



Promotional Product Professionals of Canada

By-law No. 1

**As approved by the Board of Directors on August 15, 2018
and ratified by the Members at a special meeting of the Members held September 27, 2018**

PROMOTIONAL PRODUCT PROFESSIONALS OF CANADA

BY-LAW NO. 1

1. INTERPRETATION

In this By-law,

- 1.1 “Act” shall mean the *Canada Not-For-Profit Corporations Act*, including the regulations passed pursuant to the Act, as from time to time amended;
- 1.2 “AGM” shall mean the Annual General Meeting of Members of the Corporation held in accordance with Section 6.1;
- 1.3 "Alternate Representative" has the meaning set out in Section 5.10.1;
- 1.4 "Articles" shall mean the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- 1.5 “Board” shall mean the board of directors of the Corporation elected in accordance with Section 9;
- 1.6 “By-law 1” shall mean this By-law of the Corporation, as amended from time to time;
- 1.7 “By-laws” shall mean the By-laws of the Corporation duly enacted by the Board and in force from time to time, including this By-law 1;
- 1.8 “CEO” shall mean the President and Chief Executive Officer of the Corporation, appointed by the Board and having the powers and responsibilities set forth at Section 14.3.1;
- 1.9 “Chair” shall mean the Chair of the Board exercising the powers and responsibilities set forth at Section 12.3.1;
- 1.10 “Chair-Elect & Treasurer” shall mean the Board member appointed and designated to succeed to the office of Chair, as more fully set forth at Section 12.3.2;
- 1.11 “Corporation” or “PPPC” shall mean the Promotional Product Professionals of Canada Inc./Professionnels en produits promotionnels du Canada inc.;
- 1.12 "Director" shall mean an individual member of the Board;
- 1.13 “Executive Committee” shall mean the executive committee of the Board (and shall also include the CEO), composed, and having the powers and responsibilities, as set forth at Section 13;

- 1.14 “General Counsel” shall mean the general counsel appointed to advise the Corporation, in accordance with Section 18;
- 1.15 “Member” shall mean a member of the Corporation whose application has been duly approved by the Board in a designated class of membership, all in accordance with Section 5;
- 1.16 "Officer" shall mean a person described in Section 12.1;
- 1.17 “Past Chair” shall mean the past Chair of the Board having the powers and responsibilities set forth at Section 9.3;
- 1.18 “Public Accountant” shall mean the independent chartered professional accountant or firm of independent chartered professional accountants appointed at the AGM in accordance with Section 4;
- 1.19 "Representative" has the meaning set out in Section 5.10.1;
- 1.20 “Rules and Regulations” shall mean the rules and regulations of the Board as determined by the Board in accordance with Section 20;
- 1.21 “Special Meeting” shall mean a special meeting of the Members of the Corporation called and held in accordance with Section 6.2;
- 1.22 “Vice-Chair & Secretary” shall mean the Director appointed as vice-chair and secretary of the Board, designated to succeed to the office of Chair-Elect & Treasurer and acting in accordance with Section 12.3.3;
- 1.23 Words importing the singular number shall include the plural and vice versa;
- 1.24 Words importing the masculine gender shall include the feminine and neuter genders;
- 1.25 References to persons shall include firms and corporations;
- 1.26 References to any mode of written communication or notice shall be read and deemed to include transmission or delivery thereof by any of mail, fax, email or courier; and
- 1.27 References to "Member in good standing" shall mean a Member which has paid to the Corporation all membership dues then owing by it, has no outstanding payments owing to the Corporation (including, but not limited to, advertising, booth space and event registrations) and which is not (nor is its Representative or Alternate Representative) in violation of these By-laws or the Rules and Regulations.

2. FISCAL YEAR

Unless otherwise determined by the Board, the fiscal year end of the Corporation shall be October 31.

3. HEAD OFFICE

The head office of the Corporation shall be in the Province designated in the Articles, at such place within the said province as the Board shall determine. The Board may establish such other offices elsewhere in Canada as it deems advisable.

4. PUBLIC ACCOUNTANT

At each AGM, the Members shall appoint a Public Accountant to be either the auditor(s) or the accountant(s) of the Corporation for the coming year (provided that the Board may fill any vacancy in the office of the Public Accountant) and to audit or otherwise comment and report on all of the accounts, records, and financial affairs of the Corporation at the next AGM (or, if permitted by the Act, to dispense with such appointment). The remuneration of the Public Accountant shall be fixed by the Board.

5. MEMBERSHIP

5.1 Designation

The membership of the Corporation shall be limited to persons which are actively engaged in the promotional products business as herein defined. Each applicant shall have submitted a written application for admission as a Member, which application shall have been ratified by the Board, such ratification to occur in the Board's sole discretion pursuant to the process set out in Section 5.8. Upon approval by the Board, membership shall remain subject at all times to the terms and conditions of membership set out by the Board, as amended from time to time, the Act, the Articles and the By-laws. Membership may not be assigned or transferred without the prior approval of the Board.

5.2 Classes of Membership

5.2.1 Subject to the Articles, the Corporation shall consist of five (5) classes of Members: DISTRIBUTOR, SUPPLIER, ASSOCIATE, MULTI-LINE SUPPLIER SALES AND/OR MARKETING AGENCY and FRANCHISOR/BUYING GROUP DISTRIBUTOR.

5.2.2 An application for membership filed by an applicant for any class of membership in the Corporation shall contain a statement verifying the information given elsewhere in the application, and giving the Corporation permission to obtain a confidential credit report for the exclusive use of the CEO, or his or her designate, for the purpose of evaluating the

application. A list of the applicant's owner(s) and/or controlling shareholder(s) must accompany the application.

5.3 Distributors

5.3.1 Definition

A DISTRIBUTOR is a Canadian-based company that develops ideas for the use of promotional products as an advertising medium, buys such items from suppliers and sells them to an arm's length client base, as its business or through a wholly owned subsidiary. A DISTRIBUTOR carries its own accounts receivable, sells and bills completely in its own name and operates its own place of business. A DISTRIBUTOR may be a franchisee of a business that is involved in the promotional products industry.

5.3.2 Membership Requirements

To qualify for membership in the Corporation as a DISTRIBUTOR, an applicant must:

- 5.3.2.1 maintain an active business presence in Canada, meaning registration in Canada of a business enterprise, a division, department, affiliate or a wholly owned subsidiary, in which the majority of its revenue is derived from the buying of promotional products from suppliers and the selling of such merchandise to its arm's length client base (a copy of the registration must be submitted with the application);
- 5.3.2.2 be sponsored by a representative of at least three (3) PPPC Members, which Members satisfy the criteria set out in the By-laws. Sponsorship forms and/or copies of invoices, from five (5) arm's length clients, for orders (excluding sample orders), dated within twelve (12) months of the application date, must be submitted with the application;
- 5.3.2.3 provide a bank reference listing the name and address of the applicant's bank and business account number (which shall be a Canadian financial institution) and the applicant must have an acceptable credit history (as determined by the CEO or his or her designate, in his or her sole discretion) during the past twelve (12) months; and
- 5.3.2.4 provide such other evidence as the Board may request, from time to time, in order to demonstrate an active business presence in Canada.

5.4 Franchisor/Buying Group Distributors

5.4.1 Definition

A FRANCHISOR/BUYING GROUP DISTRIBUTOR is a franchisor of a business that is involved in the promotional products business and therefore sells franchises to DISTRIBUTORS.

5.4.2 Membership Requirements

To qualify for membership in the Corporation as a FRANCHISOR/BUYING GROUP DISTRIBUTOR, an applicant must satisfy the requirements which apply to DISTRIBUTORS under Section 5.3.2.

5.5 Suppliers

5.5.1 Definition

A SUPPLIER is a person whose principal business is manufacturing, importing, converting, imprinting or otherwise processing promotional products from inventory and/or raw materials for sale to a promotional products distributor and/or reseller; or a firm maintaining an affiliate, division or department devoted to this business.

5.5.2 Membership requirements

To qualify for membership in the Corporation as a SUPPLIER an applicant must:

5.5.2.1 own or control a registered business enterprise which is, or contains an affiliate, division or department which is, primarily engaged in the manufacturing, importing, converting, imprinting or otherwise processing promotional products or promotional programs from inventory and/or raw materials and the selling of such products or programs to distributors and/or resellers (a copy of the registration must be submitted with the application);

5.5.2.2 have at least one employee working exclusively on a full time basis selling promotional products;

5.5.2.3 be sponsored by a representative of at least three (3) PPC Members. Sponsorship forms and/or invoice copies for five (5) orders (excluding samples) from DISTRIBUTORS and/or resellers dated within twelve (12) months of the

application date must be submitted with the application. Foreign-based applicants also need a reference as to their good standing from a not-for-profit promotional products association of which they are current members;

5.5.2.4 provide a bank reference listing the name and address of the applicant's bank and business account number and the applicant must have an acceptable credit history (as determined by the CEO or his or her designate, in his or her sole discretion) over the past twelve (12) months; and

5.5.2.5 have an appropriate catalogue and/or website illustrating the applicant's products and services in a generally recognized industry format at the time of application and, except for foreign-based SUPPLIERS, listing the suggested retail prices in Canadian funds.

5.6 Associates

5.6.1 Definition

An ASSOCIATE is a person engaged in the manufacture and/or sale of machinery, equipment, materials, publications, services or supplies purchased or used by persons engaged in the promotional products business.

5.6.2 Membership requirements

To qualify for membership in the Corporation as an ASSOCIATE, an applicant must be engaged in the business of supplying the promotional products industry with machinery, equipment, materials, publications (including periodicals, catalogues, business forms), services (freight, courier, or similar services) or supplies for use by the industry in the conduct of its business. The applicant must have an acceptable credit history (as determined by the CEO or his or her designate, in his or her sole discretion) during the past twelve (12) months.

5.7 Multi-Line Supplier Sales and/or Marketing Agencies

5.7.1 Definition

A MULTI-LINE SUPPLIER SALES AND/OR MARKETING AGENCY shall be a registered Canadian company with a current business address in Canada, contracted exclusively in the promotional products industry providing sales and/or marketing services for two (2) or more PPPC SUPPLIER Members (who invoice their own clients).

5.7.2 Membership Requirements

To qualify for membership in the Corporation as a MULTI-LINE SUPPLIER SALES AGENCY, or as a MULTI-LINE SUPPLIER MARKETING AGENCY, an applicant must:

- 5.7.2.1 maintain an active business presence in Canada, meaning registration in Canada of a business enterprise, a division, department, affiliate or a wholly owned subsidiary, in which the majority of its revenue is derived from performing the activities described in Section 5.7.1 (a copy of the registration must be submitted with the application);
- 5.7.2.2 have worked full-time in the promotional products industry with a Corporation Member company as an employee, sales representative or multi-line agent for at least twelve (12) consecutive months, and submit names of employers or companies which engaged the applicant or for the previous three (3) year period immediately preceding the application;
- 5.7.2.3 provide the Corporation with the names of current suppliers that the applicant represents, upon the date of application, with a minimum of two (2) PPPC SUPPLIER Members (in good standing). If more than two (2) SUPPLIERS are represented then a majority of the total number of SUPPLIERS represented must be PPPC Members (in good standing);
- 5.7.2.4 provide evidence of current representation, by providing the Corporation with letters from the voting Members of PPPC represented, confirming ongoing contractual relationships between the applicant and SUPPLIERS (which must be Members in good standing);
- 5.7.2.5 have an acceptable credit history (as determined by the CEO or his or her designate, in his or her sole discretion) during the past twelve (12) months;
- 5.7.2.6 provide such other evidence as the Board may request, from time to time, in order to demonstrate an active business presence in Canada; and
- 5.7.2.7 upon acceptance of the application by the Corporation, it shall be stipulated that membership does not entitle the

agent to exhibit or otherwise represent non-member suppliers at Corporation functions.

5.8 Application for Membership

- 5.8.1 Application for membership in the Corporation shall be made in writing on the official application form supplied by the Corporation from time to time, containing an agreement to abide by the By-laws and addressed to the CEO or his or her designate.
- 5.8.2 Decisions as to membership shall be initially taken by the CEO or his or her designate, in his or her sole discretion exercised in accordance with the By-laws and such Rules and Regulations as may be determined from time to time, to be ratified at the next meeting of the Board.
- 5.8.3 The CEO or his or her designate shall notify applicants of the decision rendered on their application, and if the application has been accepted, shall supply the applicant with evidence of membership in a form determined from time to time by the Board.
- 5.8.4 Any application which is refused by the CEO or his or her designate shall be submitted to the Executive Committee for consideration, in its sole discretion exercised in accordance with the By-laws and such Rules and Regulations as may be determined from time to time.
- 5.8.5 Should an application be refused by the Executive Committee, an appeal in writing by the refused applicant may be made to the Board, in accordance with such reasonable procedures as may be adopted by the Board from time to time. Any decision of the Board (to be made in its sole discretion exercised in accordance with the By-laws and such Rules and Regulations as may be determined from time to time), whether concerning an application for membership or an appeal following rejection of an applicant by the Executive Committee, is final and shall be made in writing.
- 5.8.6 All information included in the application is to be held in the strictest confidence and shall be made available to the CEO or his or her designate, Executive Committee and Board only.

5.9 Membership Fees

Each new Member shall pay, upon application for membership, and during each year thereafter, the entire amount of the membership fee, in the amount set from time to time by the Board. Membership fees shall be payable on either a monthly or annual basis, at the Member's option. The membership fee determined for each class of Member (on both a monthly and an annual basis) shall be set forth in the Rules and Regulations governing the Corporation. The membership fee of any refused

applicant shall be refunded, but in all other cases, membership fees are non-refundable.

5.10 Representation

- 5.10.1 Each Member of the Corporation in good standing which is otherwise entitled to vote shall designate in writing the name and title of one Representative and one Alternate Representative, who shall be entitled to act on behalf of the Member in all matters related to the Corporation, including attending meetings and voting.
- 5.10.2 The appointment of a Representative and an Alternate Representative shall be made by providing the CEO or his or her designate a written appointment which has been duly authorized by the Member, and the Corporation shall be entitled to rely on any such written appointment. A Representative or Alternate Representative may be changed by the Member using the same appointment process, and a Member may only have one Representative and one Alternate Representative at any given time.
- 5.10.3 The Representative and Alternate Representative shall be an employee of the Member or otherwise approved by the Board (provided that in all cases the Alternate Representative must be approved by the Board). A person must be a Representative or an Alternate Representative, to be qualified to stand for election to the Board (and such person must otherwise be qualified in accordance with the Act and the By-laws).
- 5.10.4 Other officers or employees of a Member may serve on committees, attend meetings and take part in Corporation discussions in an unofficial capacity.
- 5.10.5 All rights conferred upon a Representative, Alternate Representative or a person referred to in Section 5.10.4, by virtue of such position, shall cease simultaneously upon termination of their designation or of their designating Member's membership in the Corporation.
- 5.10.6 A Member may appoint a proxy (who shall be entitled to represent the Member at meetings and vote on the Member's behalf, but shall not be entitled to stand for election to the Board), by giving written notice thereof to the Chair or to the CEO, or his or her designate.
- 5.10.7 One or several representatives of a Member of the Corporation may be a member of a local chapter board, but only the Representative or Alternate Representative of a Member may sit on the Board of the Corporation.
- 5.10.8 ASSOCIATE and foreign-based Members shall not be entitled to vote at meetings of Members, but shall be entitled to receive notice of and to attend any meeting of the Members of the Corporation. They shall not participate in any distribution of the assets of the Corporation upon its

dissolution. They (and their Representative and Alternate Representative) shall not be eligible to serve as Directors.

5.11 Termination of Membership

5.11.1 Membership in the Corporation shall terminate if:

- 5.11.1.1 a Member ceases to be engaged in the promotional products business;
- 5.11.1.2 a Member delivers written notice of resignation to the CEO; or
- 5.11.1.3 a Member is suspended for any of the reasons set forth in Section 5.12.

5.11.2 Upon termination of membership for any reason, the rights of such Member and of their Representative and/or Alternate Representative shall be automatically extinguished. However, such Member's membership fees shall not be refundable, and the Member shall pay all sums due by the Member to the Corporation at the date of said termination.

5.12 Review/Suspension of Members

5.12.1 The Board shall have the discretion to review, revoke or suspend the membership of any Member, upon being advised or becoming aware of any direct or indirect change in control of such Member, as deemed appropriate by the Board, in its sole discretion.

5.12.2 The Board shall have the discretion to revoke or suspend the membership of any Member who neglects to pay its membership fees upon the due date (or any other payment that is owed by it to the Corporation, within a reasonable time), who fails to abide by the By-laws of the Corporation, or whose conduct or activities are deemed prejudicial to the Corporation (as determined by the Board, in its sole discretion). The decision of the Board upon such matters shall be final and without appeal, and the Board is authorized to adopt and follow such reasonable procedure in such matters as it may from time to time determine in Rules and Regulations. A Member so suspended shall not be entitled to an abatement or refund of membership fee.

6. MEETINGS OF MEMBERS

6.1 Annual General Meeting

Subject to the Act, the AGM shall be held within one hundred and eighty (180) days of the end of the Corporation's fiscal year, at such place in Canada and at such date and hour as the Board may designate. At such meetings, the most recent financial

statements of the Corporation shall be reviewed and submitted for Member approval, the Public Accountant shall be appointed, Directors shall be elected and the Directors shall submit a report to the Members and shall submit for their approval the decisions and actions taken, made or undertaken for and on behalf of the Corporation since the last AGM.

6.2 Special Meetings

The Chair, the Board or the Executive Committee may call Special Meetings of the Members. These shall be held at such place, date and time as may be decided upon at such time by the Chair, the Board, or the Executive Committee may determine. The Chair, the Board or the Executive Committee shall call a Special Meeting if requested to do so in writing by five percent (5%) of Members in good standing of the Corporation within twenty-one (21) days following the receipt of such request. Should the Chair, the Board or the Executive Committee fail to do so within the said timeframe, the said five percent (5%) of Members may themselves give notice of the place, date and time of such Special Meeting together with a written explanation of the reason for the meeting and a detailed agenda.

6.3 Notice of Meetings

6.3.1 Notice of the time and place of each meeting of Members, naming the time and place of assembly, shall be given by the Vice-Chair & Secretary to:

- (a) each Director;
- (b) the Public Accountant, if any; and
- (c) each Member entitled to receive notice, who is on the record at the close of business on the date for notice,

in the manner provided in this Section 6.3.1, by the following means:

- (d) by mail, courier or personal delivery, during a period of twenty-one (21) to sixty (60) days before the day on which the meeting of Members is to be held; or
- (e) by telephonic, electronic or other communication facility, during a period of twenty-one (21) to thirty-five (35) days before the day on which the Meeting of Members is to be held.

6.3.2 Notice of a meeting of Members called for any purpose other than consideration of the financial statements and Public Accountant's report, election of Directors and re-appointment of the incumbent Public Accountant shall state the general nature of the business to be transacted at it in sufficient detail to permit the Members to form a reasoned judgment

thereon. Any person entitled to notice may in any manner waive notice of or otherwise consent to a Meeting of Members.

6.3.3 Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the By-laws or otherwise to a Member, Director, Officer, Public Accountant or member of a committee of the Board, shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to her or his recorded address or if mailed to her or him at her or his recorded address by prepaid ordinary or air mail or if sent to her or him at her or his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given on the fifth (5th) day after deposit in a post office or public letter box; and a notice so sent by any means of transmitted and recorded communication shall be deemed to have been given on the date received as shown on the record of such transmission. The Board may change or cause to be changed the recorded address of any Member, Director, Officer, Public Accountant or member of a committee of the Board in accordance with any information believed by the Board to be reliable.

6.3.4 Subject to the provisions hereof, all notices of any meeting shall indicate that Members eligible to vote will be entitled to vote by proxy as described herein.

6.4 Meetings Without Notice

Members' meetings may be held at any time and place without notice if all Members eligible to vote waive in writing the right to notice of such Members' meetings, or attend at such meetings other than for the purpose of objecting to the meeting having been held without notice.

6.5 Quorum

Five percent (5%) of the total number of Members present in person, by alternative means authorized by the Act or the By-laws (including through Representatives, Alternate Representatives or proxies) shall constitute a quorum at any AGM or Special Meeting of the Corporation. No business shall be transacted and no motions shall be made nor shall any meeting be opened until a quorum of Members is present.

6.6 Vote

At all AGMs or Special Meetings of the Corporation, every question shall be determined by a majority of votes cast by the Members in good standing present in person or by proxy and eligible to vote, save in the cases otherwise specifically provided by the Act or by the By-laws (including any fundamental change pursuant

to Subsection 197(1) of the Act and attendance at the meeting by electronic, telephone or other means which enable the Members to communicate with each other). In the case of a tie, the Chair shall have the deciding vote on any such matter. Voting shall be by show of hands (or by an electronic or telephonic alternative, as the case may be), except in respect of elections or in situations where a ballot is specifically requested. Any Member eligible to vote may demand a poll and a demand for a poll may be withdrawn at any time prior to the taking thereof.

6.7 Proxies

6.7.1 At any Annual Meeting, Members of the Corporation may, in writing, appoint the Chair or any other person to cast their ballot on their behalf. Any Member who does not attend the meeting may indicate their vote in writing, seal it in the envelope provided, and mail, fax, email or courier this back to the Chair, together with a power of attorney indicating that the person identified therein may vote on their behalf for the election of Directors. At the meeting, the Chair will deliver all such proxy ballots to the scrutineer and the scrutineer shall open these envelopes privately and count the ballots with the other ballots cast at the meeting.

6.7.2 For the above purposes, whenever sending out notices for an AGM or Special Meeting of Members, the Corporation shall include a ballot for the election of Directors, and a power of attorney in favor of the Chair or other person identified on the proxy form.

6.7.3 For any matter other than the election of the Board, each Member may give to any other Member a proxy to vote on its behalf, which proxy may indicate whether the Member granting it wishes to cast its vote in favour or against any resolution.

6.8 Participation in Meetings by Telephone and other Means

Any person entitled to attend a meeting of the Members may participate in the meeting by means of a telephonic, an electronic or other communication facility that permits all participants to adequately communicate with each other during the meeting, if the Corporation makes such a communication facility available. A person so participating in a meeting shall be deemed to be present at the meeting. The vote of any Member who participates in a meeting by other means pursuant to this Section 6.8 shall be made by a verbal or electronic vote, as the case may be, provided that all votes shall be gathered in a manner that permits their subsequent verification, and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each Member voted.

6.9 Meetings by other Electronic Means

The Members may meet by telephonic, electronic or by other communication facilities that permit each Member to communicate adequately with each other,

provided that each Member has equal access to the specific means of communication to be used.

7. LOCAL CHAPTERS

7.1 Formation of Local Chapters

The Board may, subject to the Articles and its Rules and Regulations, authorize groups of Members residing in any given locality to organize their own local chapter. Each chapter may foster objects of a purely local nature and shall have autonomy provided that it shall abide by the Articles, the By-laws of the Corporation, the Rules and Regulations and/or requirements of government legislation. Chapters, as such, shall not be entitled to receive notice of, attend or vote at any meeting of Members. The Corporation may grant funds from time to time and manage these funds along with the chapters in accordance with the Corporation's Rules and Regulations. The Corporation shall provide sufficient insurance coverage (as determined by the Board, in its sole discretion) against any liability of the local chapters, their directors, officers and employees, for any act or omission of such local chapter, its directors, officers or employees which are done or omitted to be done by virtue of the instructions of the Corporation.

8. LIABILITY OF DIRECTORS AND OFFICERS

8.1 Limitation of Liability

No Director or Officer of the Corporation shall be liable for the acts or omissions of any other Director or Officer or employee of the Corporation or for any loss, damage or expense suffered by the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board, or in respect of any deficiency of any security in or upon which any monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited or for any loss occasioned by any error of judgment or oversight on their part, or for any loss or damage which may occur in the execution of the duties of their office, in relation thereto or in respect of any other act or omission of a Director or Officer in their capacity as such causing loss, damage or expense, unless the same shall happen through their own willful neglect or fault.

8.2 Indemnity

Every Director and Officer of the Corporation and their heirs, executors, administrators and estates shall from time to time and at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses that such Director or Officer sustains or incurs by way of action, suit or proceeding commenced against the Director or Officer or in respect of any acts, deeds, matters or thing whatsoever made, done or permitted by the Director or Officer in or about

the execution of the duties of their office, except such costs, charges or expenses which are occasioned by their own willful neglect or default.

8.3 Insurance

The Corporation shall purchase such directors', officers' and employees' liability and fidelity insurance as may be required to protect the interests of all interested parties, upon such terms and conditions as may be determined by the Board, in its sole discretion.

9. BOARD OF DIRECTORS

9.1 Number of Directors

The property and business of the Corporation shall be managed by a Board which shall consist of no fewer than six (6) and not more than twenty (20) Directors. Any change to the Board shall be communicated in writing by the Chair to all Members in good standing.

9.2 Eligibility

Any Member in good standing of the Corporation of a class eligible to serve as Director, or any Representative or Alternate Representative designated by such a Member in good standing in accordance with the process outlined in Section 5.10.1, shall be eligible to become a Director.

9.3 Past Chair

The Past Chair whilst a Member in good standing (or a Representative or Alternate Representative thereof) shall be a member of the Board and therefore shall have the right to attend meetings of the Board and of the Executive Committee and shall have the right and power to vote on all matters. The Past Chair shall be authorized to propose motions. If the Past Chair cannot act as such, said function shall be filled by the Board from among its number.

9.4 Term

The term of each Director shall be for a period of one (1) year to commence on such Director's election by the Members at an AGM, or as such Director shall be otherwise elected or appointed, and to conclude at the next AGM. All Directors other than the Executive Committee shall be eligible for re-election at the AGM provided that said Directors shall not serve more than five (5) consecutive years. A Director who has served for a period of five (5) consecutive years shall be eligible for re-election after the expiration of a period of two (2) years. Notwithstanding anything else in this By-law 1, however, if:

- (a) a Director's successor cannot be elected;

- (b) a Director has been elected Vice-Chair & Secretary, or is otherwise subject to a position which is in the line of succession for the Executive Committee,

then, such Director's term shall be extended until the Director's successor is elected (in the case of (a)), or until such Director completes the Director's terms as Vice-Chair & Secretary, Chair-Elect & Treasurer, Chair and Past Chair, or resigns or is removed from any one of these positions (in the case of (b)).

9.5 Vacation of Office

The office of Director shall be vacated upon the occurrence of any of the following events:

- 9.5.1 the Director resigns by delivering written notice of such resignation to the Vice-Chair & Secretary of the Corporation, which resignation shall take effect upon delivery;
- 9.5.2 the Director is found by a court to be of unsound mind; or, in Québec, if protective supervision is awarded by the court;
- 9.5.3 the Director becomes bankrupt or suspends payment or compounds with their creditors;
- 9.5.4 at a duly called Special Meeting of the Members, a resolution is passed by a majority of votes cast, removing the said Director;
- 9.5.5 the Director is absent for two (2) meetings of the Board or of the Executive Committee within a 12 months' period, and their position is thereupon declared vacant by a majority of the Board;
- 9.5.6 the Director leaves the employment of, or terminates their association with, the PPPC Member of which the Director is a Representative or Alternative Representative, or if such Member is no longer in good standing;
- 9.5.7 on the death of the Director;
- 9.5.8 if the Director otherwise ceases to be qualified, in accordance with these By-laws, the Articles or the Act,

provided that if any vacancy shall occur for any reason, the Board by majority vote may fill the vacancy.

9.6 Powers

The Board shall be empowered to receive and act upon all matters of termination of Members, uphold By-laws of the Corporation and set policies to enable the

Corporation to comply with its objects as described in its letters patent or supplementary letters patent, to recommend amendments to this By-law 1 and other By-laws of the Corporation, to form such permanent or temporary committees as it sees fit, to administer and control monies, funds, investments and securities of the Corporation, to administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract into which the Corporation may lawfully enter, to exercise all such other powers and do all such other acts and things as the Corporation is, by its Articles, By-laws or the Act, otherwise authorized to exercise and do and to perform any other duties as from time to time may be in the best interests of the Corporation. The Board shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interests of the Corporation in accordance with such terms as the Board may prescribe. The Board shall take such steps as it may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endorsements and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation. The Board may enter into any agreement with any person, firm or corporation to further the welfare of the Members of PPPC.

9.7 Regional Representatives

9.7.1 Four (4) regions are created for election purposes as follows:

- (a) Western Region -Victoria to Manitoba/Ontario boundary;
- (b) Ontario Region - the Province of Ontario;
- (c) Québec Region - the Province of Québec; and
- (d) Atlantic Region - Québec/New Brunswick boundary to St. John's, Newfoundland.

9.7.2 Subject to the Articles, the regional distribution of Directors, or the number thereof, shall be determined from time to time by the Executive Committee of the Board.

10. ELECTION PROCEDURES

10.1 Nominations

The initial nomination list shall be sought out by a nominating committee composed of the Past Chair, the Chair-Elect & Treasurer and the Chair, with the Chair-Elect & Treasurer as chair of nominating committee. When seeking nominees, care will be taken to ensure equal representation by both SUPPLIERS and DISTRIBUTORS where numbers permit.

10.2 Member Participation

10.2.1 Nominations must be in writing and be made and seconded by ten (10) voting Members of companies in good standing of PPPC, and such nomination, to be valid, must be received by the PPPC head office or by the CEO not less than ninety (90) days before the AGM. All nominations will be placed before the nomination committee who will prepare a slate of Directors of those nominated to ensure regional and Member category representation based on membership.

10.2.2 The initial nomination list will be sent to each voting Member by the Corporation ninety (90) days before the AGM. Additional names may be added to the list of nominees provided each name is submitted to the Corporation-accompanied by ten (10) signatures of voting Members in good standing of the Corporation, not less than sixty (60) days before the AGM.

10.3 Appointment/Election

10.3.1 The Members shall, at the AGM, elect to the Board from the nomination list those Director positions which shall become vacant at the AGM (or such greater or lesser number Directors as the Members may determine from time to time, provided the minimum and maximum number of Directors set out in the Articles is satisfied).

10.3.2 Any election which is required shall be carried out from among the voting Members in good standing by ballot which shall be supplied by the Corporation immediately upon the expiration of the thirtieth (30th) day preceding the AGM. Voting Members can exercise their voting rights by returning said ballot to the Corporation by mail, fax, email or courier or they may vote in person at the AGM. Unless voting in person, ballots (whether delivered on paper or by an electronic or telephonic method enabled by the Corporation) must be received by the CEO or his or her delegate or the Vice-Chair & Secretary of the Corporation at least one (1) hour prior to the time of the AGM in order to be counted.

11. MEETINGS OF THE BOARD OF DIRECTORS

11.1 Date, Convocation and Notice

At least two (2) meetings of the Board shall be held during each fiscal year. Other meetings shall be held during the fiscal year at such time, date and place as the Board shall determine. Notice of the time, date, place and purpose of such meetings shall be given to the Directors by the Chair by mail, fax, email or courier at least fifteen (15) days prior to said meetings. Special meetings of the Board may also be called at the request of a majority of the Directors. Notice of any special meeting of the Board shall be given in writing at least ten (10) days prior to said meeting and shall be delivered personally, electronically or sent by facsimile transmission or

courier to each Director at their business address as shown in the records of the Corporation.

11.2 Waiver

Notice of any meeting of the Board or a committee of the Board may be waived or the time for the sending of the notice may be waived or abridged at any time with the consent in writing of a Director or upon the attendance of a Director at the Board or committee meeting, provided that no Board or committee meeting may be held without the written waiver, consent or attendance in person of all Directors.

11.3 Quorum and Vote

11.3.1 Six (6) Directors, including at least two (2) Officers, shall constitute a quorum. All questions submitted shall be decided by majority vote of the Directors present at said meeting, unless otherwise specified or provided in this By-law 1. In the event of a tie, the Chair shall cast a second and deciding vote.

11.3.2 In the case of a special meeting of the Board, six (6) Directors being present at such meeting shall constitute a quorum.

11.4 Resolution in Writing

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of the Board or committee of Directors, is as valid as if it had been passed at a meeting of the Board or committee of Directors.

11.5 Participation in Meetings by Telephone and other Means

If all the Directors consent, a Director may participate in a meeting of the Board or of a committee of the Board by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other and a Director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a Director holds office. At the commencement of each meeting by conference telephone or other permitted communications facility, each Director participating must clearly indicate her or his attendance and the secretary of the meeting shall maintain a record of the meeting of the Directors so participating.

11.6 Meetings by other Electronic Means

The Board may meet by telephonic, electronic or by other communication facilities that permit each Director to communicate adequately with each other, provided that each Director has equal access to the specific means of communication to be used.

12. OFFICERS

12.1 Composition

The Officers of the Corporation shall be the Chair, the Chair-Elect & Treasurer, the Vice-Chair & Secretary, the Past Chair and any such other Officers as the Board may determine from time to time (including one or more additional Vice-Chairs).

12.2 Election of Officers

12.2.1 The election of the Officers of the Corporation shall take place at the meeting of the Directors held concurrently with the AGM. The Officers shall be chosen from among the Board members, and shall remain in office for a term of one (1) year from the date of election, provided they remain Directors at all times. Officers previously in office shall be eligible for re-election, with the exception of the Chair, whose term of office, as such, shall not exceed one (1) year.

12.2.2 Vacancies occurring in respect of any office may be filled by the Board by appointment and such appointment shall subsist until the first election of Officers following such appointment.

12.3 Duties of the Officers

12.3.1 The Chair shall preside over and chair meetings of the Board and the Members. The Chair shall either preside, or request the CEO to preside, at all meetings of the Executive Committee. The Chair shall be a member of all committees. Following his or her appointment, the Chair shall succeed to the office of Past Chair.

12.3.2 The Chair-Elect & Treasurer shall provide fiduciary oversight for all accounting aspects of the Corporation with respect to receipts and disbursements as may be designated by the Board from time to time. The Chair-Elect & Treasurer shall disburse the funds of the Corporation as may be ordered by the Board taking proper vouchers for such disbursements. In the absence or disability of the Chair, the Chair-Elect & Treasurer shall perform and exercise the powers of the Chair and perform such other duties as shall, from time to time, be assigned to the Chair-Elect & Treasurer by the Board. Following his or her appointment, the Chair-Elect & Treasurer shall succeed to the office of Chair of the Board.

12.3.3 The Vice-Chair & Secretary shall attend all meetings of the Board, of the Executive Committee and of the Members, and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose, or see to it that it is done by somebody for that purpose. The Vice-Chair & Secretary shall, along with the Chair, sign all By-laws,

resolutions and other documents requiring the signatures of the Officers of the Corporation. Following his or her appointment, the Vice-Chair & Secretary shall succeed to the office of Chair-Elect & Treasurer.

12.3.4 Any additional Vice-Chair (if appointed) shall act as a member of the Executive Committee without portfolio. The Vice-Chair shall attend all meetings of the Board and of the Executive Committee and shall perform such duties as shall, from time to time, be assigned to the Vice-Chair by the Board.

12.3.5 The Past Chair shall have such duties as may be assigned to him or her by these By-laws or the Board, from time to time.

12.4 Vacation of Office

The office of an Officer shall be vacated upon the occurrence of any of the following events:

12.4.1 the Officer resigns by delivering a written notice of such resignation to the Vice-Chair & Secretary of the Corporation, which resignation shall take effect upon delivery;

12.4.2 the Officer is found by a court to be of unsound mind; or in Québec, if protective supervision is awarded by the court;

12.4.3 the Officer becomes bankrupt or suspends payment or compounds with their creditors;

12.4.4 if at a duly called Board meeting, a resolution is passed by at least 75% (seventy-five per cent) of votes cast, removing the Officer;

12.4.5 the Officer leaves the employment of, or terminates their association with, the PPPC Member, or such Member ceases to be in good standing;

12.4.6 on death of the Officer; or

12.4.7 if the Officer otherwise ceases to be qualified, in accordance with these By-laws, the Articles or the Act,

provided that if any vacancy shall occur for any reason, the Board by majority vote may fill the vacancy.

13. EXECUTIVE COMMITTEE

13.1 Composition

The Executive Committee shall consist of the Past Chair, the Chair, the Chair-Elect & Treasurer, the Vice-Chair & Secretary, any additional Vice-Chair (if appointed), the CEO, and such other member or members of the Board that a majority of the Executive Committee may appoint to constitute a quorum.

13.2 Powers

13.2.1 The Executive Committee shall have the authority to exercise all the powers of the Board when the Board is not in session, except the suspension or expulsion of Members, amendments to By-laws or any other action expressly or by law reserved to the Board.

13.2.2 The Executive Committee shall make a report of its activities to the Board by mail, email or by confirmed fax, as soon as practicable, or at the first subsequent meeting of the Board, and the latter may then confirm, reverse, change or modify the decisions taken by said Executive Committee, subject to the rights of third parties affected by any such decision.

13.3 Meetings and Quorum

Meetings of the Executive Committee may be held on not less than two (2) days' notice, at such time, date and place as the Chair may determine. Three (3) Officers being present shall constitute a quorum (except for meetings held by telephonic or other electronic facilities, at which quorum shall be constituted by a majority of all members of the Executive Committee).

13.4 Chair

The Chair, the Chair's designate or, in that person's absence, the Chair-Elect & Treasurer, shall preside over all Executive Committee meetings.

13.5 Votes

Each member of the Executive Committee shall be entitled to one vote at all meetings of the Executive Committee. Every question shall be decided by a majority of votes cast. The chair of the Executive Committee meeting shall not be entitled to a second or casting vote in the event of an equality of votes.

14. CORPORATION EMPLOYEES AND REPRESENTATIVES

14.1 Appointment

Employees and representatives may be appointed by the Board to serve at the Board's discretion and at such compensation as the Board may deem proper (subject in both cases to any contractual terms which govern the appointment).

14.2 Duties of the Corporation's Employees and Representatives

Employees and representatives appointed by the Board shall have such duties as the terms of their appointment require.

14.3 CEO

14.3.1 The Board shall engage a CEO, who shall manage the general day-to-day activities of the Corporation and perform such duties as shall be assigned to the CEO by the terms of the agreement which governs the relationship between the CEO and the Corporation. The CEO shall report on the Corporation's activities to the Board on a regular basis.

14.3.2 The CEO may be terminated in accordance with the terms of the contract which governs the relationship between the CEO and the Corporation. Such termination shall automatically remove the CEO from the Executive Committee and any in any other capacity the removal from which is contemplated by the terms of the agreement which governs the relationship between the CEO and the Corporation.

14.3.3 The CEO, as such, shall not be a Director, Officer or employee of the Corporation, notwithstanding that she or he shall be a member of the Executive Committee.

14.4 Other Employees and Representatives

The Board may, at its discretion, engage legal counsel or other employees or representatives and affix the terms, duties, and compensation of such employees or representatives as it deems necessary.

15. COMMITTEES

In addition to the Executive Committee, the Board or the Chair shall have the power to appoint, from time to time, ad hoc committees for the purpose of furthering the objectives of the Corporation. The powers and duties of said committees shall be provided for by the resolution of the Board or vested in them by the Chair.

16. FINANCIAL DISPOSITIONS

16.1 Contracts

The Board shall appoint, from time to time, any Officer or Officers, agent or agents, to sign any contracts, documents and instruments in writing, either generally or specifically on behalf of the Corporation.

16.2 Cheques, Drafts, Etc.

All cheques, notes and other banking papers of the Corporation shall be signed by the persons designated, from time to time, for that purpose, by the Board, and in such a manner as the Board shall determine.

16.3 Deposits

The Corporation shall transact its banking affairs with such financial institution or bank and according to such conditions as may be determined, from time to time, by the Board.

16.4 Gifts and Donations

The Board shall take such steps as it may deem requisite to enable the Corporation to receive donations and benefits for the purpose of furthering the objectives of the Corporation.

16.5 Remuneration

The Officers, Directors and members of the Executive Committee (except for the CEO) and of any other committee, shall serve without remuneration. Expenses incurred by Officers, Directors and committee members in the interest of the Corporation shall be reimbursed, when said expenses are authorized by the Board or by the Executive Committee. This provision shall not be construed to preclude any Officer, Director or committee member from serving the Corporation in some other capacity and receiving remuneration therefor.

16.6 Financial Dispositions

16.6.1 In the preparation of the yearly budget and of financial reports the procedure as outlined in the Rules and Regulations must be followed. The content of the manual may be changed from time to time on the recommendation by the Chair-Elect & Treasurer to the Executive Committee and the Board.

16.6.2 In the preparation of the yearly budget, the proforma surplus of revenue over expenses shall not be less than 2% of total annual revenues or \$25,000, whichever is greater, unless so approved by a majority of the Board.

16.6.3 The Corporation may, instead of sending copies of the annual financial statements and other documents referred to in Subsection 172(1) of the Act to the Members, publish a notice to the Members stating that the annual financial statements and documents provided in subsection 172(1) of the Act are available at the head office of the Corporation and that any Member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

17. BOOKS AND RECORDS

17.1 Records

The Corporation shall keep accurate and complete records and books of accounts and keep minutes of the proceedings of its membership meetings and of the meetings of the Board, the Executive Committee and other committees. It shall keep a record showing the names, addresses and classifications of the Members and of their Representatives and Alternate Representatives entitled to vote. All records may be inspected at the head office of the Corporation by any Member or their agent or attorney for any proper purpose, at any reasonable time during regular business hours.

17.2 Membership Cards and Certificates

The Board may decide to issue membership cards and/or certificates, upon conditions set, from time to time, by said Board, to Members in good standing. Said cards and/or certificates, to be valid, must bear the signature of the Chair and of the Vice-Chair & Secretary of the Corporation, written or printed thereon, except that such requirement may be waived at the discretion of the Executive Committee.

17.3 Directory

17.3.1 Publication

At the Board's sole discretion, an annual membership directory may be published (either in hardcopy or electronically) by the Corporation, listing the Member firm's name, its Representative and Alternate Representative, address, telephone number, email addresses and membership classification, for all Members in good standing as of November 1st of each year. The directory may be modified to include other pertinent information as deemed appropriate, in the Board's sole discretion, from time to time.

17.3.2 Reproduction

The directory is published as a service exclusively for the use and convenience of the membership. Distribution of the directory for use by

anyone other than a Member of the Corporation is prohibited. Reproduction of the directory or any portion thereof is prohibited.

17.4 Electronic Documents

Unless prohibited by the Act, an electronic document or correspondence (such as email) satisfies a requirement that a document or correspondence be in writing, provided that:

- (a) the addressee has consented, in writing, to the receipt of electronic documents;
- (b) the addressee has provided an information system for its receipt of electronic documents, such as an email address; and
- (c) the electronic documents were sent to such an information system.

18. GENERAL COUNSEL

At the meeting of the Board immediately following the AGM, the Board may appoint a General Counsel of the Corporation, who shall be licensed to practice law. The General Counsel shall advise the Corporation on all matters of law, and on such matters as may be requested by the Board or the Executive Committee. In the absence of a formal appointment by the Board, the CEO or his or her designate may engage legal counsel from time to time to provide such advice and upon such terms as the CEO or his or her designate may deem to be in the best interest of the Corporation.

19. AMENDMENT OF BY-LAWS

The By-laws of the Corporation may be repealed or amended by a majority of the Directors, except those making any fundamental change as defined by Subsection 197(1) of the Act for which a resolution of the Members passed by a majority of not less than two-thirds of the votes cast on that resolution shall be required before they become effective.

20. RULES AND REGULATIONS

The Board may prescribe such Rules and Regulations not inconsistent with the Act, the Articles or the By-laws, relating to the management and operation of the Corporation as it deems expedient.

21. OFFICIAL LANGUAGES POLICY

The Corporation recognizes the equal status of the two official languages of Canada and promotes full participation in the Corporation of the two official language communities.

[The remainder of this page is left blank and a signature page follows.]

The foregoing is a true copy of By-Law No. 1 of the Corporation, passed by the Board on the 15th day of August, 2018 and ratified by the Members on the 27th day of September, 2018.

Chair

Vice-Chair & Secretary