

PADDLESPTS TRADE COALITION
A Nonprofit Corporation

Bylaws

BYLAW I

Name, Principal Offices, Purposes, Restrictions

- Section 1. **Name.** The name of this organization shall be PADDLESPTS TRADE COALITION, herein after referred to as “PTC,” or “the Coalition,” a nonprofit corporation chartered under the laws of the Commonwealth of Kentucky and a 501(c)(6) tax exempt organization under the Internal Revenue Service Code.
- Section 2. **Location.** The principal office of the Coalition shall be 1020 Monarch Street, Suite 200, Lexington, Kentucky, 40513.
- Section 3. **Purpose.** The purposes of the Coalition include:
- a. Building and growing the paddlesports industry for all constituents in North America;
 - b. Growing consumer participation across all paddlesports;
 - c. Providing a collective strategy of industry growth initiatives to all paddlesports stakeholders;
 - d. Providing leadership in diversity, equity, and inclusion (DEI) initiatives to ensure inclusive access and belonging for all to paddling opportunities;
 - e. Providing opportunities for dialogue, education, advancement, and improvement of all aspects of the paddlesports industry through meetings, seminars, communications, publications, and other programs and activities;
 - f. Articulating and advocating the needs and interests of the paddlesport industry before legislative, administrative, and judicial branches of local, state, and national governments;
 - g. Communicating on behalf of the paddlesports industry with suppliers, distributors, dealers, and customers and clients directly and through their associations in matters involving environmental sustainability, business, and governmental affairs of the industry; and
 - h. Promulgating policies, conducting activities, and engaging in any lawful activity for the betterment of all those individuals or firms involved in some aspect of the paddlesports industry.
- Section 4. **Restrictions.** All policies and activities of the Coalition shall be consistent with
- a. Applicable federal, state, and local antitrust, trade regulation, or other legal requirements; and,

- b. Applicable tax exemption requirements, including the requirements that the Coalition be organized as a nonprofit such that no part of its net earnings inure to the benefit of any private individual.

BYLAW II

Membership

Section 1. **Admission to Membership.** There shall be a minimum of two membership categories: Trade Members and Associate Members. Any person or entity eligible for membership who desires to become a member of the Coalition shall apply to the coalition with approval by the Board of Directors based on the membership qualifications contained herein.

Section 2. **Trade Members.** A Trade Member of the Coalition shall be any paddlesports focused brand, retailer, manufacturer, outfitter, or sales representative with established distribution within the United States and/or Canada. Each Trade Member company, individual or organization shall designate one person to serve as its Trade Member representative to PTC and to act on its behalf regarding Coalition matters. The rights and privileges of a Trade Member shall be as follows:

- a. The right to participate in all meetings of the Coalition and to speak on all questions of business.
- b. The right to serve on and Chair committees and to hold any office for which they are otherwise qualified.
- c. The right to participate in all the services and benefits that, from time to time, are offered by the Coalition.
- d. The right to vote for the Coalition Board of Directors as described in Bylaw III, Section 4.

Section 2.1. Trade Membership may be terminated in any of the following ways:

- a. Failure to pay dues.
- b. By letter of resignation addressed to the Coalition, either from the Trade Member company or from the designated Trade Member. Resignation will be effective immediately upon notice.
- c. By termination of the status that originally qualified the individual or organization for membership.

Termination of membership does not release a member from obligation to pay all dues owed or levied to the end of the current membership period.

Section 3. **Associate Members.** Associate Membership shall be open to companies, organizations, and individuals who may provide services to the paddlesports industry and want to assist the Coalition in advancing its mission, but are not a paddlesports focused brand, retailer, manufacturer, outfitter, or sales

representative with an established distribution in the United States and/or Canada.

The Board of Directors may establish additional classes of Associate members upon such conditions and terms as it from time to time deems appropriate.

The rights and privileges of an Associate Member shall be as follows:

- a. The right to participate in all meetings of the Coalition and to speak on all questions of business.
- b. The right to serve on committees.
- c. The right to participate in services and benefits that, from time to time, are offered by the Coalition.
- d. The right to nominate and elect an Associate Member Representative to the Board of Directors.

Section 3.1. Associate Membership may be terminated in any of the following ways:

- a. Failure to pay dues.
- b. By letter of resignation addressed to the Coalition. Resignation will be effective immediately upon notice.

Termination of membership does not release a member from obligation to pay all dues owed or levied to the end of the current membership period.

Section 4. **Dues.** The Board of Directors establishes dues. Any member of the Coalition who is delinquent in dues for a period of ninety days is notified of the delinquency and suspended from membership. If dues are not paid within the succeeding thirty days, the delinquent member forfeits all rights and privileges of membership and is expelled. No dues will be refunded.

Section 5. **Annual Meeting.** There shall be one Annual Meeting of the Members, at which time the business of the Coalition shall be conducted and results of the Board Member election announced. The Annual Meeting shall be held at a time, place, and manner, including virtual or webinar meetings, to be determined by the Board of Directors or, at its direction, the PTC Staff. Any Meeting of the Members may be canceled by the Board of Directors or at its direction, the PTC Staff, and business scheduled to be conducted at such canceled meeting shall be conducted according to the best judgment of the Board.

Section 5.1. A quorum for the conduct of the Annual Meeting of the Members, or for any called meeting of the Members, shall be a simple majority of the Trade Members as present at the time and place announced, together with a simple majority of the Board Members.

Section 5.2. Members are entitled to attend all meetings of the Coalition.

Section 6. **Special Meetings.** A special meeting of Trade Members may be called either by the Chair of the Board or by 10 percent of Trade Members. Any special meeting of Trade Members shall have a minimum of 14 days' notice.

Section 7. **Presence.** For purposes of casting votes, a member must be present either physically or virtually by means of an electronic communication system through which the representative can hear and be heard. No proxy voting is permitted.

BYLAW III **Board of Directors**

Section 1. **Governance.** The Coalition shall be governed by an Board of Directors and shall have such powers conferred upon them by the statutes of the Commonwealth of Kentucky under which this nonprofit corporation is organized, by the Articles of Incorporation, and these Bylaws.

Section 2. **Eligibility.** A Board Member shall be a Member in good standing with the Coalition as defined in Bylaw II.

Section 3. **Composition and Terms.** There shall be not less than nine (9) and no more than fifteen (15) Members on the Board, which may include one Associate Representative to the Board. Trade Members to the Board are elected from Trade Members in good standing with the Coalition as defined in Bylaw II, Section 2.1. After the initial seating of Trade Members to the Board in which terms are randomly assigned, Trade Members to the Board serve staggered terms of 2 years. No Trade Member to the Board may serve more than three succeeding full or partial terms; however, a person who has previously served as a Trade Member to the Board may again be elected one year or more after having vacated the position.

An Associate Representative to the Board shall be in good standing with the Coalition as defined in Bylaw II, Section 3.1. Associate Members are elected by Associate Members to serve a single year term. The Associate Representative may serve not more than three succeeding full or partial terms; however, a person who has previously served as an Associate Representative to the Board may again be elected one year or more after having vacated the position. While on the Board, an Associate Representative to the Board shall enjoy the same voting privileges as a Board Member on any Board matter.

Section 4. **Election.** The first election of the PTC Board of Directors shall follow the First PTC Board of Directors Nominations and Election Procedure adopted through consensus of the PTC membership.

After the first election, future members to the Board shall be elected following the Nominations and Election Policy, with results announced at the Annual Meeting of the Coalition. Board nominations shall be overseen by the Board Development Committee established per Bylaw V, Section 1.1. Board elections shall be overseen by the Audit Committee established per Bylaw V, Section 1.3. In the process of nomination and election of Trade Members to the Board, every effort shall be made to assure representation from diverse interests of the Coalition.

Election of Trade Member Representatives to the Board shall be determined by a simple majority of Trade Members in good standing per Bylaw II, Section 2.1 who cast a ballot per the Nominations and Election Policy.

Election of an Associate Member Representative to the Board shall be determined by a simple majority of Associate Members in good standing per Bylaw II, Section 3.1 who cast a ballot per the Nominations and Election Policy.

- Section 5. **Vacancy.** Any Board Member seat may be vacated by one of the following:
- a. Written resignation.
 - b. Failure to attend three out of four consecutive meetings of the Board of Directors without good cause.
 - c. Persistent conduct prejudicial to the welfare of the Coalition or willful disregard of the directives of the Board of Directors when duly enacted.
 - d. By the affirmative vote of two-thirds majority of the number of Board Members currently holding office.

A vacancy in a Board member position, created when the member resigns, is removed from office, or is no longer eligible for membership as provided by Bylaw II, shall be filled by the Chair's nomination of a person eligible to hold elective office under the terms of Bylaw II, and confirmation by affirmative vote of a majority of the remaining Board members. The person appointed to fill the vacancy shall be inaugurated upon such approval of the Board and shall serve until the next scheduled election, as described in Bylaw III. The balance of the term for that office, if any remains, shall be filled at that election.

- Section 6. **Quorum.** A quorum shall consist of a majority of the Board Members.

- Section 7. **Meetings.** The Board of Directors shall meet at least once a year and more often, if necessary, at the call of the Chair or any three Board Members.

- Section 8. **Notice.** Each member of the Board of Directors shall receive notice of the time and place of each meeting of the Board. Notice of the purpose of any meeting called, regular or special, should be stated. Notice of each such meeting shall be

given by electronic notice, not less than 48 hours prior to the date of the meeting.

Section 9. **Participation.** Any meeting among Board Members may be conducted in-person or by one or more means of remote communication through which all of the Board Members may hear and participate in the meeting so long as notice and quorum requirements have been satisfied. Participation in a meeting by remote means constitutes presence in person at the meeting.

Section 10. **Voting.** Only Board Members present in person as defined in these bylaws at the meeting may vote. There shall be no proxy voting. Each Board Member shall be entitled to only one vote on any matter brought before any meeting of the Board of Directors. A Board Member who is present at a meeting of the Board of Directors when an action is taken is presumed to have assented to the action.

Section 11. **Reimbursement.** All Board Members shall serve without compensation; provided, however, that such Board Members may be reimbursed in part or in whole for the actual expenses incurred in their attendance at meetings held in accordance with the Bylaws, such reimbursement to be in accordance with policy adopted by the Board of Directors.

BYLAW IV Officers

Section 1. **Officers.** The officers of the Coalition shall be the Chair of the Board, the Vice Chair of the Board, and the Secretary-Treasurer. Officers shall be elected by the Board of Directors to serve for one-year terms and until their respective successors are chosen and have qualified. Officers shall not serve more than four (4) years consecutively in the same capacity. All officers must be a Trade Member of the Board in good standing with the Coalition in accordance with Bylaw II, Section 2.1.

Section 1.1. **Chair.** The Chair shall direct the overall affairs and operations of the Board; preside over all meetings of the Board and of the Coalition; and perform all other such duties as shall be authorized in these Bylaws or as the Board may authorize and as may be defined in the policies of the Coalition. The Chair of the Board shall serve as an ex-officio member of all committees.

Section 1.2. **Vice Chair.** The Vice Chair shall assist the Chair in directing the affairs and operations of the Board; act as presiding officer at meetings in the absence of the Chair; and perform all other such duties as shall be authorized in these Bylaws or as the Board may authorize and as may be defined in the policies of the Coalition.

Section 1.3. **Secretary-Treasurer.** The Secretary-Treasurer shall certify the integrity of the records and transactions of the Coalition and the Board; and shall serve as the primary steward of the financial resources of the Coalition by ensuring the accurate recording and reporting of the Coalition's financial transactions, the adherence to an annual budget, and the performance and presentation of an annual financial audit by a qualified independent audit firm; and perform all other such duties as shall be authorized in these Bylaws or as the Board may authorize and as may be defined in the policies of the Coalition.

Section 2. **Powers and Duties.** The Board of Directors shall have general authority over the funds, property, and management of the Coalition. In addition to the legal, fiduciary, and ethical responsibilities defined elsewhere in these Bylaws and as further defined in the policies of the Coalition, the Board shall:

- a. Oversee and set policies on the fiscal, budgetary, audit, and administrative affairs of the Coalition and authorize their implementation;
- b. Determine and periodically evaluate the Coalition's mission and purpose, and the performance of the Board and the Coalition in that regard;
- c. Ensure the availability of adequate fiscal and human resources for operating and maintaining the Coalition;
- d. Establish and periodically evaluate the direction and content of all programs, products and services sponsored by the Coalition;
- e. Select and define the authority, compensation and responsibilities of the Executive Director (or other title) of the Coalition or other staff as may be defined in Section 3 of this Bylaw, and monitor the performance of same;
- f. Promote the Coalition's interests and image;
- g. Adjudicate grievances brought forth by members of the Coalition;
- h. Prepare the agenda for the business meeting or meetings that shall occur at the Annual Meeting or other conference of the Coalition.

Section 3. **Coalition Services.** The Board of Directors may engage a well-qualified organization or individual whose duty shall be to provide executive and operational services for the Coalition. The title of such organization or individual may be Executive Director (or another title) as designated by the Board of Directors and shall perform duties as prescribed in an appropriate job description approved by the Board of Directors. Any such organizations or individuals shall serve as a non-voting, ex-officio member of the Board. Organizations or individuals engaged for these purposes shall be compensated for services in accordance with a contract of engagement entered into between the organization, individual, or their representative, and the Coalition.

BYLAW V

Committees

Section 1. **Standing Committees.** The Standing Committees of the Coalition are:

- a. Board Development Committee
- b. Finance Committee (may be combined with Audit Committee)
- c. Audit Committee (may be combined with Finance Committee)

Such committees shall be comprised of at least one Board Members and may include, as appropriate, other eligible members of the Coalition as defined in Bylaw II.

Section 1.1. **Board Development Committee.** It shall be the responsibility of the Board Development Committee to submit to the Coalition, not less than 60 days before the Annual Meeting, one or more nominations for each Board Member to be filled by election per the Nominations and Election Policy.

- a. The Committee shall be appointed by the Board of Directors.
- b. The Committee shall consist of not less than five (5) and no more than seven (7) members. No member on the Committee may be a nominee.
- c. The Chair of the Committee shall be appointed by the Chair of the Board.
- d. The Committee may conduct its business by phone, correspondence, or meetings at the direction of the Chair of the Committee.

Section 1.2. **Finance Committee.** It shall be the duty of the Finance Committee to review and oversee the financial affairs of the Coalition.

- a. The Treasurer shall serve as the Chair of the Finance Committee.
- b. The Committee shall consist of not less than five (5) and no more than seven (7) members, and may include non-Board members.
- c. The Finance Committee shall designate the depository or depositories of the Coalition. The Board of Directors shall designate the names of those individuals authorized to sign on the Coalition's account or accounts.
- d. It shall be the responsibility of the Finance Committee to present the annual budget of the Coalition; to consider all proposed non-budget expenditures of an extraordinary nature, and to make recommendations to the Board of Directors before such proposed expenditures are authorized to be made; to arrange for the annual review; to recommend the organization's approach to its stated or documented financial policies and objectives; and to counsel and advise the Board on all matters pertaining to the finances of the Coalition.
- e. The Committee may conduct its business by phone, correspondence, or meetings at the direction of the Chair of the Committee.

Section 1.3. **Audit Committee.** An Audit Committee is appointed by the Board of Directors to oversee the financial audit and election process of the Coalition.

- a. The Committee shall consist of not less than five (5) and no more than seven (7) members.

- b. The Treasurer shall serve as the Chair of the Audit Committee. Remaining members may include non-Board members.
- c. At least one member of the Audit Committee must have expertise or experience in financial matters.
- d. The Audit Committee is responsible for engaging or discharging the financial auditors of the Coalition.
- e. The Committee shall certify the election of Board Members per the Nominations and Election Policy.
- f. The Committee may conduct its business by phone, correspondence, or meetings at the direction of the Chair of the Committee.

Section 2. **Additional Committees.** The Board of Directors may establish committees. The purpose and authority of the committees shall be specified when created. Committees shall be subject at all times to the direction and control of the Board of Directors.

BYLAW VI

Antitrust

It is the undeviating policy of the Coalition to comply strictly with the letter and spirit of all federal, state, and applicable international trade regulations and antitrust laws. Any activities of the Coalition or Coalition-related actions of its officers, Board Members, committee chairs, members, or staff that violate these regulations and laws are detrimental to the interests of the Coalition and are unequivocally contrary to Coalition policy. Under no circumstances will the Coalition directly or indirectly be involved in conduct that leads to or implies an agreement among its members that would restrain trade and/or otherwise violate antitrust laws.

BYLAW VII

Indemnification

The private property of Coalition members, as defined in Bylaw II, Section 1; of Officers and Members of the Coalition's Board of Directors, as defined in Bylaw III, Section 1; and of Coalition employees or agents shall not be subject to the payments of the debts of the Coalition. The provisions of Kentucky Revised Statutes 273.248(1) and 273.171(14) are adopted as a part of these Bylaws to the fullest extent permitted and are incorporated herein as if set forth in full, subject to the limitations of Kentucky Revised Statute 273.248(2). Further, the provisions for indemnification defined in Kentucky Revised Statutes 271B.8-500 through 271B.8-580, inclusive and including any successor enactments, are adopted, and included by reference herein as if set forth in full and shall be applicable to all Officers and Members of the Board of Directors, employees, or other agents of the Coalition.

If it is ultimately determined that any Officer or Member of the Board of Directors, or employee or agent of the Coalition is not entitled to indemnification under this Bylaw, such

person shall repay all expenses paid by the Coalition in the indemnification of expenses and liabilities incurred by said person in connection with any claim, action, suit or proceeding to which he or she was made a party by reason of being an Officer, Member of the Board of Directors, employee or other agent of the Coalition.

The Board of Directors shall authorize the purchase of insurance on behalf of any Officer or Member of the Board of Directors, employee, or other agent of the Coalition against any liability incurred by him or her which arises out of such person's status as an Officer or Member of the Board of Directors, employee or agent, whether or not the Coalition would have the power to indemnify the person against that same liability under Kentucky Revised Statutes 271B.8-510 or 271B.8-520.

BYLAW VIII

Rules and Amendments

The Board of Directors may amend these Bylaws by the affirmative vote of two-thirds majority of the number of Board Members currently holding office.

BYLAW IX

Dissolution of the Coalition

This Coalition may be dissolved upon the affirmative vote of two-thirds (2/3) of all of the votes entitled to be cast by the representatives of the Coalition's Trade Members in good standing as defined in Bylaw II, Section 2. In the event of dissolution, the assets of the Coalition shall be disposed of in accordance with Article XII of the Articles of Incorporation of the Paddlesports Trade Coalition, Inc.

BYLAW X

Effective Date

These Bylaws shall supersede all prior Constitutions and Bylaws of the Coalition and shall take effect upon their approval unless otherwise stated. Provisions related to elected positions shall take effect as soon as possible, but no later than the expiration of all current terms of office.

Coalition Policies/ Procedures to include:

- 1) Antitrust
- 2) Whistleblower
- 3) Records Retention
- 4) (Optional) Code of Ethics
- 5) Conflict of Interest
- 6) Nomination and Election Policy
- 7) DEIAB statement - access to sport and activity/belonging)
- 8) Environmental Sustainability
- 9) (Optional) Board Travel Procedure/Policy
- 10) Executive Director (or Chief Officer) Position Description

Bylaws History:

12/28/23 – Placed on membership ballot for ratification.

1/9/2024 – Approved by membership vote