

Sample Statements, Terms and Provisions

I. Sample Nondisclosure/Confidentiality Agreement

PPAI Headquarters Staff/Board of Directors Confidentiality Agreement

PPAI engages in strategic arrangements with various entities to provide member services and benefits. PPAI has entered into non-disclosure and confidentiality agreements with other entities and is prohibited from divulging information and knowledge that is considered proprietary to those entities. As an employee/director of the Promotional Products Association International (PPAI), you will have access to confidential and proprietary information belonging to existing strategic partners, or potential strategic partners. All information must remain in the strictest confidence and any disclosure to any third party could result in legal liability for PPAI and you personally, with the potential to exceed the current insurance and indemnification protections afforded the employees by the Association.

Further, any disclosure regarding potential strategic partners for any benefit, or service, including the fact PPAI may be engaged in discussions, or negotiations with such a potential partner, could also result in legal liability for PPAI and you personally. PPAI's own internal strategic decisions and direction often involves the sharing of PPAI's proprietary information with the employees and directors and divulging such information to third parties could result in legal liability for PPAI and you personally.

By signing this statement you acknowledge your obligation to keep all information regarding PPAI's existing and potential strategic partners, all information provided to PPAI by any such existing and potential strategic partners and PPAI's own proprietary information confidential.

Date

Name

Signature

II. Sample Indemnification Provision for Bylaws

INDEMNITY

Any person made a party to any legal action by reason of the fact that he, his testator, or intestate, is or was a director, officer, or employee of the Association, or of any corporation which he served at the Association's request, shall be indemnified by the Association against reasonable expenses, including attorney's fees, necessarily incurred by him in connection with the action, or with any appeal therein. This indemnification does not apply if a court determines that the legal action resulted because the officer, director, or employee was negligent, or guilty of misconduct in the performance of his/her duty for the Association. The right of indemnification established in this article does not exclude any other rights to which such director, officer, or employee may be entitled.

III. Sample Membership Termination Provision

Membership in the Association shall automatically terminate when a member no longer meets the criteria for membership, when a member sends a written notice of resignation to the President, or fails to pay dues, or other charges owed to the Association.

Any member may be expelled by a two-thirds vote of the Board of Directors for adequate reason, which may include conduct detrimental to the association or industry, failure to abide by these bylaws, or conduct contrary to the PPAI Code of Ethics. Any member proposed for expulsion is to be given adequate written notice including the reason for the proposed expulsion, opportunity to contest the proposed expulsion in writing, or in person before the Board of Directors and final written notice of the Board's decision.

When membership is terminated for any reason, all rights of such member with respect to the Association and property of the Association shall cease immediately. Such member shall remain obligated to pay any debts owed the Association at the termination of membership.

IV. Sample Conflicts of Interest Statements

A. PPAI'S CONFLICT OF INTEREST POLICY

Article I - Purpose

The purpose of the conflict of interest policy is to protect the Promotional Products Association International's (PPAI) interest when it is contemplating entering into a transaction, or arrangement that might benefit the private interest of an officer, or director of the PPAI, or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II - Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct, or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership, or investment interest in any entity with which the PPAI has a transaction, or arrangement,
- b.** A compensation arrangement with the PPAI, or with any entity, or individual with which the PPAI has a transaction, or arrangement, or
- c.** A potential ownership, or investment interest in, or compensation arrangement with, any entity, or individual with which the PPAI is negotiating a transaction, or arrangement.

Compensation includes direct and indirect remuneration as well as gifts, or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board, or committee decides that a conflict of interest exists.

Article III - Procedures

1. Duty to Disclose

In connection with any actual, or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board-delegated powers considering the proposed transaction, or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts and after any discussion with the interested person, he/she shall leave the governing board, or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board, or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the governing board, or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of and the vote on the transaction, or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board, or committee shall, if appropriate, appoint a disinterested person, or committee to investigate alternatives to the proposed transaction, or arrangement.
- c.** After exercising due diligence, the governing board, or committee shall determine whether the PPAI can obtain with reasonable efforts a more advantageous transaction, or arrangement from a person, or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction, or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board, or committee shall determine by a majority vote of the disinterested directors whether the transaction, or arrangement is in the PPAI's best interest, for its own benefit and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction, or arrangement.

4. Violations of the Conflicts of Interest Policy

- a.** If the governing board, or committee has reasonable cause to believe a member has failed to disclose actual, or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board, or committee determines the member has failed to disclose an actual, or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV - Records of Proceedings

The minutes of the governing board and all committees with board-delegated powers shall contain:

- a.** The names of the persons who disclosed, or otherwise were found to have a financial interest in connection with an actual, or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the governing board's, or committee's decision as to whether a conflict of interest in fact existed.
- b.** The names of the persons who were present for discussions and votes relating to the transaction, or arrangement, the content of the discussion, including any alternatives to the proposed transaction, or arrangement, and a record of any votes taken in connection with the proceedings.

Article V - Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the PPAI for services is precluded from voting on matters pertaining to that member’s compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the PPAI for services is precluded from voting on matters pertaining to that member’s compensation.
- c. No voting member of the governing board, or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the PPAI, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI - Annual Statements

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy and
- d. Understands the PPAI is nonprofit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one, or more of its tax-exempt purposes.

Article VII - Periodic Reviews

To ensure the PPAI operates in a manner consistent with nonprofit purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm’s length bargaining.
- b. Whether partnerships, joint ventures and arrangements with the management of PPAI conform to the PPAI’s written policies, are properly recorded, reflect reasonable investment, or payments for goods and services, further PPAI’s nonprofit purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article VIII - Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the PPAI may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

I acknowledge that I have received, read, understand and agree to comply with PPAI’s Conflict of Interest Policy.

Name: _____

Date: _____

Signature: _____

B.

ABC ASSOCIATION

BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

The Board of Directors of the ABC Association ("ABC") must act at all times in the best interests of ABC and not for personal, or third-party gain, or financial enrichment. When encountering potential conflicts of interest, Board members shall identify the potential conflict and as required, remove themselves from all discussion and voting on the matter. Specifically, members of the Board of Directors shall:

- avoid placing (and avoid the appearance of placing) one's own self-interest, or any third-party's interest above that of ABC; while the receipt of incidental personal, or third-party benefit may necessarily flow from certain ABC activities, such benefit must be merely incidental to the primary benefit to ABC and its purposes;
- not abuse their Board membership by improperly using their Board membership, or ABC's staff, services, equipment, materials, resources, or property for their personal, or third-party gain, or pleasure and shall not represent to third parties that their authority as a Board member extends any further than that which it actually extends;
- not engage in any outside business, professional, or other activities that would directly, or indirectly materially adversely affect ABC;
- not engage in, or facilitate any discriminatory, or harassing behavior directed toward ABC staff, members, officers, directors, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, or others in the context of activities relating to ABC;
- not solicit, or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person, or entity as a direct, or indirect inducement to provide special treatment to such donor with respect to matters pertaining to ABC without fully disclosing such items to the Board of Directors;
- provide goods, or services to ABC as a paid vendor to ABC only after full disclosure to and advance approval by the Board and pursuant to any related procedures adopted by the Board;
- not persuade, or attempt to persuade any employee of ABC to leave the employ of ABC, or to become employed by any person, or entity other than ABC; and
- not persuade, or attempt to persuade any member, exhibitor, advertiser, sponsor, subscriber, supplier, contractor, or any other person, or entity with an actual, or potential relationship to, or with ABC to terminate, curtail, or not enter into its relationship to, or with ABC, or to in any way reduce the monetary, or other benefits to ABC of such relationship.

This policy shall apply not only to all members of the ABC Board of Directors, but also shall apply to all members of ABC committees, task forces and others in the ABC governance structure, as well as to all ABC employees. All references herein to the Board of Directors shall be construed also to refer to these additional individuals.

C.

BOARD OF DIRECTORS CONFLICT OF
INTEREST POLICY AND DISCLOSURE FORM

ABC ASSOCIATION

Board of Directors Conflict of Interest Policy and Disclosure Form

In their capacity as directors, the members of the Board of Directors (the "Board") of the ABC Association ("ABC") must act at all times in the best interests of ABC. The purpose of this policy is to help inform the Board about what constitutes a conflict of interest, assist the Board in identifying and disclosing actual and potential conflicts and help ensure the avoidance of conflicts of interest where necessary. This policy may be enforced against individual Board members as described below.

CONFLICT OF INTEREST POLICY

1. Board members have a fiduciary duty to conduct themselves without conflict to the interests of ABC. In their capacity as Board members, they must subordinate personal, individual business, third-party and other interests to the welfare and best interests of ABC.
2. A conflict of interest is a transaction, or relationship which presents, or may present a conflict between a Board member's obligations to ABC and the Board member's personal, business, or other interests.
3. All conflicts of interest are not necessarily prohibited, or harmful to ABC. However, full disclosure of all actual and potential conflicts and a determination by the disinterested Board (or ABC Executive Committee) members—with the interested Board member(s) recused from participating in debates and voting on the matter—are required.
4. All actual and potential conflicts of interests shall be disclosed by Board members to the ABC Executive Committee through the annual disclosure form and/or whenever a conflict arises. The disinterested members of the ABC Executive Committee shall make a determination as to whether a conflict exists and what subsequent action is appropriate (if any). The ABC Executive Committee shall inform the Board of such determination and action. The Board shall retain the right to modify, or reverse such determination and action and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy.
5. On an annual basis, all Board members shall be provided with a copy of this policy and required to complete and sign the acknowledgment and disclosure form below. All completed forms shall be provided to and reviewed by the ABC Executive Committee, as well as all other conflict information provided by Board members.

ACKNOWLEDGMENT AND DISCLOSURE FORM

I have read the ABC Board Conflict of Interest Policy set forth above and agree to comply fully with its terms and conditions at all times during my service as a ABC Board member. If at any time following the submission of this form I become aware of any actual or potential conflicts of interest, or if the information provided below becomes inaccurate, or incomplete, I will promptly notify the ABC President & CEO in writing.

V. Sample Whistleblower Policy

PPAI'S WHISTLEBLOWER POLICY

The Promotional Products Association International (PPAI) endeavors to conduct its business under the highest standards of business and personal ethics and integrity and to comply with all applicable laws and regulations. While the goal is to perform to those standards at all times, there may be an instance when there is a question as to whether the organization, or an individual associated with the organization is involved in an activity that is illegal, or unethical.

It is the policy of the PPAI to encourage anyone, including employees, officers, directors and members, who may have questions about the organization, or an individual's actions to step forward to bring his/her concerns to the attention of the appropriate authority.

It is not possible to provide specific guidance as to what might be an illegal, or unethical activity. Therefore, each situation must be evaluated by the person who may have a concern as well as the individual responsible for investigating the merits of the matter.

PPAI strives to create an environment of integrity and honesty that will allow anyone who may have a concern to address the matter within the organization. The first course of action should be to direct any question, complaint, or concern to a direct supervisor, or in the case of PPAI members, to PPAI's Chief Executive Officer. If that is not possible under the circumstances, or if you do not feel comfortable doing so, or if the matter involves a member of the Board of Directors of the PPAI, the matter should be directed to PPAI's Ethics and Integrity Officer.

The PPAI has designated its General Counsel as its EIO. If the matter involves the EIO, the inquiry should be directed to the Chairperson of the Board of Directors of the PPAI.

Any question, complaint, or concern may be submitted anonymously. All inquiries and contact will be kept confidential; however, limited disclosure may be required to conduct a reasonable investigation.

The EIO will acknowledge any question, complaint, or concern within five business days. The EIO will promptly investigate ALL matters brought to the EIO's attention.

Anyone who submits a question, complaint, or concern should be assured that there will be no retaliation, or harassment for doing so. Anyone who retaliates against, or harasses someone who has submitted a question, complaint, or concern will be subject to appropriate discipline including termination.

Anyone who submits a question, complaint, or concern does have one important responsibility and that is to do so in good faith and in the reasonable belief there is a basis for submitting a question, complaint, or concern. Malicious, or knowingly false allegations can be harmful to the individual who is the subject of the allegations and if the EIO's investigation determines the allegations were made under such circumstances, the individual making them will be subject to appropriate disciplinary action.