Pennsylvania Plastics Initiative

Plastics Trade Organization Feasibility Study

Final Report
June 2008

by

Plastics SourceNet and Plastics Manufacturing Center

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Objective

The Steering Committee of the Pennsylvania Plastics Initiative expressed a desire to engage in activities to provide additional outreach, networking, and resource services both during and after the established project period. At the time the grant was written, there was no sustainable effort to maintain statewide partnerships following the end of the grant. Plastics SourceNet plays a vital role in building partnerships and providing services to companies. Grant funding is limited and concerns were voiced about the sustainability of both the Pennsylvania Plastics Initiative and Plastics SourceNet, with suggestions of transforming the financial structure to a non-profit 501(c)(6) trade association. The primary objective of this project is to evaluate the feasibility of developing a formal trade organization for Pennsylvania.

Overview

National organizations exist such as the Society of the Plastics Industry (SPI) and Mid American Plastics Partners, Inc. (MAPP) that require company membership dues in exchange for industry related services. Aside from Plastics SourceNet, no organization exists in the Commonwealth to build partnerships and engage local companies within a formal network of the Pennsylvania plastics industry. In the past, an organization was established named *Plastics Pennsylvania* to serve the industry in Pennsylvania. Industry representatives served as members of a steering committee for *Plastics Pennsylvania* including the position of chairman. However, the lack of a full-time dedicated leader to devote to effectively promote and maintain the *Plastics Pennsylvania* organization resulted in the disbanding of *Plastics Pennsylvania*.

Plastics SourceNet has the advantage of being established through an academic institution and possessing a full-time coordinator whose sole responsibility is to manage Plastics SourceNet and the needs presented by the plastics industry. The desire to ensure sustainability of Plastics SourceNet has sparked the interest in forming a 501(c)(6) trade association, funded in part by membership dues, placing the majority of the financial responsibility on industry partners, who also benefit from the services provided.

Deliverables

All tangible deliverables were successfully met with results available.

1. Evaluate the feasibility of creating a trade organization; determine success factors and failures in present and past organizations.

Research of past and present organizations showed the primary success factor for independent industry associations is the presence of dedicated leadership, in the form of a directing board and leadership team to accomplish specific tasks, continuing to bring value to the members. The leadership team may come in the form of a full-time paid executive director/coordinator, as in the case of The Society for the Plastics Industry (SPI) and the Manufactures Association for Plastics Processors (MAPP), or a hierarchy of several acting “presidents” of regional chapters volunteering time on a yearly basis, like the Society of Plastics Engineers (SPE). Additionally, a

sustainable funding stream is necessary for sustainability and expansions of the associations mentioned.

In the instance of *Plastics Pennsylvania*, the primary downfall of the organization was the lack of an available dedicated leader. The individual(s) dedicated to the success of the organization were also company CEO and owners, eventually having to focus their time and energy on the success of their business. The mission and vision driving *Plastics Pennsylvania* focused on the success of developing the industry within the Commonwealth, but needed the individual available to move into a full-time coordinator position to adequately address the current industry economic challenges.

The full development of a 501(c)(6) trade organization would require the establishment of a formal network of partners who would pay dues in exchange for benefits provided by Plastics SourceNet. Plastics SourceNet planned to expand current services and the organization, incorporating some of the original model of *Plastics Pennsylvania*. Plastics SourceNet partnered with Jim Shillenn at IMC for guidance to best approach the investigative process.

Plastics SourceNet approached this social study task by a random sampling method, surveying 100 companies by mail and telephone interviews. The method resulted in a 28% response rate, which is described as acceptable for this type of research. Results showed there is not a critical mass of individuals or companies in the Commonwealth that will provide a driving force for a formal 501(c)(6) trade organization. Details of the full process and an example of the questionnaire can be found in the *Feasibility Results Report* submitted to the Pennsylvania Plastics Initiative Director.

2. Determine the details for the following:
    a. Interest by industry to support a 501(c)(6) trade association
    b. Support and possible partnering relationships with national plastics trade associations
    c. Identify industry leaders who would be interested in serving as officers and members of a board of directors
    d. Membership structure and eligibility
    e. Membership dues and dues structure
    f. Membership benefits and services
    g. Pro forma operating budget
    h. Organization governance structure and format
    i. Draft bylaws and articles of incorporation
    j. Criteria to remain a 501(c)(6) trade organization
    k. “Plan B” – Alternatives to formal incorporation

The feasibility study results showed there is not a critical mass of individuals or companies in the Commonwealth that will provide a driving force for a formal 501(c)(6) trade organization.

As a young entity, Plastics SourceNet spoke with two organizations to begin discussions of partnering. Both organizations, Manufactures Association for Plastics Processors (MAPP) and The Society of the Plastics Industry (SPI), welcomed the idea of partnering with Plastics

SourceNet. As an informal network, the leaders of both organizations offered to be resources for questions and ideas until further development of Plastics SourceNet.

Through the investigative services, company representatives interviewed expressed they were *somewhat interested* in participating in a board of directors position. This information will be retained for future exploration as organization interest develops.

Although no formal incorporation will occur at this point, the basis for such an organization has been developed as part of this grant. The details for the following are subject to change as opportunity and leadership evolve:

i. Membership is open to all companies interested in joining the plastics network in Pennsylvania, with at least one site located in the Commonwealth, including but not limited to product manufactures, processors, resin and material suppliers, tooling producers, and entities involved in the supply chain.
ii. The questionnaire mailed asked companies what they would be willing to pay for annual dues for such an organization. Based upon survey results, annual dues would range from $0 to $999, based upon company size, annual profits, or number of employees.
iii. Benefits of the trade organization would include (but not be limited to) collective bargaining, training discounts, a biennial statewide conference, quarterly newsletter, lobbying abilities, etc.
iv. The drafted pro forma operating budget can be found in Appendix A.
v. Plastics SourceNet governance structure would consist of a board of directors, full-time coordinator, and part-time secretarial staff in the initial stages. The detailed description of the board of directors is described in the drafted Bylaws in Appendix B, Article III.
vi. Plastics SourceNet and Pennsylvania College of Technology partnered with Jim Shillenn of IMC, who has experience developing the trade organization, Pennsylvania Biotechnology Association. Shillenn provided a drafted copy of Bylaws and Articles of Incorporation. The drafted Bylaws of Plastics SourceNet can be found in Appendix B. The drafted Articles of Incorporation can be found in Appendix C.
vii. Criteria to remain a 501(c)(6) status can be found in the drafted Articles of Incorporation, Appendix C.
viii. Survey results showed there was not a critical mass ready to sustain a formally incorporated trade organization, Plastics SourceNet, Inc. As a plan “B” alternative, Plastics SourceNet, in conjunction with Pennsylvania College of Technology, will further develop the informal network established with the Keystone Innovation Grant funding of Plastics SourceNet originally. This will be done through the marketing and communication avenues currently being used by Plastics SourceNet. In addition, Plastics SourceNet will recruit a new steering committee of dedicated industry leaders to begin work on launching the second biennial conference, the Plastics SourceNet Symposium, for 2010. The initial meeting for developing the action plan for the 2010 Symposium is scheduled for July 2008.

3. Submit full report with analysis and recommendations to the Pennsylvania Plastics Initiative director.

A full report detailing the process, details, results, and conclusion was submitted to Frank Sorg, Pennsylvania Plastics Initiative Director, in May 2008.

4. Launch the beginning of the membership resource organization at the March 2008 Plastics SourceNet Symposium, if applicable.

As the first step to developing the informal network, Plastics SourceNet recruited those individuals that expressed an interest in a board of directors position, who were attending the Plastics SourceNet Symposium. On the closing day, the group met briefly for introductions, an explanation of the feasibility study and results, and next steps towards developing an informal network. The group included representatives from Plastics SourceNet, IMC, McClarin Plastics, Arkema Inc., Expeditors, and Jarden Plastics Solutions.

Conclusion

All deliverables have been successfully completed by Plastics SourceNet and the Plastics Manufacturing Center. The initial feasibility study performed was a non-scientific method that randomly surveyed 100 plastics-specific companies asking their interest in joining a 501(c)(6) trade organization. With a 28% response rate, there was not a critical mass present to launch a formal organization. As a plan “B” alternative, Plastics SourceNet is partnering with industry leaders and representatives to further develop the plastics network in Pennsylvania.

Appendix A
Pro Forma Operating Budget

Draft Pro-Forma Budget

***** FOR INTERNAL USE ONLY*****

PROJECT TITLE: Plastics SourceNet - Trade Organization

Date:
Acct. No.:
Project Start Date:
Project End Date:

PROJECT DIRECTOR:

FUNDING AGENCY:

ACCT NO.	ITEM NO.	ITEM DESCRIPTION	Basis		Rate	CASH
		INCOME				
		Corporate Dues				25,000
		Newsletter Sponsorships				9,000
		Symposium				8,000
		Grants				20,000
					TOTAL	**62,000**
		SALARIES & BENEFITS				
		Professional and Technical	**Salary**	**Months**	**Rate**	
5100		Program Director	$55,000	12	60%	33,000
					TOTAL PROFESSIONAL & TECHNICAL	**33,000**
		Clerical				
5200		Secretarial/Staff Support	$22,000	12	12%	**2,640**
8110		**Fringe Benefits**		**%**	**Salary**	
		Item 40, Director		31%	$33,000	10,230
		Item 50, Secretarial Support		66%	$2,640	1,742
					TOTAL FRINGE BENEFITS	11,972
					TOTAL SALARIES & FRINGE	47,612
		CONTRACTUAL				
		Contracted Services				
6150		Web Site Hosting				3,000
					TOTAL CONTRACTUAL	3,000
		TRAVEL				
7310		**Travel,** Administration	**People**	**Item**	**Rate**	
		Mileage (5000 miles x 2 people each x .445/mi)	2	5000	0.445	4,450
		Tolls				10
					TOTAL TRAVEL	4,460
		SUPPLIES				
7020		**Non-Instructional Supplies:** Printer Ink, Paper, File Folders				1,000
		Other				1,000
					TOTAL SUPPLIES	2,000
		OTHER				
7240		**Public/Corporate Relations:**				
		Continental Breakfast and Lunch Meetings for Consortium				800
7520		**Printing/Duplicating**				2,000
		Brochure/Mailing				1,200
					TOTAL OTHER	4,000
		PROJECT TOTAL				61,072

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Appendix B
Draft Bylaws of Plastics SourceNet

Plastics SourceNet, Inc.

(A Pennsylvania Nonprofit Corporation)

ARTICLE I
OFFICES

Section 1.1. Registered Office. The registered office of Plastics SourceNet, Inc., (the "Corporation") shall be located at One College Avenue, Williamsport, Pennsylvania or such other place as the Board of Directors shall from time to time determine.

Section 1.2. Other Offices. The Corporation may have offices at such other places as the Board of Directors may from time to time determine

ARTICLE II
PURPOSE

Section 2.1. General. Plastics SourceNet, Inc, (The Corporation) is incorporated under the Nonprofit Corporation Law of 1972 of the Commonwealth of Pennsylvania, 15 Pa. C.S.A. §7101 et. seq. (the "Nonprofit Act"). The Corporation is organized exclusively for the purposes set forth in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the "Code"), and more specifically and without limitation to engage in the following:

i. Improve the competitiveness of Pennsylvania's plastics industry by promoting, advancing, and enhancing opportunities for plastics and related businesses in Pennsylvania; maximizing their access to technology, research and development, training, education, and related activities; promoting careers in the plastics industry; and supporting the education and development of plastics industry professionals.
ii. Promote dialogue and cooperation among the many manufacturing firms, trade associations, large industrial corporations, colleges, government agencies, utilities, financial institutions, labor unions, and other organizations that share a commitment to the enhancement and growth of Pennsylvania's plastics industry.
iii. Conduct any and all such activities and exercise any and all such powers as are necessary to the achievement of the foregoing and in furtherance of the purposes of the Corporation including, but not limited to, those permitted by a Section 501 (c)(6) organization.

ARTICLE III
BOARD OF DIRECTORS

Section 3.1. Functions. Except as specifically provided in the Corporation's Articles of Incorporation or these Bylaws, all rights, powers, duties, and responsibilities relative to the management and control of the Corporation's property, activities, and affairs are vested in the Board of Directors. In addition to the power and authority expressly conferred upon it by these Bylaws and the Articles of Incorporation, the Board of Directors may take any lawful action on behalf of the Corporation which is not by law or by the Articles of Incorporation or by these Bylaws required to be taken by some other party.

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Section 3.2. Number, Selection, and Term. The Board of Directors shall consist of eight (8) Directors, said number to include a Chair, Vice Chair, a Secretary, and a Treasurer to serve as officers of the Board. A minimum of four (4) Board Directors shall be nominated by the Board Nominations Committee and confirmed by the membership of the organization. The Board Nominations Committee shall strive to select Directors primarily on their ability to accomplish the mission of the organization, including but not limited to, his/her ability to influence political, economic, and social agendas in an effort to assist and grow the Pennsylvania plastics industry. Individuals who are nominated by the Board Nominations Committee shall be CEOs/Directors or senior managers of member organizations. In addition to the elected Board Directors, up to two (2) Board Directors may be appointed by the Board. The terms of Board Directors (including appointed Directors) will be three years in length. Terms shall be staggered to ensure no more than four Board Directors are re-elected/confirmed in a single year. Board directors may serve two consecutive terms. In the event that a person is elected to the Board changes positions, resulting in her/his not meeting these qualifications, such person's tenure on the Board shall be immediately terminated.

Section 3.3. Officers of the Board of Directors. The Board of Directors shall elect or appoint a Chair, a Vice Chair, a Secretary, and a Treasurer. These officers shall be elected or appointed by, from and among, the membership of the Board of Directors, and shall serve for one (1) year terms, provided, however, that any individual officer may be elected to serve continuous terms.

Section 3.4. Meetings.

a. The Board of Directors shall meet at least three times per year, in addition to the annual meeting of the Board of Directors. The date, time, and place of said meetings shall be set by the Board of Directors.

b. Special meetings of the Board of Directors shall be called by the Secretary of the Corporation upon the request of the Chair of the Board of Directors or one (1) of the Directors.

c. Meetings of the Board of Directors may be held at any place or places.

d. Attendance at Board of Directors meetings shall be limited to the members of the Board of Directors and the support staff of the Corporation. Other members of the American Small Manufacturers Coalition may attend any session of the Board of Directors' meetings.

Section 3.5. Notice of Meetings. Written notice of the annual meeting or any regular or special meeting of the Board of Directors shall be given to the Directors at least ten (10) but not more than sixty (60) days prior to the meeting. Notwithstanding the foregoing, no notice need be given to any person who submits a signed waiver of notice before or after a meeting or who attends a meeting without protesting any lack of notice.

Section 3.6. Participation in Meeting by Telephone. By oral or written permission of a majority of the Board of Directors, a member of the Board of Directors or of a committee designated by the Board may participate in a meeting by means of a conference telephone or similar telecommunications equipment by which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the

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participants in the conference are divulged to all participants. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

Section 3.7. Action by Written Consent. Action required or permitted to be taken pursuant to authorized vote at any meeting of the Board of Directors or a committee thereof, may be taken without a meeting if, before or after the action, all members of the Board of Directors or the committee consent thereto in writing. Written consent shall be filed with the minutes of the proceedings of the Board or committee. Such consent shall have the same effect as the vote of the Executive Board or committee for all purposes.

Section 3.8. Resignation. A Director may resign by giving written notice to the Secretary of the Corporation, which notice shall be immediately forwarded to the Board of Directors of the Corporation. Unless otherwise specified in the resignation, resignation shall take effect upon receipt by the Secretary, and the acceptance of the resignation shall not be necessary to make it effective.

Section 3.9. Removal. Any Director may be removed at any time, with or without cause, by vote of two-thirds (2/3) of the Directors of the Corporation.

Section 3.10. Vacancies. Any vacancy on the Board of Directors shall be filled by the affirmative vote of two-thirds (2/3) of the remaining Directors of the Corporation. Any Director so appointed shall serve as a Director of the Corporation for the remainder of the term (which will also count as his/her first term) of the replaced Director and until his or her successor is appointed.

Section 3.11. Quorum. The presence of the majority of active Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 3.13 Action by Majority Vote. The act of the majority of the Directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors unless a greater number is required under the Articles of Incorporation, these Bylaws, or under any applicable laws of the Commonwealth of Pennsylvania. Each Director present shall have one vote.

Section 3.14. Compensation of Directors. The Directors, as such, shall not be compensated for the performance of services for the Corporation, but may, by resolution of the Board of Directors, be reimbursed for expenses incurred on behalf of the Corporation.

ARTICLE IV
MEMBERS

Section 4.1. General. The Board of Directors of the Corporation may, from time to time, appoint non-voting members of the Corporation. The specific criteria by which prospective members are evaluated shall be determined by the Board of Directors.

Section 4.2. Members. Members shall consist of those organizations which satisfy the general criteria for membership in the Corporation and which also contribute to the Board approved member annual dues.

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ARTICLE V
OFFICERS AND EXECUTIVE DIRECTOR

Section 5.1. Officers. The officers of the Corporation shall be a Chair, a Vice Chair, a Secretary, and a Treasurer. The officers of the Corporation shall be elected by the Board of Directors and shall serve at the pleasure of the Board of Directors. The Secretary and Treasurer shall be elected each year by, from, and among the membership of the Board of Directors at its annual meeting and shall serve for one (1) year terms; provided, however, that any individual officer may be elected to serve continuous terms. If a vacancy shall occur in any officer position as a result of the death, removal, or resignation of the individual serving in such position, or for any other reason, the Board of Directors shall fill said vacancy either at its next annual meeting or, at the option of the Board of Directors, prior to its next annual meeting. In the event the Board of Directors elects to fill such a vacancy prior to its next annual meeting, the Board shall follow the same procedures established by the Corporation for electing officers at its annual meeting. The individual elected to fill a vacancy shall serve in such position until the next annual meeting of the Board of Directors or until his/her successor is appointed. The Board of Directors may, from time to time, appoint other officers, as the Board may deem advisable, and such officers shall have such authority and shall perform such duties as, from time to time, may be prescribed by the Board of Directors. Any two or more offices may be held by the same person, In addition to the powers and duties of the officers of the Corporation as set forth in these Bylaws, the officers shall have such authority and shall perform such duties as, from time to time, may be determined by the Board of Directors.

Section 5.2. Chair. The Chair of the Board of Directors shall serve as the Chief Executive Officer of the Corporation and shall preside at all meetings of the Board of Directors ensuring that the Board of Directors and its members are aware of and fulfill their governance responsibilities, comply with applicable laws and bylaws, and conduct board business effectively and efficiently. The Chair shall perform such other duties and functions as shall be assigned to him/her, from time to time, by the Board of Directors. The Chair shall possess the power and authority to sign all certificates, contracts, instruments, papers, and documents of every conceivable kind and character whatsoever in the name of and on behalf of the Corporation which may be authorized by the Board of Directors. The Chair may delegate specific duties to the Executive Director, Board members, and/or committees as appropriate.

Section 5.3. Vice-Chair. The Vice Chair shall understand the duties of the Chair and perform these duties in the absence of the Chair.

Section 5.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose, and sign, with the President of the Corporation, in the name of the Corporation, all contracts when authorized to do so. The Secretary shall also have charge of such books and papers as the Board of Directors shall direct, all of which shall at all reasonable times be open to the examination by any Director, and in general perform all the duties incident to the Office of Secretary, subject to the control of the Board of Directors.

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Section 5.5 Treasurer. The Treasurer shall have custody of all funds and securities of the Corporation, shall have the power to endorse checks, notes and other obligations for collection on behalf of the Corporation, and shall have the power to deposit the same to the credit of the Corporation in such banks or depository or depositories as the Board of Directors may designate. The Treasurer shall also have the power to sign all receipts and vouchers for payments made to the Corporation, enter or cause to be entered regularly in the books of the Corporation kept for that purpose, full and accurate accounts of all moneys received and paid on account of the Corporation, and, whenever required by the Board of Directors, render statements of such accounts. The Treasurer shall also, at all reasonable times, exhibit the books and accounts to any Director of the Corporation and shall have the power to perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors. The Treasurer may delegate these duties and responsibilities as he or she see fit.

Section 5.6. Assistant Secretary and Assistant Treasurer. The Board of Directors may from time to time by resolution delegate to any Assistant Treasurer or Treasurers or any other person any of the powers or duties herein assigned to the Treasurer; and may similarly delegate to any Assistant Secretary or Secretaries or any other person any of the powers or duties herein assigned to the Secretary. By resolution of the Board of Directors, the Assistant Secretary and Assistant Treasurer may be compensated for the performance of services for the Corporation.

Section 5.8. Compensation of Officers. By resolution of the Board of Directors, the Officers of the Corporation may be compensated for the performance of services for the Corporation and may be reimbursed for expenses incurred on behalf of the Corporation.

Section 5.7. Executive Director. The Board of Directors may from time to time by resolution appoint an Executive Director. The Executive Director shall perform such duties and functions as shall be assigned to him/her from time to time by the Board of Directors. If the Board of Directors does not elect or appoint a Chair of the Board of Directors or a Vice Chair of the Board of Directors, the Executive Director shall preside at all meetings of the Board of Directors. He/she may be, ex officio, a non-voting member of the Board of Directors. The Executive Director shall, unless otherwise provided by the Board of Directors, possess the power and authority to sign all certificates, contracts, instruments, papers, and documents of every conceivable kind and character whatsoever in the name of and on behalf of the Corporation. By resolution of the Board of Directors, the Executive Director may be compensated for the performance of services for the Corporation.

Section 5.7. Giving of Bond by Officers. All Officers of the Corporation, if required to do so by the Board of Directors, shall furnish bonds to the Corporation for the faithful performance of their duties, with such penalties and with such conditions and security as the Board shall require. The Corporation shall assume the cost of providing any bond required thereunder.

ARTICLE VI
COMMITTEES

Section 6.1. General. The Board of Directors may designate, by resolution passed by a majority of the whole Board of Directors, one or more committees, each committee to consist of at least one (1) Director; provided, however, that each such committee shall be chaired by one or

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more Directors and may include non-Director representatives of American Small Manufacturers Coalition members.

Section 6.2. Duties and Powers of Committees. The duties, powers and authority of each such committee and the rules or procedures to be followed by any such committee, or the manner of determining such rules, shall be established by the Board of Directors at the time of appointing each such committee, subject to such limitations as may be provided by law.

Section 6.3. Terms of Office. Each member of any committee shall serve in such capacity at the pleasure of the Board of Directors until his/her earlier termination by resignation or by the affirmative vote of a majority of the Board of Directors.

ARTICLE VII
DISSOLUTION

Section 7.1. General. In the event of dissolution of the Corporation, all of the Corporation's assets, real and personal, shall be distributed to one or more domestic or foreign corporations, societies, or organizations, including governmental agencies, engaged in activities substantially similar to or consistent with those of the Corporation, and having a purpose or purposes similar to those of the Corporation.

Section 7.2. No Inurement. No part of the net earnings of the Corporation shall be distributed to, or inure to the benefit of, any Director or Officer of the Corporation, any contributor, or any private individual as prohibited by Section 501 (c)(6) of the Internal Revenue Code of 1986, as amended, (the "Code").

ARTICLE VIII
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

Section 8.1. Indemnification of Directors and Officers: Claims by Third Parties. The Corporation shall, to the fullest extent authorized or permitted by the Nonprofit Corporation Law of 1972 of the Commonwealth of Pennsylvania (the “Non-Profit Act”) or other applicable law, as the same presently exist or may hereafter be amended, indemnify a Director or officer of the Corporation (the "Indemnitee") who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigate, and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a Director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with the action, suit, or proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation or its members, and, with respect to any criminal action or proceeding, if the Indemnitee had no reasonable cause to believe that the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a

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presumption that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation or its members, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 8.2. Indemnification of Directors and Officers: Claims Brought by or in the Right of the Corporation. The Corporation shall, to the fullest extent authorized or permitted by the Non-Profit Act or other applicable law, as the same presently exist or may hereafter be amended, indemnify an Indemnitee who was or is a party or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a Director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the Indemnitee in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation or its members. However, indemnification under this Section shall not be made for a claim, issue, or matter in which the Indemnitee has been found liable to the Corporation unless and only to the extent that the Court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the Court considers proper.

Section 8.3. Actions Brought by the Indemnitee. Notwithstanding the provisions of Sections 8.1 and 8.2, the Corporation shall not indemnify an Indemnitee in connection with any action, suit, proceeding, or claim (or part thereof) brought or made by such Indemnitee; unless such action, suit, proceeding, or claim (or part thereof) (i) was authorized by the Board of Directors of the Corporation, or (ii) was brought or made to enforce this Article and such Indemnitee has been successful in such action, suit, proceeding, or claim (or part thereof).

Section 8.4. Approval of Indemnification. Any indemnification under Section 8.1 and 8.2 hereof, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in Sections 8.1 and 8.2. This determination shall be made in any of the following ways:

a. By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit, or proceeding.

b. If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a Committee of the Directors who were not parties to the action. The committee shall consist of not less than two (2) disinterested Directors.

c. By independent legal counsel in a written opinion.

Section 8.5. Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 8.1 or 8.2 above shall be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of any undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Corporation. The undertaking shall

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be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 8.6. Partial Indemnification. If an Indemnitee is entitled to indemnification under Section 8.1 or 8.2 for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Corporation shall endemnify the Indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the Indemnitee is entitled to be indemnified.

Section 8.7. Indemnification of Employees and Agents. Any person who is not covered by the foregoing provisions of this Article and who is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, may be indemnified to the fullest extent authorized or permitted by the Non-Profit Act or other applicable law, as the same exist or may hereafter be amended, but in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time-to-time by the Board of Directors.

Section 8.8. Other Rights of Indemnification. The indemnification or advancement of expenses provided under Sections 8.1 to 8.7 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, Bylaws, or a contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in Sections 8.1 to 8.7 continues as to a person who ceases to be a Director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

Section 8.9. Contract with the Corporation. The right to indemnification conferred in this Article shall be deemed to be a contract between the Corporation and each Director or officer who serves in any such capacity at any time while this Article is in effect, and any repeal or modification of any such law or of this Article shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit, or proceeding theretofore existing or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts. In the event this Article is repealed or modified, the Corporation shall give written notice thereof to the Directors and officers and any such repeal or modification shall not be effective for a period of sixty (60) days after such notice is delivered.

Section 8.10. Definitions. "Other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the corporation" shall include any service as a Director, officer, employee, or agent of the corporation which imposes duties on, or involves services by, the Director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably

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believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Corporation or its members" as referred to in Sections 8.1 and 8.2.

Section 8.11, Liability Insurance. The Corporation shall have the power to purchase and maintain insurance (including insurance issued by an affiliated insurer and insurance for which premiums may be adjusted retroactively, in whole or in part, based upon claims experience, or similar arrangements and may also create a trust fund or other form of funded arrangement) on behalf of any person who is or was a Director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, business corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability under the provisions of the Non-Profit Act.

Section 8.12. Severability. Each and every paragraph, sentence, term, and provision of this Article shall be considered severable in that, in the event a court finds any paragraph, sentence, term, or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms, or provisions shall not be affected and this Article shall be construed in all respects as if the invalid or unenforceable matter had been omitted.

ARTICLE IX
FINANCIAL MANAGEMENT

Section 9.1 Authority of the Executive Director. The Executive Director shall have the authority to incur expenses within the limits of the Corporation's annual budget and in accordance with the policies of the Corporation, to receive and disburse funds in order to carry out the policies and programs of the Corporation, to engage in any kind of activity, enter into, perform, and carry out contracts of any kind necessary to, or in connection or incidental to, the accomplishment of the purposes of the Corporation, to maintain and operate the Corporation's assets, to negotiate for and conclude agreements for the purchase, sale, exchange, or other disposition of a Corporation asset, to hire and terminate employees, agents, independent contractors, and accountants and to enter into and carry out contracts and agreements under $5,000 and execute any or all documents or instruments, and do and perform all such other things as may be in the furtherance of the Corporation's business or are necessary or appropriate to conduct the Corporation's business.

Section 9.2 Banks. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositaries as the Board of Directors may select or may be administered by a Fiscal Agent designated by the Board of Directors in accordance with these Bylaws.

Section 9.3 Fiscal Year. The Board of Directors shall have the power to fix and, from time to time, change the fiscal year of the Corporation. In the absence of any action by the Board of Directors, however, the fiscal year of the Corporation shall begin on July 1 of each year.

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Section 9.4 Financial Statements. It shall be the duty of the Treasurer or the Treasurer's designee to direct the annual preparation, presentation, and submission of such financial statements as are necessary to inform the Board of Directors and members as to the financial position of the Corporation and as may be required for submission to governmental agencies.

Section 9.5 Auditor. There shall be an annual audit of the annual financial statements of the Corporation by an independent certified public accountant approved by the Board of Directors, for all years commencing with 2008. The auditor shall have access to all books, papers, records, and computer files as required. The auditor shall furnish the Board of Directors with such reports concerning the affairs of the Corporation as may be required. These reports shall be made accessible to the members. The auditor shall certify as to the correctness of all accounts in the charge of or under the supervision of the Board of Directors and report on the same at least once each year.

Section 9.5 Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.1. Voting Securities. Unless otherwise directed by the Board of Directors, the Chair of the Board or, in the case of his/her absence or inability to act, the Executive Director, shall have full power and authority on behalf of the Corporation to attend and to act and to vote, or to execute in the name or on behalf of the Corporation a consent in writing in lieu of a meeting of members or a proxy authorizing an agent or attorney-in-fact for the Corporation to attend and vote, at any meetings of security holders of corporations in which the Corporation may hold securities, and at such meetings he or his duly authorized agent or attorney-in-fact shall possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner thereof, the Corporation might have possessed and exercised if present. The Board of Directors by resolution from time to time may confer like power upon any other person or persons.

Section 10.2. Contracts, Conveyances, Etc. All conveyances, contracts, and instruments of transfer and assignment shall be specifically approved by the Board of Directors and shall be executed on behalf of the Corporation by such officers or agents as may be specifically authorized by the Board of Directors.

Section 10.3. Execution of Instruments. All Corporation instruments and documents including, but not limited to, checks, drafts, bills of exchange, acceptances, notes, or other obligations or orders for the payment of money shall be signed as provided by a resolution of the Board of Directors.

Section 10.4. Borrowing. Loans and renewals of any loans shall be contracted on behalf of the Corporation as provided by a resolution of the Board of Directors of the Corporation.

Section 10.5. Adjourned Meeting. A majority of the Directors present, whether or not a quorum, may adjourn any Board of Directors meeting to another time and place. Notice of such

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adjourned meeting shall be given even though the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 10.6. Method of Giving Notices. Any notice required by statute or by these Bylaws to be given to the Directors, or to any officers of the Corporation unless otherwise provided herein or in any statute, shall be given by mailing (including electronic mailing) to such Director or officer at his or her last address as the same appears on the records of the Corporation, and such notice shall be deemed to have been given at the time of such mailing.

Section 10.7. Corporate Seal. The Corporation may have a corporate seal. If the Corporation acquires a corporate seal, it shall have inscribed thereon the name of the Corporation and the words "Corporate Seal" and "Pennsylvania". The seal may be used by causing it or a facsimile to be affixed, impressed, or reproduced in any other manner.

Section 10.8. Proxies. A Director entitled to vote at a meeting of the Board of Directors or to express consent or dissent without a meeting may authorize one other person to act for him/her by proxy. A proxy shall be signed by the Director or his/her authorized agent or representative. A proxy shall not be valid, however, unless notice of its intended use is given to the Chair of the Board of the Directors or to the President of the Corporation prior to the time said proxy will be used.

ARTICLE XI
AMENDMENTS AND ADDITIONS

Section 11.1. Amendments. Except as elsewhere specified, these Bylaws may be altered or amended at any duly called meeting of the Directors, at which a quorum (consisting of two-thirds of Board Directors) is present by a two-thirds majority vote, provided that written notice naming the substance of the proposed amendment has been sent to each Director of the Corporation at least ten (10) days in advance of the date of meeting, unless such notice is waived by all the Directors.

Section 11.2. Rules and Regulations. The Board of Directors may adopt additional rules and regulations, general or specific, for the conduct of their meetings, and additional rules and regulations, general or specific, for the conduct of the affairs of the Corporation, provided, however, no such additional rule or regulation shall be inconsistent with or in contravention of any provision of the Articles of Incorporation or these Bylaws.

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Appendix C
Draft Articles of Incorporation for Plastics SourceNet

Microfilm No._____ Filed with the Department of State on_____
Entity No._____

Secretary of the Commonwealth

ARTICLES OF INCORPORATION
DOMESTIC NONPROFIT CORPORATION

DSCB:15-5306 (Rev 89)

In compliance with the requirements of 15 Pa. C.S. §5306 (relating to articles of incorporation), the undersigned, desiring to incorporate a nonprofit corporation, hereby states that:

1. The name of the corporation is: **Plastics SourceNet, Inc.**

2. The address of this corporation's initial registered office in this Commonwealth is:

3. The corporation is incorporated under the Pennsylvania Nonprofit Corporation Law of 1988 for the following purpose or purposes:

   The Corporation is organized exclusively for the purposes set forth in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the "Code"), and more specifically to:

   i. **Improve the competitiveness of Pennsylvania's plastics industry by promoting, advancing, and enhancing opportunities for plastics and plastics-related business in Pennsylvania; maximizing their access to technology, research and development, training, education, and related activities; promoting careers in the plastics industry; and supporting the education and development of plastics industry professionals.**

   ii. Promote dialogue and cooperation among the many manufacturing firms, trade associations, large industrial corporations, colleges, government agencies, utilities, financial institutions, labor unions, and other organizations that share a commitment to the enhancement and growth Pennsylvania's plastics industry

   iii. Conduct any and all such activities and exercise any and all such powers as are necessary to the achievement of the foregoing and in furtherance of the purposes of the Corporation including, but not limited to, those permitted by a Section 501(c)(6) organization.

4. The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

5. The corporation is organized upon a nonstock basis.

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