



ARTICLE I

Purpose

Section 1. The purpose of the Recognition Professionals International®, (RPI) formerly National Association for Employee Recognition (NAER) is to provide a forum for professionals engaged in developing and implementing recognition and reward programs to foster the use, effectiveness and enthusiasm of recognition.

Section 2. Without limiting the generality of Section 1, the Association will: conduct regular meetings to enhance the Members' understanding, design and use of reward and recognition programs; provide networking opportunities for its Members by organizing events designed to allow interaction among the Association's Members; develop programs to provide services and benefits to the Association's Members; and perform such other activities as are approved from time to time by the Board of Directors.

ARTICLE II

Membership

Section 1. Categories of Members. The Association shall have two categories of Members, which shall be designated as Practitioner Members and Resource Providers (collectively, "Members").

- (i) A Practitioner Member shall be a company or professional who is engaged in developing and implementing recognition and reward programs and who does not supply or provide a resource for employee recognition.
- (ii) A Resource Provider Member shall be a vendor, consultant or supplier to individuals or companies eligible to be Practitioner Members of the Association.

Section 2. Honorary Membership. Honorary membership without voting rights may be conferred upon members of the Association at such time and under such terms as the Board of Directors shall determine.

Section 3. Applications for Membership. Each prospective Member of the Association shall complete and submit an application which shall include an agreement by the applicant to be bound by these Bylaws and such policies as the Board of Directors may prescribe from time to time and to pay such fees and dues as may be established by the Board of Directors.

Section 4. Termination. Any Member of the Association may be expelled from the Association for not abiding by the bylaws and policies of the Association by a vote of not less than a majority of the directors constituting a quorum then present and voting at a meeting of the Board, provided that a Member may be expelled only for cause after receiving reasonable notice and an opportunity to be heard by the Board of Directors. Upon voting to expel any Member from the Association, the Board of Directors shall promptly give written notice to the expelled Member setting forth the date on which the expelled Member's Membership shall terminate and the reasons for such termination.

Termination of membership shall not operate to release such member from liabilities and obligations incurred while a member.



- Section 5. Transferability of Membership. Membership in the Association shall not be transferable or assignable, whether by sale or otherwise, except that companies with multiple members may transfer or assign membership within their organization.
- Section 6. Resignation of Membership. Members may resign at any time by delivering notice to the Association, but such resignation shall not relieve the members of the obligation to pay dues, assessments or other charges incurred prior to resignation.
- Section 7. Non-liability of Members for Liabilities of the Association. No Member of the Association shall be individually liable to creditors of the Association for any indebtedness or liabilities of the Association and any and all creditors of the Association shall look only to the assets of the Association for payment of any such indebtedness or liabilities.
- Section 8. Refund of Dues. No refund of prepaid dues or assessments shall be made upon termination of membership, whether by resignation, expulsion or otherwise.

ARTICLE III

Member Meetings

- Section 1. Membership Meetings. The Members may have such meetings as shall be established by the Executive Committee or the Board of Directors from time to time.
- Section 2. Place of Meetings. All meetings of the Members shall be held at such place, either within or without the State of Illinois, as shall be designated from time to time by the Board of Directors.
- Section 3. Annual Meeting. The Association shall hold an annual meeting of Members on such date and at such time as shall be designated from time to time by the Board of Directors or the Executive Committee and shall transact such business as shall be properly brought before the meeting.
- Section 4. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, the Board of Directors, or the Executive Committee.
- Section 5. Notice. Except as otherwise provided by law, the Articles of Incorporation or by these Bylaws, written or printed notice stating the time and place and purpose of a meeting of the Members shall be given not less than twenty (20) nor more than sixty (60) days before the date thereof either personally, or in the case of a removal of one or more directors, a merger, consolidation, dissolution or sale, lease or exchange of assets, not less than twenty (20) nor more than sixty (60) days before the date of the meeting, via mail/fax/e-mail or other communication mediums by or at the direction of the President, or other person designated by the Executive Committee, to each Member of record at its address as it appears on the records of the Association. A written waiver of notice signed by the Member entitled to such notice, whether before or after the time specified therein, shall be deemed equivalent to such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Members need be specified in any written waiver of notice.

Attendance of a Member at a meeting shall constitute a waiver of notice unless the Member is attending the meeting for the express purpose of objecting to the



transactions being brought before it. When a meeting of the Members is adjourned to another time or place, notice need not be given.

Section 6. Waiver of Notice. Whenever any notice is required to be given pursuant to the General Not For Profit Corporation Act of 1986 of the State of Illinois, or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the persons 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 purpose of attendance at the meeting is to object to the holding of the meeting because proper notice was not given.

Section 7. Quorum. The number of qualified members present at a duly convened meeting of members of the Association constitutes a quorum.

If a quorum is present, the affirmative vote of a majority of the votes represented at the meeting shall be the act of the members, unless the vote of a greater number or voting by classes is required by the General Not For Profit Corporation Act of 1986, the Articles of Incorporation or these Bylaws.

Section 8. Membership Vote by Mail/Fax/E-mail. The Board of Directors may call for a vote of the members to be held by distribution of a ballot by mail, fax, e-mail and/or other communication medium as, the results to be determined by a majority vote of the ballots returned after a period of not less than fourteen (14) days. Ballots may be returned by mail, fax, e-mail and/or any other communication medium as designated by the Board of Directors. If e-mail or such other communication medium is used by the member to provide their proxy or vote such vote shall be authenticated by such means as the Board of Directors shall determine to be adequate.

The mail/fax/e-mail and/or other communications medium ballot shall be delivered to the voting member at the contact address as designated as the same shall appear on the membership rolls of the Association.

If mailed, notice shall be deemed to have been delivered when it is deposited in the United States mail, with postage thereon prepaid. If notice is given by fax, e-mail, and/or other communication medium, such notice shall be deemed to be delivered when sent and adequate verification of receipt, as established by the Board of Directors, is obtained.

ARTICLE IV

Board of Directors

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association managed under the direction of the Board of Directors.

Section 2. Election of Directors. The Members shall, in person or by proxy-elect a Board of Directors at the Annual Meeting by a majority of Members constituting a quorum at said meeting.

Section 3. Number, Term and Qualification. The number of directors of the Association elected to the Board shall be not less than ten (10) or more than twenty (20) as set from time to time by resolution of the Board of Directors. No more than forty percent (40%) of the Directors shall be Resource Providers. Each director shall be elected for a three (3)



year term and shall hold office until his or her successor shall have been elected and qualified.

Only one individual Member from a Member Company may be elected to the Board of Directors.

The elected directors shall be the voting Members of the Board of Directors. The Board of Directors may establish additional qualifications for elected directors

Section 4. Founding Board of Directors and First Board of Directors. For the purposes of organizing the Association, a Board of Directors was assembled prior to the adoption of these Bylaws and these Directors shall continue to serve until the first to occur (i) their resignation as a director; (ii) their death; (iii) their resignation or termination of their Membership in the Association; (iv) the termination of their designation as the official representative of the Company Member they represent; the election and qualification of their successor at or after the Annual Meeting in 2001.

Nothing herein prohibits or limits the election of any member of the original Board of Directors to the First Board or any subsequent Board of Directors.

In accordance with Article VI, Section 2, candidates for the Board will be nominated by the Nominating Committee. A list of candidates recommended by the Nominating Committee shall be approved by the Board of Directors and then presented to the Membership in writing not less than (20) days prior to the date of the Annual Meeting.

Section 5. Compensation. The elected Members of the Board of Directors shall not be entitled to receive any compensation for serving in such capacity, but such persons may, at the discretion of the Board of Directors, be reimbursed for reasonable expenses, if any, in attending meetings of the Board of Directors or of any committee established by the Board. Nothing herein contained shall preclude any director from serving the Association in any other capacity and receiving compensation therefore.

Section 6. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although fewer than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the next election when the replaced director's term would have expired and until such director's successor is elected and qualified or until the director's earlier resignation or removal. In the event that one or more directors resigns from the Board of Directors, effective at a future date, a majority of the directors then in office, not including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office until the next election when the replaced director's term would have expired and until such directors successor is elected and qualified, or until the directors earlier resignation or removal. If there are fewer incumbent directors than the maximum number authorized by this Article, the Board may appoint one or more additional directors between annual membership meetings to serve until the next annual membership meeting, subject to the requirements of Section 3.

Section 7. Resignation and Removal of Directors - Any director may resign by giving written notice to the President of the Association or the Board of Directors. A resignation shall be effective upon the giving of written notice, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a



successor may be selected before such time to take office when a resignation becomes effective.

A director may be removed with or without cause by an affirmative vote of two-thirds (2/3) of the directors either in person or by proxy at a duly convened meeting of the directors. No director shall be removed at a meeting of directors entitled to vote unless the written notice of such meeting is delivered to all directors entitled to vote on removal of directors. 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 or directors may be removed at such meeting.

Section 8. Indemnification of Directors.

- (i) To the full extent permitted by the Illinois General Not for Profit Corporation Act, as it exists on the date hereof or may hereafter be amended, no director or officer of the Association shall be liable to the Association for monetary damages.
- (ii) To the full extent permitted and in the manner prescribed by the Illinois General Not For Profit Corporation Act and any other applicable law, the Association shall indemnify a director or officer of the Association who is or was a party to any proceeding by reason of the fact that he is or was such a director or officer or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested directors, to contract in advance to indemnify any director or officer.
- (iii) The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Association to indemnify or contract in advance to indemnify any person not specified in Section (b) of this Article who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the corporation, or is or was serving at the request of the Association as director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section 8, part (ii).
- (iv) The Association may purchase insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by any such person in any such capacity or arising from his status as such whether or not the Association would have power to indemnify him against such liability under the provisions of this Article.
- (v) In the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to Section 8, part (ii) shall be made by special legal counsel agreed upon by the Board of Directors and the proposed indemnity. If the Board of Directors and the proposed indemnity are unable to agree upon such special legal counsel, the Board of Directors and the proposed indemnity each shall select a nominee, and the nominees shall select such special legal counsel.



- (vi) The provisions of this Section shall be applicable to all actions, claims, suits or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification or repeal.
- (vii) Reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators.

Section 9. **Executive Director.** The Association may employ an Executive Director who shall be an employee or contractor of the Association and shall be in charge of the Association's business affairs. The Executive Director shall be an ex-officio, non-voting member of the Board of Directors, a principal spokesperson for the association and act as the duly authorized representative of the Board of Directors in all matters for which the Board has not formally designated some other person to act. The Executive Director is the only member of the Board of Directors who may receive compensation for serving in such capacity.

ARTICLE V

Director Meetings

Section 1. **Regular Meetings.** The Board of Directors shall hold regular meetings each year at such times and places, within or without of the State of Illinois, as may be fixed from time to time by the Board of Directors or the Executive Committee. The annual meeting of the Board of Directors shall be the first meeting of the Board of Directors after the Annual Meeting of the Members and shall occur within one hundred-sixty (160) days of the Annual Meeting of the Members.

Section 2. **Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President, or upon written request of any three directors. Such meetings may be held within or without of the State of Illinois.

Section 3. **Notice.** Regular Meetings of the Board of Directors shall be called at least thirty (30) days' prior notice of the date, time and place of the meeting. The notice of a regular meeting need not specify a purpose for the meeting. The person or persons calling a special meeting of the Board of Directors shall, at least seven (7) days before the meeting, give notice thereof by any usual means of communication. Such notice of a special meeting shall describe the purpose for which the meeting is called.

Section 4. **Quorum.** At any meeting of the directors, a quorum of one-third (1/3) of the voting directors then in office shall constitute a quorum for the transaction of any business. Each director entitled to vote shall have one (1) vote. The affirmative vote of a majority of the voting Board Members present may adjourn any meeting, and such meeting may be held as an adjourned meeting without further notice at any time.

Section 5. **Attendance and Failure to Object.** Attendance of a director at a meeting shall constitute a waiver of notice of the meeting, except as otherwise provided in these Bylaws. A director who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be deemed to have assented to the action taken unless: (i) he or she objects at the beginning of the meeting or promptly upon his or her



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arrival to holding it or transacting specified business at the meeting, or (ii) he or she votes against or abstains from, the action taken.

Section 6. Telephone Conference Meetings. Members of the Board of Directors or of any committee of the Board may participate in and act at any meeting of such Board or committee through use of a telephone conference or other communications equipment by means of which all persons participating in the meeting can actively participate in the meeting. Participation in such meetings shall constitute attendance in person at the meeting of the person or persons so participating.

Section 7. Voting Procedures. Except as otherwise provided in the Bylaws or in the Articles of Incorporation, an affirmative vote of a majority of the voting directors present at a meeting at which there is a quorum shall be the act of the Board of Directors.

Section 8. Percentage Vote Required. A vote of a majority of the voting directors in office shall be required to adopt, amend or repeal a Bylaw or to adopt a resolution dissolving the Association.

Section 9. Board Vote by Mail/Fax/E-mail. The Executive Committee may call for a vote of the Board members to be held by distribution of a ballot by mail, fax, e-mail and/or other communication medium. If e-mail or such other communication medium is used by the Board member to provide their proxy or vote such vote shall be authenticated by such means as the Executive Committee shall determine to be adequate.

If mailed, notice shall be deemed to have been delivered when it is deposited in the United States mail, with postage thereon prepaid. If notice is given by fax, e-mail, and/or other communication medium such notice shall be deemed to be delivered when sent and adequate verification of receipt, as established by the Executive Committee, is obtained.

ARTICLE VI

Committees

In order to facilitate the Association's governance and to assist the Board Directors in discharging its duties and responsibilities, there shall be the following committees:

Section 1. Executive Committee. The Executive Committee shall consist of the officers and the Executive Director. During the intervals between meetings of the Board of Directors, subject to such limitations as may be prescribed by resolution of the Board, the Executive Committee shall have and may exercise all of the authority of the Board, but shall not have the authority to amend the Articles of Incorporation, to approve articles adopting a plan of merger or consolidation, to approve the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Association, to approve the voluntary dissolution of the Association or to amend the Bylaws of the Association. The Executive Committee may also formulate and recommend to the Board for approval general policies regarding the management of the business and affairs of the Association. If the President and the Vice President (or all of the Vice Presidents, if there be more than one) are not present to conduct any meeting of the Members, the Board of Directors or the Executive Committee, the Members of the Executive Committee present at such meeting shall without the need for any quorum of the Executive Committee, select a member of the Executive Committee who shall preside over such meeting.



Section 2. Nominating Committee.

- (i) The Association's President shall appoint the Nominating Committee and designate its Chairman. The Nominating Committee shall consist of three (3) directors and no less than three (3) Members at large. The Nominating Committee shall be responsible for submitting a list of proposed director candidates to the Board of Directors for their approval. The Board of Directors shall distribute to the Members no less than twenty (20) days prior to the Annual Meeting a list of approved director candidates for consideration and election by the Members.
- (ii) In addition, for all elections of directors after the election of the First Board, any Member who shall present to the President, not less than ten (10) days in advance of the date of the Annual Meeting of the Members, a written statement supporting the nomination of such Member for election as a director, signed by not less than ten percent (10%) of the Members of the Association, shall be entitled to have his/her name designated as a nominee on any subsequent list, proxy or ballot relating to the election of directors. For the purpose of this paragraph, the number of Members of the Association shall be the number as of the end of the prior fiscal year, as determined by the Secretary.
- (iii) Based on the recommendations of the Executive Committee, the Nominating Committee shall also nominate a slate of officers for consideration and approval by the Board of Directors, and election by the Members at the Annual Meeting.

Section 3. Additional Committees. The President shall establish all committees and shall appoint the Chairmen of all committees. The President shall also appoint the Members of the ad hoc committees and all standing committees and shall be responsible for defining the objectives of any committee and determining from time to time if those objectives are being met. Committee Chairmen shall serve at the will of the Board of Directors after being appointed by the President. Each Committee Chairman's term shall end with the term of the appointing President.

Section 4. Limitation of Authority. No committee shall take or make any formal actions or resolution, or in any way commit the Association to contractual agreements or a question of policy without first receiving approval of the Board of Directors or the Executive Committee. The President shall discharge special committees when their work has been completed and their reports accepted, or when, in the opinion of the President, it is deemed appropriate to discontinue the committee.

ARTICLE VII

Officers

Section 1. Enumeration. The officers of the Association shall consist of a President, an Executive Vice-President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time determine.

Section 2. Election, Term of Officers, Vacancies. The officers of the Association shall be elected by the members at its Annual Meeting or via e-mail/mail/fax and/or other communication medium vote prior to the Annual Meeting. Each officer shall hold office for a term of one (1) year until his or her successor is elected and qualified. No officer may hold the same office for more than three (3) consecutive terms. If any office of the Association becomes vacant by death, resignation, removal or any other cause, a majority of the directors then in office shall elect an officer to fill such a vacancy to serve until the next annual meeting.



- Section 3. Resignation. Any officer may resign at any time upon written notice to the Association addressed to it at its principal office or to its President or Secretary. Any such resignation shall be effective at the time or upon the happening of any condition, if any, specified therein, or, if no such time or condition is specified, upon its receipt.
- Section 4. Removal. Any officer may be removed from office with or without cause by vote of a majority of the directors then in office.
- Section 5. Duties of Officers.
- (i) President. The President shall be the principal executive officer of the Association, preside at all meetings of the Membership, the directors and the Executive Committee and perform such duties as may be delegated to him or her by the Board of Directors.
 - (ii) Executive Vice-President. The Executive Vice-President shall assist the President in the discharge of his or her duties as the President and may direct and shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. In the absence of the President (or in the event of the President's inability to act), the Executive Vice-President, shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Association or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws.
 - (iii) Vice President. The Vice President shall assist the President and the Executive Vice-President in the discharge of their duties as the President and Executive Vice-President and may direct and shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. In the absence of the President and the Executive Vice-President (or in the event of the President's and the Executive Vice -President's inability to act) the Vice-President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President, except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Association or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws.
 - (iv) Treasurer: The Treasurer shall oversee the keeping of full and accurate accounts of the finances of the Association and shall cause a statement to be prepared of its assets and liabilities as of the close of each fiscal year and of the results of the operations and of changes in surplus in each fiscal year, all in reasonable detail within sixty (60) days after the end of such fiscal year. The statement so prepared shall be presented by the Treasurer to the Board at its next regular meeting after preparation of the report.
 - (v) Secretary. The Secretary, if one has been elected, shall keep accurate records of the acts and proceedings of all meetings of the Members and the Board. The Secretary shall see to the giving of all notices required by law and by these Bylaws, The Secretary the President or by the Board. If no Secretary has been elected, the Executive Director shall perform the duties of Secretary.
- Section 6. Compensation. No officer shall be entitled to receive any compensation for serving in such capacity, but such persons may, at the discretion of the Board of Directors, be reimbursed for reasonable expenses incurred, if any. Nothing herein contained shall



preclude any director from serving the Association in any other capacity and receiving compensation therefore.

ARTICLE VIII

Fees and Dues

Section 1. Fees. The Board of Directors shall have the power to prescribe fees for Members, as a condition of becoming or remaining a Member, as it may deem appropriate to provide for the operation of the Association.

Section 2. Dues. The Board of Directors shall have the power to prescribe dues for Members as the Board of Directors may from time to time deem appropriate for the operation of the Association.

ARTICLE IX:

Miscellaneous Provisions

Section 1. Fiscal Year. The fiscal year of the Association shall begin on January 1 and end December 31.

Section 2. Distribution of Assets upon Dissolution. Upon dissolution of the Association, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation, by donation, to such organization or organizations as shall at the time qualify as a charitable organization or organizations as the Board of Directors shall determine. Any assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as that court shall determine, which are organized and operated exclusively for such purposes.

Section 3. Amendment of Bylaws. The power to alter, amend or repeal these Bylaws or adopt any new bylaw shall be vested in the Board of Directors. The Bylaws may contain any provisions for the regulation and management of the affairs of the Association not inconsistent with law or the Articles of Incorporation.

Section 4 Amendment of Articles of Incorporation. The power to alter, repeal or amend the articles of incorporation shall be vested in the Board of Directors.