

## BYLAWS OF

### NEMOA

#### ARTICLE I. NAME AND LOCATION

The name of the association is **NEMOA** (the “Association”), a Maine nonprofit corporation organized and existing pursuant to the Maine Nonprofit Corporation Act, 13-B M.R.S. § 101, *et seq.* (the “Act”). The principal office of the Association shall be located in the City of Portland and the State of Maine. The Association may also maintain offices at such other places as the Board of Directors may, from time to time, determine.

#### ARTICLE II. PURPOSES

**Section 1. Purpose.** The Association is organized as a public benefit corporation for all purposes permitted under 13-B M.R.S., including but not limited to the purpose of: (1) promoting the best interests of merchants that sell merchandise using catalogs, websites, retail stores and direct marketing techniques and services (“Merchants”); (2) cooperating with multi-channel marketing associations of other regions in connection with legislation affecting the industry; (3) engaging in cooperative activities for the benefit of all its members; (4) engaging in a free exchange of promotional and operating activities and techniques; (5) establishing standards of quality and service which will reflect favorably on the catalog, online, retail and direct marketing industries; and (6) cooperating with service providers of the catalog, online, retail and direct marketing industries to improve their services and provide a better customer experience. The Association shall have all the powers necessary to carry out the foregoing purposes and all the powers of non-profit corporations organized under the laws of the State of Maine.

#### **Section 2. Limitations.**

(a) Upon dissolution of the Association or the termination of its activities, the assets of the Association remaining after the payment of all its liabilities shall be distributed exclusively to one or more organizations organized and operated exclusively for such purposes as shall then qualify: (a) as a mutual benefit corporation under the Act, which organization is engaged in activities substantially similar to those of the Association; or, (b) to another entity pursuant to a conversion plan approved pursuant to 5 M.R.S., §§ 194-B to 194-K.

(b) No part of the net earnings of the Association shall inure to the benefit of any member, director, or officer of the Association, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Association in carrying out one or more of its purposes), and no member, director, or officer of the Association, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Association.

(c) The private property of the incorporators, directors and officers shall not be subject to the payment of corporate debts to any extent whatsoever.

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(d) No substantial part of the activities of the Association shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by IRC Section 501(h)) or participating in or intervening in (including the publication or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

(e) In any year in which the Association is a private foundation as described in IRC Section 509(a), the Association shall distribute its income for said period in such time and manner as not to subject it to tax under IRC Section 4942, and the Association shall not: (a) engage in any act of self dealing as defined in IRC Section 4941(d); (b) retain any excess building holdings as defined in IRC Section 4943(c); (c) make any investments in such a manner as to subject the Association to tax under IRC Section 4944; or, (d) make any taxable expenditures as defined in IRC Section 4945(d) or corresponding provisions of any subsequent Federal tax laws.

### **ARTICLE III. MEMBERSHIP AND DUES**

**Section 1. Membership Application Process.** Membership applications shall be submitted to the person designated by the Board to receive such applications. All pending applications shall be presented to the Board for approval. Merchants who seek to become Members shall submit a copy of their direct mail marketing materials and/or a representative sample of content from their ecommerce website with their application to be reviewed by the Board. Applicants other than Merchants who seek to become members shall submit with their applications: (1) a company profile; (2) a sample of their sales brochure and/or a representative sample of content from their website. The Board will have discretion to act on all membership applications pursuant to a process established by the Board from time to time, and in accordance with the best interests of the Association. It is the objective of the Association to maintain a balance of at least 50% members who are Merchants. In order to achieve this goal the Board may consider placing non-Merchant applicants on a waiting list or conditioning a non-Merchant applicant's approval upon recruitment of a Merchant member. To be admitted as a Member, each applicant must receive a majority vote in favor from the Board and not more than two "no" votes. Each applicant must read a copy of the NEMOA Bylaws and the NEMOA Guidelines for Conduct at the time of application and sign its application form attesting that the applicant has read both and will adhere to them.

**Section 2. Voting Privileges and Responsibilities.** Each Member company shall receive one vote, regardless of size or composition. No Member company shall receive more than one vote.

**Section 3. Membership List.** A list of the current Members' names and addresses shall be maintained at all times, and said list may be updated with additions and deletions at any time as required. Use of the membership list for any purpose other than networking or the official business of the Association is prohibited without prior written approval by the Board of Directors. The Association is the sole and exclusive owner of the membership list.

**Section 4. Rights and Responsibilities.** Each member will be responsible for (1) supporting the Association financially; (2) attending Association meetings whenever possible; and (3) serving as an officer or on a committee, or assisting in Association projects whenever possible. Each member in good standing may state that it is a member of the Association in its sales and promotional materials and may use the Association's logo.

**Section 5. Dues.** Dues will be established annually by the Board. In order to maintain active membership and entitlement to the Association's mailing list, dues must be paid in full each year.

**Section 6. Forfeiture of Membership.**

(a) If a Member does not pay its dues in full each year, or, if a Member fails to adhere to the Association's Guidelines for Conduct, the Executive Committee may revoke its membership by unanimous vote.

(b) If the Board of Directors determines by a unanimous vote that a Member has failed to adhere to the NEMOA Guidelines for Conduct, the Board may remove such member.

(c) If the Board of Directors determines by a unanimous vote that a Member has engaged in any action deemed detrimental to the Association, the Board may remove such member.

**ARTICLE IV. BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE**

**Section 1. Number.** The Board of Directors shall consist of no less than nine (9) directors. The number of directors may be increased from time to time, by resolution of the Board of Directors, but there at no time shall be less than nine (9) directors, and a director's term may not be shortened by a reduction in the Board's size. Irrespective of the number of directors at any given time, no more than 49% of the members of the Board of Directors shall be "financially interested persons" as defined by Section 713-A of the Act. The Board of Directors shall be selected from both Merchant Members and non-Merchant Members and shall include not less than five (5) Merchant members at any time.

**Section 2. Manner of Selection.** All vacancies or increases in the Board of Directors shall be filled by the remaining members of the Board at any regular meeting of the Board or at a special meeting of the Board called for that purpose. A Director elected to fill a vacancy shall be elected for a full Initial Term.

**Section 3. Term and Vote.** The Directors shall be elected at the annual meeting of the Association by a majority vote of current NEMOA Members in attendance at the meeting. The Initial Term of any Director shall be one year. Following the end of the Initial Term, a Director may be elected to serve two (2) additional two-year terms. In the event a Director is elected to a complete the remainder of a previous Director's vacated term and the remaining period of such term is less than two (2) years), the newly elected Director shall be eligible for election to two (2) additional two-year terms. Any former Director shall be eligible for re-election to the Board after not serving as a Director for at least one year. Upon such re-election, such a Director shall be considered a new Director and shall serve an Initial Term. Officers and the Membership Chair are exempt from the term limits described herein. Each Director so elected shall serve until the end of his or her term and until his or her successor shall have been elected and qualified, except in cases of death, resignation or removal of the Director. Each Director shall have one vote on Association matters.

**Section 4. Compensation.** No more than 49% of Directors serving may receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties as a Director.

**Section 5. Resignation and Removal.** Any Director may resign by giving written notice of his

or her resignation from the Board to the President or Secretary of the Association. Such resignation shall take effect at the time specified in such notice and the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed from office, with or without cause, by a two-thirds vote of all Directors then serving in office.

## **ARTICLE V. POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association, consistent with purpose of the Association, its Articles of Incorporation, these Bylaws, and the Act. The Board shall appoint an executive staff, who shall be responsible to the Board for the administrative and business management of the Association. The executive staff shall select, employ, and manage all other staff of the Association. The Board may further delegate authority to committees or to individual Directors as it deems necessary for carrying out the purposes and business of the Association, consistent with the provisions of the Act governing public benefit corporations.

## **ARTICLE VI . MEETINGS OF DIRECTORS**

**Section 1. Annual Meeting.** The annual meeting of Directors shall normally be held during the NEMOA Spring Conference each year, or on such other date as may be fixed by the Board of Directors.

**Section 2. Regular Meetings.** Regular meetings of the Board of Directors will be held at such times as set by the Board of Directors, at such place and hour as may be fixed from time to time by resolution of the Board. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day that is not a legal holiday.

**Section 3. Special Meetings.** Special meetings of the Board of Directors will be held when called by the President of the Association, or by any two Directors, after not less than three days' notice to each Director.

**Section 4. Notice of Meetings of the Board of Directors.** Written notice stating the place, day, and hour of the meeting and the agenda for the meeting will be delivered either in person, by mail, by electronic mail, by facsimile, or as otherwise permitted by the Act, by or at the direction of the President, or the persons calling the meeting, as provided in these Bylaws, to the registered mailing address for notice of each Director. The notice will include copies of the proposed minutes of the previous meeting if the minutes have been prepared by the Secretary or the Clerk.

**Section 5. Quorum.** A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as may otherwise be required by law or the Articles of Incorporation, the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

**Section 6. Waiver of Notice.** Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors, any Director may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

**Section 7. Action Taken Without a Meeting.** The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved will have the same effect as though taken at a meeting of the Directors.

**Section 8. Telephone Meetings.** Members of the Board of Directors or of any committee designated thereby may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participating in a meeting in such a manner by any member who does not object at the beginning of such meeting to the holding thereof in such manner shall constitute presence in person at such meeting.

**Section 9. Committee Meetings.** Committee meetings may be held without notice at such time and at such place as shall from time to time be determined by the committee. Committees of the Association shall keep regular minutes of their proceedings, and report these minutes to the Board of Directors when required.

## **ARTICLE VII. OFFICERS**

**Section 1. Enumeration of Officers.** The officers of the Association will be a President, Vice-President, Treasurer, and a Secretary or Clerk. At least two (2) of the officers must be Merchants or representatives thereof. The Board of Directors may also elect such other officers or assistant officers as the Board determines necessary.

**Section 2. Election of Officers.** The officers of the Association shall be elected annually at the annual meeting of the Board of Directors or shall be appointed by the Board of Directors and their election shall be ratified by the Members.

**Section 3. Term.** The officers of the Association will each hold office for two years.

**Section 4. Special Appointments.** The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

**Section 7. Multiple Offices.** Any two or more offices may be held by the same person.

**Section 8. Duties.** The duties of the officers are as follows:

**(a) President.** The President shall preside at all meetings of the Board of Directors, and shall supervise the affairs of the Association and perform any other such duties as may be assigned to the office by the Board of Directors.

**(b) Vice President.** The Vice President will act in the place and stead of the President in the event of his or her absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required by the Board of Directors.

**(c) Secretary.** The Secretary, if any, will record the votes and keep the minutes of all meetings and proceedings of the Board of Directors; serve notice of meetings of the Board of Directors; keep or cause to be kept minutes of all meetings of any committees formed by the Board of Directors; and, perform such other duties as required by the Board of Directors.

**(d) Treasurer.** The Treasurer will prepare annual budgets; reconcile invoices to the budget; and present financial statements to the Board on at least a quarterly basis. If the Association should have no Vice President, the Treasurer will act in the place and stead of the President in the event of his or her absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required by the Board of Directors.

**(e) Clerk.** The Clerk, if any, shall be responsible for maintaining such books, documents, and papers as required by law or by the Board of Directors. The Clerk shall be responsible for filing such annual reports with the Secretary of State as may be required by law, and shall perform any other such duties as may be assigned by the Board of Directors.

**(f) Administrator.** The Administrator, if any, will keep appropriate current records listing the members together with their addresses; be responsible for maintaining such books, documents, and papers as required by law or by the Board of Directors; be responsible for filing such annual reports with the Secretary of State as may be required by law; and, perform such other duties as required by the Board of Directors. The Administrator will also receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board of Directors; sign all checks of the Association unless the Board specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; and prepare an annual budget and a statement of income and expenditures to be presented to the members at their regular meeting, and deliver or make copies available of each to the members.

**(g) Membership Chair.** The Membership Chair, if any, will collect information from applicants and report that information to the Board at each Board meeting.

## **Section 9. Committees.**

**(a) Executive Committee.** There shall be an Executive Committee consisting of the officers, the immediate past president, and one other Merchant Member appointed by the then-serving President. The Board may delegate authority to the Executive Committee as it deems necessary for carrying out the purposes and business of the Association, consistent with the provisions of the Act governing public benefit corporations.

**(b) Other Committees.** There may be other committees appointed by the President as deemed necessary by the President.

## ARTICLE VIII. EXECUTION OF INSTRUMENTS

**Section 1. Contracts and Instruments.** Contracts and other instruments (not including routine instruments) to be executed by the Association shall be signed, unless otherwise required by law, by the President. The President, signing alone, is also authorized and empowered to execute in the name of this Association all routine instruments arising in the day to day operation of the business of this Association. The Board of Directors may authorize any person or persons, whether or not an officer of the Association, to sign any contract or other instruments, and may authorize any such officer or other person to delegate, in writing, all or any part of such authority to any other person or persons.

**Section 2. Notes, Checks, and the Like.** All notes, drafts, acceptances, checks, endorsements and all evidences of indebtedness of the Association shall be signed by the Treasurer or other such person or persons and in such manner as the Board of Directors may from time to time determine.

## ARTICLE IX. INDEMNIFICATION

**Section 1. Indemnification.** The Directors, officers, employees, and agents of the Association shall not be individually or personally liable for the debts or obligations of the Association and shall be indemnified by the Association against all financial loss, damage, cost, and expense (including attorney's fees) reasonably incurred by or imposed upon them in connection with or resulting from any civil or criminal action, suit, proceeding, claim, or investigation in which they may be involved by reason of any action taken or omitted to be taken by them in good faith as a Director, officer, or employee of the Association.

**Section 2. Prudent Care.** Indemnification is subject to the condition that a majority of a quorum of the Board of Directors comprised of those Directors who are not parties to such action, suit, proceeding, claim, or investigation, or if there be no such quorum, independent counsel selected by a quorum of the entire Board of Directors, shall be of the opinion that the person requesting indemnification acted in good faith and in the reasonable belief, under the circumstances, that his or her actions were in the best interests of the Association, or that such person took or omitted to take such action in reliance upon advice of counsel for the Association or acted on information furnished by an officer or employee of the Association and accepted in good faith by the person seeking indemnification.

**Section 3. Benefit.** The indemnification provided herein shall inure to the benefit of the heirs, executors, or administrators of any Director, officer or employee and shall not be exclusive of any other rights to which such party may be entitled by law or under any resolutions adopted by the Board of Directors.

**Section 4. Insurance.** The Association shall procure insurance covering the Directors, officers, and any agents of the Association against any liability incurred in such capacity or arising out of his or her status as such.

## ARTICLE X. AMENDMENTS

These Bylaws may be altered, amended, or repealed in whole or in part at a regular or special

meeting of the Board of Directors, by a vote of two-thirds of the Directors present in person or by proxy, provided that the Executive Committee has previously considered such alteration, amendment, or repeal, but any amendment of Articles II, IV or X will require approval of all Directors.

## **ARTICLE XI. MISCELLANEOUS**

**Section 1. Fiscal Year.** The fiscal year of the Association will begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year will begin on the date of incorporation.

**Section 2. Conflicts of Documents.** In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation will control.

### **Section 3. Books, Records, and Reports.**

**(a) Annual Report.** The President of the Association shall cause to be prepared annual reports or other reports required by law and shall provide copies to the Board of Directors.

**(b) Permanent Records.** The Association shall keep current and correct records of the accounts, minutes of the meetings and proceedings of the Association. Such records shall be maintained at the registered office or the principal place of business of the Association. Any such records shall be in written form or in a form capable of being converted into written form.

### **Section 4. Statement in Support of the Direct Marketing Association Policies.**

The Association supports and strongly recommends that all of its Merchants use the Direct Marketing Association's (DMA's) mail preference service and adhere to the DMA's privacy policies.