



PETROLEUM EQUIPMENT INSTITUTE CONSTITUTION & BYLAWS

Updated November 2013

ARTICLE I

Name and Location

1. **Name.** The name of this Association shall be Petroleum Equipment Institute.
2. **Principal Place of Business.** The principal office of the Institute shall be located in Tulsa, Oklahoma, or in such other location as the Board of Directors may select.

ARTICLE II

Purposes

1. **Purposes.** The objectives and purposes of the Institute shall be to:
 - a. Educate members on matters affecting the industry.
 - b. Develop programs that assist member companies in competing and operating more effectively and profitably.
 - c. Foster the relationship between manufacturer, distributor and end-user.
 - d. Promote the value of distributor services.
 - e. Provide a forum for communication between all segments of the industry.
 - f. Hold meetings, conferences, and/or trade shows to broaden the management skills of owner/managers and employees.
 - g. Collect and publish statistics, technical data and industry news to further the technical knowledge and improve the efficiency of member businesses.
 - h. Cooperate with other industries and organizations in matters of either direct or indirect concern to the members of the Institute.
2. **Not-For-Profit.** This Institute is not organized for pecuniary profit and shall not declare dividends. No part of the dues, fees, or other monies collected by the Institute shall inure to the benefit of any Member of the Institute.
3. **Dissolution.** Upon dissolution of the Institute any unexpended funds on hand at the time shall

be returned to the Members in the proportion contributed by such members in the form of dues during the last fiscal year of the existence of the Institute, and the balance, if any, shall be distributed to charitable or educational institutions to be selected by the Board of Directors.

ARTICLE III

Membership

1. **Company.** Membership in the Institute shall be available to any qualified corporation, partnership, or individual proprietorship which is engaged in the manufacture, sales, distribution, installation, or maintenance of equipment used in the following industrial activities and installations: Petroleum bulk plants, pipeline terminals, fuel transport, fuel oil delivery, vehicle maintenance facilities, liquid processing and storage, airport refueling, liquid fertilizer operations, marine refueling, vehicle refueling facilities, industrial lubrication, agricultural refueling, and similar operations which involve the storage, transport, measurement, or dispensing of petroleum products or other industrial liquids.
2. **Individual.** Membership in the Institute shall also be available to any individual employed by a company that owns and/or operates a facility that stores, transports, meters, or dispenses petroleum products or other industrial liquids. Membership in this category is intended for individuals such as oil company operations and engineering executives with responsibility for equipment specified and used in the following industrial activities and installations: Petroleum bulk plants, pipeline terminals, fuel transport, fuel oil delivery, vehicle maintenance facilities, commercial fleet fueling, liquid processing and storage, airport refueling, liquid fertilizer operations, marine refueling, vehicle refueling facilities, convenience stores, grocery store chains, hypermarkets, industrial lubrication, agricultural refueling, and similar operations which involve the storage,



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transport, measurement, or dispensing of petroleum products or other industrial liquids. Individuals employed by PEI Distributor, Manufacturer, Service & Construction or Affiliate Division member companies are not eligible for individual membership. Individuals employed by companies eligible for PEI Distributor, Manufacturer, Service & Construction or Affiliate Division membership are not eligible for individual membership.

- 3. General Membership Requirements.** Membership in the Institute shall be by company or individual. A firm applying for membership must be a corporation, partnership, or duly constituted individual proprietorship. It must have also been engaged in business for at least one year in the activity described for the particular Division to which it is seeking admission.

An individual applying for membership must be employed by a company that owns and/or operates a facility that stores, transports, meters, or dispenses petroleum products or other industrial liquids.

- 4. Divisions.** There shall be five membership divisions: Distributor Division, Manufacturer Division, Service and Construction Division, Affiliate Division and Operations and Engineering Division. An applicant for membership shall be assigned to the division which most nearly represents the preponderant function of the applicant's business. Detailed qualifications for membership in each division shall be set forth in the Bylaws. Generally, however, the membership requirements for each division shall be as follows:
- a. Distributor Division. Firms which are primarily engaged in selling a representative line of petroleum equipment from their own warehouse stocks.
 - b. Manufacturer Division. Firms which are primarily engaged in manufacturing operations.
 - c. Service and Construction Division. Firms which are engaged in providing service, maintenance and/or and construction services.
 - d. Affiliate Division. Firms which have a business interest in the petroleum equipment industry, but which do not otherwise qualify for membership in any of the foregoing divisions.
 - e. Operations and Engineering Division. Individuals who are employed by a company that owns and/or operates a facility that stores, transports,

meters, or dispenses petroleum products or other industrial liquids.

- 5. Dual Membership.** The foregoing section shall not preclude the possibility of two or more firms sharing common ownership, or two or more divisions of the same firm, being admitted to more than one membership division. If the firms or corporate divisions operate under clearly identifiable different operational management, they may be admitted to the membership divisions for which they are otherwise qualified, common ownership notwithstanding. In situations where, for technical legal reasons, a distributor member firm operates one or more branch stores as separate corporations, such separate corporations may each apply for membership. Otherwise, however, for purposes of convention registration and directory listings, any such corporation will be treated as a branch of the member company if it meets the following tests:
- a. The operation must have a general identify in the industry as a branch of the distributor member company, even though technically constituted as a separate corporation.
 - b. The branch operation must have a name identical to, or very similar to, that of the member company.
 - c. The branch operation must be under the direct management control of the owner, or owners, of the member company.

- 6. Transfer of Membership to Another Division.** Any member firm which, as a result of basic changes in the nature of its operations, desires to transfer its membership to a division other than the one to which it was originally admitted, may apply to the Board of Directors for permission to do so. Permission shall be granted in circumstances where it appears that current operations of the firm more closely conform to the membership requirements of a particular division other than the one to which the firm was originally admitted.

When the operations of a member firm change so as to make membership in the division to which the firm was originally admitted appear no longer to be appropriate, and if the member firm does not itself elect to apply for transfer to another division, as provided in the preceding paragraph, the Board of Directors may order such a transfer. Prior to issuing such an order, however, the Board shall:



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- a. Advise the Official Representative of the firm that the Board is considering issuance of an order of transfer, and set forth the reasons why such an order is under consideration;
- b. Permit the Official Representative of the subject member firm to produce evidence showing why the order of transfer should not be issued;
- c. Approve the order of transfer, in cases where the order is contested, by the affirmative votes of at least 12 of the 18 voting members of the Board of Directors.

- 7. Honorary Members.** By unanimous vote, the Board of Directors may confer Honorary Membership in the Institute upon individuals who, in the opinion of the Board, are deserving of such distinction.
- 8. Conditions of Membership.** Members of the Institute, as a condition of membership, shall subscribe to the purposes of the Institute as set forth in Article II, and shall agree to conform to the provisions of this Constitution and the Bylaws of the Institute.

ARTICLE IV

Revocation of Membership

- 1. Cause for Revocation.** The Membership of any member shall be revoked for nonpayment of dues, for failure to comply with the provisions of this Constitution and the Institute's Bylaws, or for other conduct which, in the opinion of the Board, is inimical to the best interests and purposes of the Institute.
- 2. Procedure.** Except for nonpayment of dues, a membership may be revoked only by action of the Board of Directors at a regular meeting, and at which at least ten Directors vote in favor of revocation.

ARTICLE V

Official Representatives

- 1. Designation.** Each member firm in the Distributor, Manufacturer, Service and Construction and Affiliate Divisions shall appoint an Official Representative (key contact) who shall be the membership representative of that firm for all association purposes. An alternate may also be appointed
- 2. Participation.** Only the Official Representative, or a duly appointed alternate, may vote in Institute elections, or hold office. Individual memberships may not vote in Institute elections or hold office.

ARTICLE VI

Officers

- 1. Names of Officers.** The officers of the Institute shall be the President, Vice President, Executive Vice President, and Treasurer.
- 2. Nomination and Election of President and Vice President.** At the first meeting of the Board of Directors, held at each annual convention of the Institute, the Board shall nominate at least one person for the office of President and at least one person for the office of Vice President, said nominees to be selected from the ranks of Official Representatives of firms which are Distributor members. At a general meeting of the Official Representatives of all member companies held thereafter during the convention, these nominees shall be officially offered to the Official Representatives for election. Additional nominations may be made from the floor at the time of election.
- 3. Appointment of Treasurer and Executive Vice President.** The Treasurer and Executive Vice President, who shall also serve as Secretary of the Institute, shall be appointed by the Board of Directors.
- 4. Tenure.** The President and Vice President shall serve one-year terms and shall assume office on January 1 following their election at the annual convention of the Institute. The President and Vice President shall be eligible for reelection. The Executive Vice President shall serve until replaced. The term of office for the Treasurer shall be limited to a maximum of three consecutive years.
- 5. Qualifications.** The President and Vice President shall be nominated and elected from among the ranks of Official Representatives of firms which are Distributor members of the Institute. The Treasurer shall be appointed from the ranks of Official Representatives of firms which are Distributor members of the Institute. The Executive Vice President shall be appointed by the Board on the basis of his ability in the field of association management.

ARTICLE VII

Board of Directors

- 1. Governing Body.** The Board of Directors shall be the governing body of the Institute. It shall prescribe Institute policy, approve the annual budget, select the Executive Vice President and establish his salary,



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exercise judgment over membership applications, and otherwise generally oversee the conduct of Institute affairs, subject only to the final authority of the general membership.

2. **Composition.** The Board of Directors shall be composed of not more than 18 members. Regular directors shall be elected from among the ranks of Official Representatives of firms which are Distributor, Manufacturer, Service and Construction and Affiliate member firms in a ratio to be set forth in the Bylaws. In addition the President, Vice President, and Immediate Past President shall be voting members of the Board. Although the Executive Vice President and Treasurer may attend Board meetings, they shall not be entitled to vote unless they are otherwise duly elected members of the Board of Directors.
3. **Qualifications.** Only Official Representatives, or duly appointed alternates, of member companies shall be eligible for election to the Board.
4. **Distributor Members of the Board.** Distributor members of the Board shall be elected from geographical districts defined in the Bylaws. The Official Representatives of Distributor member firms within each district shall elect from among their own ranks a member of the Board.
5. **Manufacturer Members of the Board.** Manufacturer members of the Board shall be elected from product group sections, referred to as "districts," as described in the Bylaws. The Official Representatives of Manufacturer member firms within each district shall elect from among their own ranks a member of the Board.
6. **Service and Construction Members of the Board.** Service & Construction members of the Board shall be elected from the Service and Construction Division as described in the Bylaws. The Official Representatives of Service and Construction member firms within the division shall elect from among their own ranks a member of the Board.
7. **Affiliate Members of the Board.** Affiliate members of the Board shall be elected from the Affiliate Division as described in the Bylaws. The Official Representatives of Affiliate member firms within the division shall elect from among their own ranks a member of the Board.
8. **Tenure.** Directors shall be elected for a term of two years and, having served a full two-year term, shall

not be eligible for reelection to immediately succeed themselves. Half or approximately half, of all Directors shall be elected each year. In those years in which an election is scheduled within a district or division, the election shall be conducted in accordance with the procedure set forth in the Bylaws.

9. **Titles of Directors and Individual Responsibilities.** The primary function of each Director shall be to serve as a member of the Institute's Board of Directors and to thereby exercise the normal functions of a Director. In addition, Directors shall coordinate Institute activities within their respective districts or divisions. To properly reflect the nature of this function, each elected Director shall be designated either "District Director" or "Division Director," whichever is appropriate.
10. **Co-Directors.** Each elected Director shall appoint from among the ranks of Official Representatives of his district or division a Co-Director, to serve as his alternate at Board meetings, to complete his unexpired term in the event that a vacancy occurs, and to assist in the handling of Institute activities within the district or division. Should both the elected Director and his appointed Co-Director be unable to attend a particular Board meeting, the Director may designate the Official Representative of another firm within his district or division to attend the meeting as a representative for the district or division. Under such circumstances, the representative so designated may participate in Board deliberations but shall not vote.
11. **Vacancies.** A vacancy shall be deemed to have occurred on the Board of Directors when an elected Director dies while in office, severs his connection with the member company with which he was affiliated at the time of election, permits his company membership in the Institute to lapse, resigns, or is elected or appointed to an officer's position in the Institute. When a vacancy occurs, the Co-Director of the constituency affected shall thereupon become Director, and shall immediately succeed to the duties of Director for the completion of the unexpired term. The Co-Director, upon assuming the position of Director under these circumstances, shall himself appoint a Co-Director in the manner prescribed in Section 10 of this Article.
12. **Interim Decisions.** The President may instruct the Executive Vice President to submit resolutions to



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the members of the Board for consideration, when in the opinion of the President an issue has presented itself which cannot properly be deferred until a regular Board meeting. Resolutions may be submitted electronically, by fax or by mail.

- 13. Meetings.** The Board of Directors shall meet at least once each year. It may meet more often by mutual consent of the Directors, or upon special call by the President. Except for those Board meetings held in conjunction with the annual convention, the Executive Committee shall designate the time and location of Board meetings.

ARTICLE VIII

Executive Committee

- 1. Composition.** The Executive Committee shall be composed of the President, Vice President, Immediate Past President, and two additional members to be appointed by the President from among the elected members of the Board, five persons in all.
- 2. Tenure.** A new Executive Committee shall be formed immediately upon election of the president.
- 3. Duties.** The Executive Committee shall act as an advisory body to the President, instructing and counseling with him in all policy matters which cannot be properly deferred to a regular meeting of the Board.
- 4. Chairman.** The President shall serve as Chairman of the Executive Committee.
- 5. Responsibility.** When a policy matter is referred to the President, it shall be his responsibility to determine whether the matter should be (a) resolved by himself, as chief elected officer of the Institute, (b) referred to the Executive Committee for decision, (c) submitted to the Board for decision, or (d) deferred for a decision by the Board at its next meeting.

ARTICLE IX

Strategic Long Range Planning Committee

- 1. Composition.** The Strategic Long Range Planning Committee shall be composed of the President, Vice President, Treasurer, and the three Immediate Past Presidents, six persons in all.
- 2. Tenure.** A new Strategic Long Range Planning Committee shall be formed on January 1 of each year.
- 3. Duties.** The Strategic Long Range Planning

Committee shall act as an advisory body to the Board of Directors. It shall develop and recommend long-range objectives and plans for their implementation which will enable the Institute to serve its members effectively.

- 4. Chairman.** The Immediate Past President shall serve as Chairman of the Strategic Long Range Planning Committee.

ARTICLE X

Duties of Officers

- 1. President.** The President shall be the chief executive officer of the Institute. He shall have the responsibility of representing, to the best of his ability and in line with his understanding of the consensus of the Board, the official viewpoint of the Institute in public pronouncements. He shall appoint general and special committees, preside at board meetings, and shall exercise all other duties which normally devolve upon the office of President.
- 2. Vice President.** In the absence or disability of the President, the Vice President shall perform the duties of President. In the absence or disability of the Vice President, the Executive Committee shall recommend, and the Board of Directors shall approve, the appointment of an acting Vice President from the ranks of Official Representatives from the Distributor Division. Such person shall carry out the duties of Vice President, without vote, until such time as a Vice President is elected in a manner consistent with the Constitution and Bylaws. In the absence or disability of both such officials, the Board of Directors shall select from its own number an acting President.
- 3. Executive Vice President.** The Executive Vice President shall be responsible to the Board of Directors for the day-to-day management of Institute affairs, in accordance with policy laid down by the Board, and shall:
 - a. Employ and supervise members of the Institute's staff;
 - b. Prepare Institute programs and projects for approval by the Board, and carry forward the execution of such programs and projects, after approval;
 - c. Conduct the financial operations of the Institute, including the preparation of the annual budget, in cooperation with the Treasurer;
 - d. Cause to be kept minutes of Institute meetings,



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- e. and maintain all records and correspondence;
 - e. Collect and disseminate information pertaining to the petroleum equipment industry, and supervise the publication of an official newsletter or magazine for the Institute;
 - f. Prepare all notices required by law, or by this Constitution and Bylaws;
 - g. Serve as Secretary of the Institute;
 - h. Perform all other functions set forth in this Constitution and Bylaws, and those which normally devolve upon the full-time manager of a trade association.
- 4. Treasurer.** It shall be the duty of the Treasurer to supervise the financial affairs of the Institute in the manner set out in detail in Article XI. The Treasurer shall report the financial position of the Institute to the membership at least once each year, and at such other times as may be requested by the Board.

ARTICLE XI

Financial Operations

- 1. Depositories.** The Board shall designate official depositories for the Institute funds. All monies due the Institute shall be received by the Executive Vice President, duly endorsed, and forwarded for deposit in the official depositories.
- 2. Disbursements.** General disbursements shall be made on the signature of either the Executive Vice President or Treasurer, unless the amount of the disbursement exceeds an amount to be established, from time to time, by the Board of Directors, in which case the joint signatures of the Executive Vice President and Treasurer shall be required. In event of the prolonged absence or disability of either, or both, of these officers, the signature of the Administrative Director may be substituted for that of the Executive Vice President, and the signature of the President for that of the Treasurer. The Executive Committee shall determine what constitutes a "prolonged absence." All disbursements shall be authenticated by invoices, vouchers, or similar evidence of indebtedness.
- 3. Records.** The Executive Vice President shall maintain complete financial records which shall be open for inspection at any time to members of the Institute. The Treasurer may maintain a duplicate set of financial records. The Executive Vice President shall cause to be prepared a monthly financial statement,

which shall be distributed to members of the Board of Directors.

- 4. Audits.** At least once each fiscal year, the Treasurer shall cause an audit of the Institute's books and accounts to be made by a firm of Certified Public Accountants, the expense of such audit to be borne by the Institute. The right of the Board of Directors to cause an audit to be made at any time is hereby reserved.
- 5. Fiscal Year.** The fiscal year of the Institute shall begin April 1.
- 6. Reserve Fund.** In addition to its general operating accounts, the Institute shall maintain a Reserve Fund, the purpose of which is to provide funds for continuity of operations in event of financial emergency. A portion of the Reserve Fund may, on resolution of the Board of Directors, be diverted for use in acquisition or construction of a headquarters building for the Institute. Withdrawals from the Reserve Fund may be made only upon resolution of the Board.

ARTICLE XII

Dues

- 1. Amount.** The amount of dues for all members shall be determined by the Board of Directors.
- 2. Due Date.** Dues for each year shall become due and payable on October 1, and in legal tender of the United States of America.
- 3. Method of Payment.** Dues shall be payable only upon receipt of a statement from the Institute. Distributor, Manufacturer, Service and Construction and Affiliate members who so request will be billed semi-annually or quarterly; otherwise all statements shall be rendered on an annual basis.

ARTICLE XIII

Meetings

- 1. Annual Convention.** An annual convention of the Institute shall be held each year.
- 2. Special Meetings.** Special meetings of the Institute membership shall be called whenever a written request therefore, signed by the Official Representatives of at least 50 member companies, shall be filed with the Executive Vice President, or upon resolution of the Board of Directors. No special meeting shall be called, however, until at least fifteen days notice shall have been given to all members, such notice containing information on the subjects to be considered.



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3. **Regional Meetings and Institutes.** At the discretion of the Board, regional meetings, conferences, and other meetings may be held from time to time.
4. **Notices.** Notice of annual conventions and special meetings shall be given to members by the Executive Vice President at least fifteen days in advance.

ARTICLE XIV

Nominations and Elections

1. **Election Commission.** The three Immediate Past Presidents of the Institute shall comprise an Election Commission which shall supervise and conduct elections of Board Members. Should one or more of the three Immediate Past Presidents be unavailable for service on the Commission, for whatever reason, the vacancy or vacancies shall be filled by the most recent Past President available for service, in declining order of service. The Commission member whose service as President of the Institute occurred at the earliest date shall act as Chairman of the Commission.
2. **Nominating and Election Procedure.** Members of the Board of Directors shall be elected in accordance with the procedure set forth in the Institute's Bylaws.
3. **Reapportionment.** It shall be the duty of the Commission to examine the relative number of members in each district. If the study reveals that, because of changes in membership within a Division, the district which has the largest number of members has more than twice as many members as the district with the smallest number of members, the Commission may prepare a reapportionment plan for all districts within the Division and submit it to the Board of Directors, the purpose of said plan being to restore relative equality of numbers to the districts within the Division.

ARTICLE XV

Committees

1. **Appointment.** There shall be no standing committees other than those provided for in the Constitution and Bylaws. The President shall appoint an individual member or members to serve on committees or task forces to carry out specific assignments, and upon completion thereof the committee or task force shall be dissolved.
2. **Eligibility.** Any full-time employee of any member company, regardless of membership division, shall

be eligible for service on appointed committees. Others affiliated with the industry, who are not members of the association, may also be eligible for service on appointed committees upon invitation and approval by both the President and the committee chairman.

ARTICLE XVI

Procedure

1. **Quorum.** At an annual convention or special meeting of the Institute, a quorum shall consist of a combined total of fifteen percent or more of the Official Representatives of all member divisions, and at least four Directors and/or Elected Officers, but a lesser number may adjourn to a later date. Eight duly elected members of the Board of Directors shall constitute a quorum for the transaction of business at any Board Meeting, but a lesser number may adjourn to a later date.
2. **Order of Business.** The order of business at meetings of the Institute shall be determined by the President and Executive Vice President, but may be changed by a majority vote at any time during the progress of the session.
3. **Rules of Order.** The proceedings of this Institute shall be conducted in accordance with parliamentary usages, and parliamentary questions shall be resolved by reference to Robert's Rules of Order, unless otherwise provided by this Constitution or the Bylaws.
4. **Seal.** The Institute shall have an Official Seal of such design as the Board of Directors may adopt.

ARTICLE XVII

Salaries and Expenses

1. **Restrictions.** Except for the Executive Vice President and regularly employed members of his staff, no member of the Institute shall receive a salary. Reimbursement of travel expenses approved by the Executive Vice President for an officer attending a meeting on behalf of the Institute, or conducting business on behalf of the Institute, other than a regularly scheduled Board meeting or convention, is authorized by this Constitution. In addition, reimbursement is authorized for travel expenses for members of the Strategic Long Range Planning Committee when such expenses are incurred as a result of attending a Strategic Long Range Planning Committee meeting not held in conjunction with a



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regular board meeting or convention of the Institute.

ARTICLE XVIII Amendments

1. **Requirements.** This Constitution may be amended by a two-thirds affirmative vote of the Official Representatives of all membership divisions of the Institute, present in person at any Annual Convention or Special Meeting called for that purpose.
2. **Notice.** Before any amendment shall be voted upon, a copy of such proposed amendment shall be distributed to each member thirty days in advance.
3. **Amendment of Bylaws.** The procedure for amending the Bylaws shall be as follows:
 - a. Any proposed amendments shall be distributed at least thirty days prior to a meeting of the Board of Directors at which the amendments are to be considered.
 - b. The Board of Directors may, after distribution of the proposed amendments as stipulated in the foregoing paragraph, amend the Bylaws, provided that at least 12 Directors, present and voting, vote in favor of the amendment.
 - c. Notice of the amendments shall also be distributed within 45 days after its adoption.
 - d. The General Membership may also amend the Bylaws in the same manner as set forth in this Article for amendment of the Constitution.

BYLAWS

ARTICLE I

Membership Requirements

1. **Distributor Division.** To be eligible for membership in the Distributor Division an applicant firm must be principally engaged in the business of selling from its own warehouse stocks equipment to the markets as described in Article III, Section 1 of the Constitution, and must also:
 - a. Maintain an office and a warehouse, and regularly stock a representative line of equipment;
 - b. Maintain an adequate stock of replacement parts for the major lines of equipment which it sells;
 - c. Perform most of its own billing and credit functions;
 - d. Provide satisfactory evidence, on request, that it is not currently operating for the primary and

specific purpose of purchasing equipment for its own use or the use of a company with which it shares common ownership.

2. **Manufacturer Division.** To be eligible for membership in the Manufacturer Division, an applicant firm must be principally engaged in the business of manufacturing equipment for the markets described in Article III, Section 1 of the Constitution, and must also provide evidence that the firm's fundamental sales policy is predicated upon the sale of its products through the facilities of distributors, typified by those which comprise the membership of the Distributor Division of the Institute. Such evidence may include a listing of member Distributors presently representing the applicant, or a statement of the applicant firm's sales policy, said policy indicating a primary reliance on sales through distributors.
3. **Service and Construction Division.** Membership in the Service and Construction Division shall be available to firms which provide service, maintenance or construction services to their customers.
4. **Affiliate Division.** Membership in the Affiliate Division shall be available to firms which have a business interest in the petroleum equipment industry, but which are not otherwise eligible for membership in the foregoing divisions. Membership in the Affiliate Division shall be available, but not necessarily limited to firms of the following general description:
 - a. Exporters and importers.
 - b. Manufacturer's agents and manufacturer's representatives.
 - c. Service organizations such as publishers, insurance companies, leasing firms, etc.
 - d. Engineering or consulting firms.
 - e. Distributors and manufacturers operating within the industry who do not otherwise meet the membership requirements set forth in this article.
5. **Operations and Engineering Division.** To be eligible for membership in the Operations and Engineering Division, the applicant must be employed by a company that owns and/or operates a facility that stores, transports, meters, or dispenses petroleum products or other industrial liquids. Membership in this category is intended for individuals such as oil company operations and engineering executives with responsibility for equipment specified and used in the follow-



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ing industrial activities and installations: Petroleum bulk plants, pipeline terminals, gasoline transport, fuel oil delivery, vehicle maintenance facilities, commercial fleet fueling, liquid processing and storage, airport refueling, liquid fertilizer operations, marine refueling, vehicle refueling facilities, convenience stores, grocery store chains, hypermarkets, industrial lubrication, agricultural refueling, and similar operations which involve the storage, transport, measurement, or dispensing of petroleum products or other industrial liquids. Individuals employed by PEI Distributor, Manufacturer, Service and Construction or Affiliate Division member companies are not eligible for individual membership. Individuals employed by companies eligible for PEI Distributor, Manufacturer, Service and Construction or Affiliate Division membership are not eligible for individual membership.

ARTICLE II

Admission Procedure

Distributor, Manufacturer, Service and Construction and Affiliate Divisions

1. **Official Application Form.** Any firm desiring admission to any Division of the Institute must submit an application on an official form provided by the Institute. Each application for membership shall be accompanied by a deposit equal to the applicant's dues for the first year of membership in the association. Upon acceptance into membership, such deposit shall be credited as payment of the applicant's dues. In the event that the application is not accepted by the Board of Directors, then such deposit shall be promptly refunded to the applicant.
2. **Endorsement.** The application must be endorsed by the Official Representative of at least one member company, and the endorsement shall state that the Official Representative, executing the endorsement, is of the opinion that the applicant firm fully qualifies for membership and that the endorser does sponsor the applicant.
3. **Verification.** In submitting an application, the applicant authorizes the Institute to verify all information shown in the application through inquiry to companies listed as suppliers, distributors, etc.
4. **Notification to Members.** The Executive Vice President shall publish each applicant firm in the

association newsletter as a "provisional member." Said company will begin receiving all membership benefits. Members in good standing will have 30 days in which to protest the application.

5. **Acceptance.** Should no protest to the applicant firm be received from the Official Representative of any member firm within 30 days after the date of publishing, the term "provisional" shall be removed from the file.
6. **Protest.** Should an Official Representative wish to protest the admission of an applicant, he shall submit a confidential letter to the Executive Vice President within 30 days after notice of the application is posted, stating therein the reason for his objection to the applicant firm's admission. The Executive Vice President shall thereupon advise the applicant firm of the protest, not revealing the identity of the protestant, but stating the reasons therefore, and invite the applicant to submit a statement of rebuttal if he so desires. Should no rebuttal statement be submitted, the application shall be deemed dormant. If a rebuttal statement is received, the Executive Vice President shall submit all information on the matter to the Board of Directors, but in so doing shall not reveal the identity of the protestant unless the protestant has authorized him to do so. The Board shall have final authority to accept or reject the application, provided, however, that in such cases at least 10 members of the Board must vote in favor of admission before the application can be approved. In making its determination, the Board shall seek only to establish if the applicant firm meets the requirements for membership in the particular Division to which application has been made, as set forth in the Constitution and Bylaws.

Admission Procedure

Operations and Engineering Division

1. **Official Application Form.** An individual desiring admission to the Operations and Engineering Division of the Institute must submit an application on an official form provided by the Institute.
2. **Verification.** In submitting an application, the applicant authorizes the Institute to verify all information shown in the application.
3. **Acceptance.** The Executive Vice President shall notify the applicant individual of admission to membership.



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ARTICLE III

Membership on the Board of Directors

1. **Composition.** The Board of Directors shall be composed of nine elected Directors representing the Distributor Division, four elected Directors representing the Manufacturer Division, one elected Director representing the Service and Construction Division, and one elected Director representing the Affiliate Division, plus the President, Vice President and Immediate Past President, 18 members in all.
2. **Distributor Division Districts.** There shall be one elected Director representing the Distributor Division from each of nine districts, as follows:
 - District 1 - Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, England, Finland, Iceland, Ireland, Latvia, New Brunswick, Norway, Nova Scotia, Quebec and Sweden.
 - District 2 - Delaware, Maryland, Pennsylvania, Virginia, West Virginia, Belgium, Cyprus, Denmark, Germany, Greece, Hungary, Malta, Poland, Portugal and Spain.
 - District 3 - Florida, Georgia, North Carolina, South Carolina, Barbados, Dominican Republic, Haiti and Puerto Rico.
 - District 4 - Indiana, Kentucky, Michigan, Ohio, Egypt, Israel, Kenya, Oman, Ontario, Qatar, Republic of South Africa, Saudi Arabia, Sudan, Turkey and United Arab Emirates.
 - District 5 - Alabama, Arkansas, Louisiana, Mississippi, Tennessee, Argentina, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Panama, Paraguay, Peru, Uruguay and Venezuela.
 - District 6 - Iowa, Illinois, Missouri and Wisconsin.
 - District 7 - Colorado, Minnesota, Nebraska, Montana, North Dakota, South Dakota, Wyoming, Australia, Bangladesh, Guam, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Republic of China, Singapore, Sri Lanka and Thailand.
 - District 8 - Kansas, New Mexico, Oklahoma, Texas and Mexico.
 - District 9 - Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, Washington, Alberta, British Columbia, Manitoba and Saskatchewan.
3. **Distributor Members from Areas Outside Defined Districts.** Applicant firms located in countries, territories, or provinces not included in the foregoing

description of district boundaries shall be assigned, for voting purposes, to the districts which shall appear to be most nearly contiguous.

4. **Location of Headquarters Office Determines District.** It may occur that a firm which is a member of the Distributor Division shall have one or more branch located in a district other than the district in which the firm's headquarters office is located. In such a case, the firm shall be deemed to be a constituent of, and only of, the district in which the headquarters office is located.
5. **Manufacturer Division Districts.** There shall be one elected Director representing the Manufacturer Division from each of four product groups, which for purposes of nominating and electing Directors, shall be referred to as "districts." Each Manufacturer Member shall be assigned to a district as determined by the firm's dominant product line, said districts to be as follows:
 - District 10 - Pumps, meters, controls, vapor recovery equipment and filters.
 - District 11 - Automotive lifts, lubrication equipment, air compressors, tanks, tire inflators, hose reels, car washes and miscellaneous equipment.
 - District 12 - Nozzles, valves, fittings, tank coatings, gauges and secondary containment systems.
 - District 13 - Hose, canopies and miscellaneous equipment.
6. **Reapportionment of Manufacturer Member Districts.** Product group "districts" for Manufacturer Members shall be redefined from time to time, as stipulated in Article XIV, Section 3 of the Constitution. The objective in such a case shall be twofold:
 - a. To maintain, insofar as is practicable, approximately the same number of Manufacturer Members in each district.
 - b. To assign to individual districts those Manufacturer Members who, because of the similarity of products, distribution methods, and customers, shall likely be acquainted, one with another, and thus capable of making a knowledgeable selection of a Director to represent their district.
7. **Assignment of Manufacturer Members to Districts.** No Manufacturer Member shall be assigned to more than one district. In most cases, the district to which a particular applicant for Manufacturer membership should be assigned will be obvious. With respect to an applicant who produces multiple



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product lines, however, a question may arise as to the proper district to which the applicant should be assigned. In such instances, the Executive Vice President shall assign the newly admitted Manufacturer Member to the district which, in his opinion, is the proper constituency. Should the Official Representative of such a Member be dissatisfied with the assignment, he may appeal the decision to the Board of Directors and request reassignment to another district. The Board's decision shall be final.

- 8. Service and Construction Division Representation.** There shall be one elected Director representing the Service and Construction Division who will serve a two year term. The Director shall be designated "Division Director."
- 9. Affiliate Division Representation.** There shall be one elected Director representing the Affiliate Division who will serve a two year term. The Director shall be designated "Division Director."

ARTICLE IV

Nominations and Elections

- 1. Frequency of Elections.** In odd-numbered years, a Director shall be elected from each of the odd-numbered districts (1, 3, 5, 7, 9, 11, and 13), and in even-numbered years a Director shall be elected from each of the even-numbered districts (2, 4, 6, 8, 10, and 12). Directors from the Service and Construction Division and the Affiliate Division shall be elected in alternate years.
- 2. Election Procedure.** In years in which an election is scheduled to be held in a district or division, the Executive Vice President shall send to each Official Representative in the districts or division affected an "election ballot," accompanied by instructions. The ballot shall list the names of all Official Representatives, or their duly appointed alternates, of member companies within the district or division which are in good standing, who indicate a willingness to serve on the PEI Board of Directors if elected. Upon receipt of the ballot, each Official Representative shall indicate his first choice and second choice for a Director to represent his district or division. Within twenty-one days from the distribution of the ballots, each Official Representative shall complete his ballot as per the instructions provided. No ballot shall be counted unless it includes the name of the Official Representative of the voting member company as validation.
- 3. Tabulation of Election Ballots.** Each "first choice" vote received by an individual shall be accorded 10 points and each "second choice" vote shall be accorded 5 points. The Chairman of the Election Commission shall tabulate the total points accrued by all individuals receiving votes, and record their names in declining order, from the highest to the lowest.
- 4. Election Decision.** If the individual with the highest number of points, according to the tabulation, has forty percent (40%) or more of the total number of points received by all persons receiving votes, the Chairman shall contact this individual and determine if he is willing to serve. If he is so willing, he shall be certified by the Commission as having been elected as Director for the district or division.
- 5. Requirements for Runoff Election.** Should no individual within the district or division receive a majority of the total points in the election, or should the individual receiving a majority of points decline to serve, then the Commission shall immediately conduct a runoff election within the district or division. Prior to the runoff election, the Chairman shall contact the two persons who received the highest number of points and ascertain if they are willing to have their names submitted in a runoff election and, if so, whether they are willing to serve if elected. Should either decline, the Chairman shall then contact the person with the next highest number of points, and so on, until two candidates have been established. The runoff ballot shall list only two names, those being the names of the two individuals who received the highest number of points in the election and who have also expressed a willingness to stand for election in the runoff and to serve if elected. If two or more individuals receive an equal number of points in the election, however, and if these individuals are otherwise qualified to be candidates in the runoff election, the runoff ballot may list the names of all such individuals. Normally, that is, the runoff ballot will contain only two names, but in event of tie votes in the election, it may contain three or more names.
- 6. Procedure for Runoff Election.** The runoff election shall be conducted in the same manner and under the same procedure as the above discussed election,



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with the exception that each Official Representative voting in the runoff election shall vote for only one candidate.

- 7. Tabulation of Runoff Ballots and Selection of Winner.** When runoff ballots are returned, the Chairman of the Election Commission, in the same manner and under the same conditions as set forth in Section 3 of this Article, shall tabulate the results. The candidate who receives a plurality, that is, more votes than any other single candidate on the ballot, shall be certified as having been elected. In event the runoff should result in a tie, the winner shall be determined by lot.
- 8. Election Period.** In years in which an election is scheduled for a particular district or division, ballots shall be sent to Official Representatives within the district or division on or about July 15, and winners shall be finally certified not later than September 15. The winners shall be formally introduced to the membership and installed in office at the next following annual convention.
- 9. Other Election Rules.** In addition to the election procedures set forth in the foregoing sections, the following rules shall apply:
- Incumbents.** The incumbent director, having served a full two-year term, shall not be eligible for reelection to immediately succeed himself.
 - Caucuses.** Should individual Official Representatives within a district or division wish to arrange meetings and engage in correspondence with respect to election, this shall be entirely in order. Elections, however, shall be conducted only in the manner set forth in this Article.
 - Voting Twice for One Individual.** In the election, should any voter cast both his "first choice" vote and his "second choice" vote for the same individual, his entire ballot shall be invalidated. A voter may, however, cast only a "first choice" vote if he so chooses.
 - Inclusion of Names on Election Ballot.** The election ballot shall contain only the names of the Official Representatives, or their duly appointed alternates, of member companies within the district or division, which are in good standing and who have indicated a willingness to serve on the PEI Board of Directors if elected by submitting their name on the nominating form sent to members of said district.

- Failure to Designate Official Representative.** Should any member company, upon request from the Institute, neglect to designate an Official Representative for voting purposes, the Chairman of the Election Commission, acting on counsel of the Executive Vice President, may designate an Official Representative for that company.
- Election Results.** The Election Commission shall not reveal the number of points or votes received for any individual.

ARTICLE V Co-Directors

- Appointment.** When a Director shall have been certified as elected, in accordance with the provisions of Article IV, he shall, prior to his installation in office, appoint another Official Representative or duly appointed alternate from within his district or division to serve as Co-Director. The Co-Director's term of office shall be concurrent with that of the Director who appointed him.
- Duties and Powers.** When a Director shall be unable to attend a meeting of the Board, the Co-Director for his district or division may attend, with full voting powers and other privileges. A Co-Director may not, however, attend and participate in Board meetings except in the absence of the Director from his district or division. On request, the Co-Director shall also assist the Director in the handling of Institute activities within the district or division.
- Replacement of Director.** In accordance with Article VII, Section 10 of the Constitution, a Co-Director shall complete the unexpired term of the Director representing his district or division whenever a vacancy shall occur.

ARTICLE VI Dues and Fees

- Dues.** Annual membership dues for members in each division of the Institute shall be established by the Board of Directors.

ARTICLE VII Bonding Requirements

- Treasurer and Executive Vice President.** The Board of Directors may provide for the bonding of the Treasurer and Executive Vice President in an amount to



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be determined by the Board, the cost of said bonds to be borne by the Institute.

- 2. Staff.** The Board of Directors may also provide for the bonding of members of the staff, other than the Executive Vice President, with the cost to be borne by the Institute.

ARTICLE VIII

Revocation of Membership for Nonpayment of Dues

- 1. Procedure.** When any member shall become sixty days in arrears in the payment of dues, the Executive Vice President shall advise the Official Representative of the member firm or individual member in the Operations and Engineering Division, citing this Article, that if dues are not paid within thirty days thereafter, the membership of the firm or individual shall be revoked. If dues are not paid within the thirty day period, the membership shall be canceled.
- 2. Eligibility for Readmission.** Any company applying for readmission before one year shall have passed shall be reinstated upon payment of past dues. A company applying for readmission after one year shall have passed shall be required to submit an application for membership in the same manner as any other firm applying for membership.

