbered years.
- C) In even-numbered years, the Treasurer shall be elected by the members and shall serve a term of two years or until his successor is elected. This position will be filled by a Wholesaler at all times.
- D) The members shall, in both odd-numbered and even-numbered years, elect two members to serve as Directors-At-Large for terms of two years each; one from the Wholesaler delegation and one from the Manufacturer delegation.

Section 3. Installation and Assumption of Duties

Officers and Directors shall be elected at the annual Executive Conference, during the opening business meeting, and shall be installed and assume their duties at the closing luncheon at the end of the Executive Conference.

Section 4. Vacancies

A vacancy in any elective office shall be filled by appointment by the President. Election shall be held at the following Executive Conference after a vacancy is created to fill any unexpired term. Termination of employment of an officer or director with the member company whom they represent shall constitute a vacancy.

Section 5. Eligibility

Only the official representative of a member company in good standing shall be eligible to serve as a Board member. No more than (1) person from a member firm or corporate division shall be eligible to serve as a Board member at the same time.

Article VIII

Duties of Officers

Section 1. President

The President shall be the chief executive officer of the Association and shall have general powers and duties of supervision and management. The President performs all other duties incident to the office according to the Articles of Association and in harmony with the Association's parliamentary authority. The President shall preside at all meetings of the Association. The President shall appoint all Special Committees. The President is an ex-officio member of all committees and has the right to vote at all meetings. The President acts as Chair of the Nominating Committee.

After service as Vice-President for a term of one (1) year, the President shall serve a term of one (1) year before automatically succeeding to the office of Immediate Past President for one (1) year.

Section 2. Vice-President

The Vice-President shall perform all duties and exercise all powers of the President when the President is temporarily absent or otherwise unable to act. In the event the office of President becomes vacant for any other reason than completion of a term of office, the Vice-President/President Elect shall assume the office of the President for the remainder of that term, and shall also serve his/her full term as President. The Vice-President shall assist the President in performing the duties of the position. The Vice-President will chair the Meeting Planning Committee, and will perform all other duties incident to the office according to these Articles and in harmony with the Association's parliamentary authority.

The Vice-President shall be elected by the membership to serve a term of one (1) year and shall, upon performance of his/her duties with good conduct, automatically succeed to the office of President to serve a term of one (1) year.

Section 3. Secretary

The Secretary of the Association shall be responsible for keeping the minutes, records, and correspondence of the Association, in conjunction with the Executive Director who acts as the recorder and scribe. The records shall physically be kept at the Association headquarters. The Secretary shall chair the Communications Committee and perform all other duties incident to the office according to these Articles and in harmony with the Association's parliamentary authority.

The Secretary shall serve a term of one year.

Section 4. Treasurer

The Treasurer of the Association shall be responsible for the charge and custody of all funds of the Association, and for keeping detailed and accurate records of the financial transactions of the Association. The Treasurer shall, at all reasonable times, make the books and accounts of the Association available to any board member on request for inspection. The Treasurer shall be responsible for working with the Executive Director to insure:

- 1) that dues statements are sent to all members by November 30th of each fiscal year,
- 2) accurate accounting for the collection and disbursement of all monies for the Association,
- 3) necessary tax returns are filed,
- 4) that the Board of Directors receives accurate financial statements,
- 5) the Executive Director is bonded in the sum determined by the Board of Directors and paid for by the Association's funds.

The Treasurer shall serve as the chair of the Finance and Budget Committee and shall perform all other duties incident to the office according to the Articles of Association and in harmony with the Association's parliamentary authority.

The Treasurer shall serve a term of two (2) years.

Section 5. Immediate Past President

The Immediate Past President of the Association shall be responsible for acting in an advisory capacity to the President. The Immediate Past President shall chair the Membership Committee, and perform all other duties incident to the office according to the Articles of

Association and in harmony with the Association's parliamentary authority and Board of Directors.

The President of the Association, upon completing his/her term as President, shall automatically succeed to the office of Immediate Past President, where he/she will serve a one (1) year term.

Section 6. Director-At-Large

The Director-At-Large shall represent the membership of S.S.W.A. and will bring forward to the Board, the needs of the members within their constituency. The Director-At-Large shall reinforce and support the S.S.W.A. Articles of Association, and policies and resolutions of the Board of Directors. The Director-At-Large shall enact policy changes through resolutions or recommended bylaws changes and will act as a communications link between the members, the Board of Directors, and the Executive Director. The Directors-At-Large do have a voice and a vote at all Board meetings.

The Director-At-Large shall serve a term of two (2) years.

Section 7. Executive Director

The Executive Director is responsible for all the managerial and administrative functions of the Sanitary Supply Wholesaling Association. Responsibilities include, but are not limited to, all aspects of meeting planning, marketing, accounting, office operations, data processing, membership coordination, membership services, communications, education and training, public relations, and planning. In addition to the above, the Executive Director serves as S.S.W.A.'s registered agent who has the authority, as defined by the Board, to enter into contracts on behalf of the Association. The Executive Director has the authority to expend funds of the Association in accordance with the approved budget and programs provided by the board. For amounts in excess of an amount established by the Board of Directors, approval must be received by a majority of the officers of the Board, in addition to the required signature of the Association Treasurer.

The Executive Director shall be appointed by the Board, the Board shall fix his/her duties and compensation. The Executive Director shall serve until he/she resigns, dies, or is removed from office by majority of the Board.

The Executive Director, at the time of this Revision of the Articles is named as: Donna R. Frendt.

Section 8. Records

Within a reasonable time after being installed, each officer shall be presented with all and any records of his predecessor's office.

Article IX

Meetings

Section 1. Regular Meetings

The Association shall meet at least once in the fall and in the spring at the call of the President.

- A) The Spring meeting shall be designated the Annual Executive Conference,
- B) Whenever possible, the Fall meeting, designated as the Annual Business Meeting, shall be held during the International Sanitary Supply Association convention and shall be for the purpose of receiving reports

of the Treasurer and other officers, installation of officers and Board members, and conducting such other business as may be appropriate.

Section 2. Special Meetings

From time to time special meetings may be called by the President. Notice of any special meeting shall be sent to all members at least fifteen (15) days prior to any such meeting.

Section 3. Quorum

Three-fourths participation of the Wholesaler Members shall constitute a quorum.

Article X

Board of Directors

Section 1. Composition

The Board of Directors shall be composed of the President, Vice-President, Secretary, Treasurer, Immediate Past President, and four (4) Directors-At-Large.

Section 2. Authority

The Board of Directors shall have full power and authority over the affairs of S.S.W.A. including establishing an office and employing an administration staff as deemed necessary. The Board shall perform all duties as specified in these Articles.

Section 3. Meetings

The Board shall meet at least twice yearly at the call of the President or upon written request of five (5) Board members. Board members may be reimbursed for reasonable travel expenses for Board meetings except for their attendance at the Board meeting in conjunction with the Annual Executive Conference and the International Sanitary Supply Association Convention.

Section 4. Mail Vote

A vote by mail may be taken when necessary. Action shall be determined by a majority vote of the returned ballots provided that at least seven (7) respond, four (4) of whom must be officers. Ballots must be returned within twenty (20) days. Action by mail shall be verified and made part of the minutes at the next Board meeting.

Section 5. Telephone Vote

Votes may be taken by telephone when necessary to expedite the consideration of firms for membership. The Secretary shall mail ballots regarding the proposed issue to each member of the Board for vote confirmation within ten (10) days following the telephone poll. Completed ballots shall be returned to the Secretary within twenty (20) days after the poll. Action taken in this manner shall be verified and made part of the minutes of the next Board meeting.

Section 6. Quorum

A majority of the Board which must include at least four (4) officers shall constitute a quorum.

Article XI

Committees

Section 1. Standing Committee

The Standing Committee of S.S.W.A. shall be:

- A) Finance and Budget Committee which shall consist of at least two (2) Wholesaler Members and two (2) Manufacturer Members. The Treasurer shall be the Chairman of the Committee. The Committee shall be responsible for preparing the budget for the ensuing year and recommending it to the Board of Directors for approval.
- B) Meeting Planning Committee which shall consist of at least two (2) Wholesaler Members and two (2) Manufacturer Members. The Vice-President shall be the Chairman of the Committee. The Committee shall be responsible for preparing for the Association meetings for the ensuing year and recommending their plan to the Board of Directors.
- C) Communications Committee which shall consist of at least two (2) members in addition to the Association Secretary who shall be its Chairman. The Committee shall be responsible for the dissemination of information to all members as well as appropriate non-members.
- D) Membership Committee which shall be responsible for ongoing membership recruiting effort. The Immediate Past President shall be Chairman of the Committee.
- E) Nominating Committees:
 - 1. At the Board Meeting preceding the Annual Executive Conference, a Nominating Committee composed of all Members of the Board of Directors shall prepare a slate of officers. The slate shall be composed only of candidates eligible to serve in specific years from the wholesaler and manufacturer contingencies. Election shall be at the Annual Executive Conference. The President shall be the Chairman of this Committee.
 - 2. At the Board Meeting preceding the Annual Executive Conference, a Nominating Committee composed of all Members of the Board of Directors shall prepare a slate of Directors at large. The slate shall be composed only of candidates eligible to serve in specific years from the wholesaler and manufacturer contingencies. Election shall be at the Annual Executive Conference. The Committee shall select their own Chairman.

Section 2. Additional Standing and Special Committees

Additional Standing and Special Committees may be appointed by the President as deemed necessary.

Section 3. Committee Members

Except as otherwise stated in these Articles, the President shall appoint all committee members.

Article XII

Dissolution

Section 1. Assets

Upon the dissolution of this Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, dispose of all of the assets of the Association by making distribution for the purposes set forth in Article III hereof in such manner as the Board of Directors shall determine, or by making distribution to such organizations, as the Board of Directors shall then determine, which are organized and operated exclusively for charitable or educational purposes and which at that time qualify as exempt public organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of future United States Internal Revenue Law).

Section 2. Liabilities

No part of the net earnings of this Association shall inure to the benefit of or be distributed to its members, directors, officers, or other private persons, except that the Association shall be authorized and payments and distributions on furtherance of the purpose set forth in Article III hereof. Notwithstanding any other provision of these Articles, the Association shall not carry on any activities not permitted to be carried on by an Association exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Article XIII

Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the proceedings of this Association in all cases to which they are applicable and in which they are not inconsistent with these Articles and any special rules of order this Association may adopt.

Article XIV

Indemnification

Section 1. Right of Indemnification

The Association shall indemnify any member, director, officer, or employee or a former member, director, officer, or employee of this Association against expenses (including attorney's fees), judgments, decrees, fines, penalties, or amounts paid in settlement in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, to which he is, or made be made a party, by reason of being or having been such member, director, officer, or employee, provided it is determined by one of the methods hereinafter set forth that (a) such member, director, officer, or employee was not and has not been adjudicated to have been negligent or guilty of misconduct in the performance of his duty to the Association, (b) he acted in good faith in what he reasonably believed to be the best interest of the Association, (C) that in any matter the subject of a

criminal action, suit, or proceeding he had no reasonable cause to believe that his conduct was unlawful, and (d) in case of settlement, the amount paid in settlement was reasonable. Such determination shall be made by a majority vote of the Directors of the Association acting at a meeting at which a quorum consisting of Directors who are not parties to or threatened with any such action, suit, or proceeding is present or, in the event such a quorum cannot be assembled, by a majority vote of the members of the Association acting at a meeting at which a quorum consisting of members who are not parties to or threatened with any such action, suit, or proceeding is present, or, in the event such a quorum of members cannot be assembled, by an attorney at law, other than an employee of the Association, selected by the highest ranking officer of the Association, who is not party to or threatened with any such action, suit, or proceeding.

To the extent that a member, director, officer, or employee has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in the first paragraph of this Section 1, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually or reasonably incurred by him in connection therewith.

Section 2. Advances of Expenses

The Association, when authorized by the Board of Directors (whether a disinterested quorum exists or not), may advance to any such person expenses with respect to any such pending or threatened action, suit, or proceeding prior to the final disposition thereof receipt of any undertaking by the recipient to repay such advances unless it shall ultimately be determined that he is entitled to be indemnified by the Association.

Section 3. Purchase of Insurance

The Association may purchase and carry insurance on behalf of any such member, director, officer, or employee against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, regardless of whether the Association would have the power to indemnify him against such liability.

Section 4. Rights Not Exclusive

The indemnification provided in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of the Association, these Articles, any agreement, any insurance purchased by the Association, vote of members otherwise, and shall continue as to a person who has ceased to be a member, director, officer, or employee and insure to the benefit of the heirs, executors, and administrators of such person; provided, however, there shall be no duplicate payments by or on behalf of the Association.

Article XV

Amendment of Articles

Section 1. Methods of Amending

These Articles may be amended at any *regular or special* membership meeting *at which a quorum is present* by two-thirds (2/3) vote of the Wholesaler and Manufacturer Members present and voting, provided that the amendment(s) has been submitted in writing together with the notice of the meeting at least seven (7) days before the meeting at which the amendment(s) is to be voted upon. A ratio factor (rounded to the nearest .1)

will be determined to equally weight the votes between wholesaler and manufacturer members at the time the amendment is submitted, based on paid memberships at that time.

Section 2. Amending by Mail Vote

Amendments may be adopted by mail vote of the Wholesaler and Manufacturer Members provided they have been approved by the Board of Directors. Members entitled to vote must return their ballots within fourteen (14) days, and two-thirds (2/3) vote of ballots received shall determine action. A ratio factor (rounded to the nearest .1) will be determined to equally weight the votes between wholesaler and manufacturer members at the time the amendment is submitted, based on paid memberships at that time.