

Arizona Petroleum Marketers Association

Policy Manual

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Antitrust Compliance

The Arizona Petroleum Marketers Association (“APMA”) has an Antitrust Compliance Policy which applies to all officers, directors, staff, committees and meetings of APMA. Because of state and federal antitrust laws, certain topics are not appropriate for discussion at any board or committee meeting or function of the organization. Many of our members are competitors and any action or agreement which may eliminate, restrict or impact competition in the marketplace could be a violation of antitrust laws. The penalties are severe for individuals and organizations.

Thus, there shall be no discussions of any items that may appear to be anti competitive, including competitive practices, current or future prices, fees or charges, discount offerings, terms of service, profitability, credit terms or refusal to deal with other industry members or partners. The board supports free enterprise and competition and strictly adheres to antitrust avoidance guidelines.

Savings Reserve

APMA shall maintain a reserve sufficient to ensure that operations can continue for at least one year should unexpected expenses arise or catastrophe occur. The one-year savings may not be spent down without approval of 75 percent of the board of directors. In any motion where reserves are expended, there shall be a plan to replace the expended funds within 36 months.

Insurance Coverages

Because the board has a fiduciary duty to protect the organization and to minimize risks, at all times there shall be insurance coverage for general liability and directors and officers liability.

Financial Audit

Annually the Audit Task Force (including the Treasurer and anyone else appointed by the Board of Directors) is responsible for consideration of the costs and benefits of conducting an audit, review or compilation in accordance with generally accepted auditing standards.

Record Retention

APMA takes seriously its obligations to preserve information relating to litigation, audits and investigations. The information listed in the retention schedule below is intended as a guideline and may not contain all of the records that APMA may be required to keep in the future. Questions regarding the retention of documents not listed in this chart should be directed to the president.

The president may issue a notice or “legal hold” suspending the destruction of records due to pending, threatened or reasonably foreseeable litigation, audits, government investigations or other proceedings. No records specified in any legal hold may be destroyed, even if the scheduled destruction date has passed, until the legal hold is withdrawn in writing by the president.

Permanent Records

- Annual Reports
- Articles of Incorporation
- Audit Reports
- Board of Director Agendas and Meeting Minutes
- Bylaws and Policies
- Executive Director Contracts
- Election Records
- Financial Statements (Year End Balance Sheet and Profit and Loss)
- Lobbying Records
- Tax Records (correspondence with IRS, tax return copies, determination letter from IRS)

10 Year Retention Period

- Checks
- Insurance Policies
- Insurance Claims

7 Year Retention Period

- Accounts Payable
- Accounts Receivable
- Expense Reports

3 Year Retention Period

- Committee Agendas and Meeting Minutes
- General correspondence and emails
- Other documents

Staff shall have the authority to organize files and remove outdated documents. The record retention schedule above applies to digital documents as well as paper copies.

Meeting Minutes

Minutes shall be recorded in writing for all meetings of the board of directors, including summary notes for executive sessions. Minutes shall be recorded in a manner as to reflect the actions, motions and statements of the board. Committees with authority shall keep meeting minutes and provide them to the board or staff within 10 days of the meeting.

Minutes shall be distributed to members of the board of directors within 30 days of the meeting. If any audio or video recording was made of the meeting, it shall be destroyed upon approval of the minutes. If distribution is by electronic means or posting to a website, the file shall be in the format of a PDF to protect against unauthorized editing.

Board Confidentiality

Documents provided to the board are provided for the purpose of governance. They are to be considered confidential. In most cases, the only public records in the organization are the IRS Letter of Determination, IRS Application for Exempt Status and IRS information Return (Form 990).

Board Members must respect that records, discussions and decisions are confidential and should be treated as such. A Director that breaches the confidential nature of board documents, member discussions and contract issues shall submit his or her resignation to the president.

Whistleblower

It is the responsibility of all directors, officers and staff to report legal or ethics violations or suspected legal or ethics violations. No person shall take any action of retaliation against any person, including interference with employment, for providing accurate information to the board or to legal authorities relating to a problem or concern in the association. Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense. If whistleblower information is reported to the board, a committee will be convened, with legal counsel, to evaluate the issue and make a recommendation to the board of directors.

Guests Attending Board Meetings

Guests are not invited to convened meetings of the board without approval of the president in advance. If guests attend a board meeting, they will be advised that they may not speak until called upon. If the board decides to go into executive session, guests will be asked to leave.

Strategic Planning

The board will govern strategically, with a focus on advancing the mission and long-term thinking to

benefit the membership industry. Discussions at the board table will be framed by a strategic plan adopted or amended every three to five years. Board members are responsible for understanding and updating the plan.

Executive Director Evaluation and Compensation

A periodic performance evaluation (not more than annually, without cause) of the executive director shall be the responsibility of the president or a designated subgroup of the board as appointed by the president. The evaluation tool should reflect the unique aspects of managing a nonprofit organization and the advancement of the organization's mission and strategic plan. The final report must be available to the executive committee or board of directors and the executive director. All discussions, documents and outcomes shall remain confidential.

The executive director shall be compensated fairly based on his or her experience, job description and comparability data demonstrating fair market value.

Conflicts of Interest

Overview

The board is advised to avoid any conflicts of interest, whether real or perceived. Potential conflicts must be disclosed at least annually and as often as they arise by board members and staff. A conflict of interest is present when, in the judgment of the board of directors, an interested person's stake in the transaction is such that it reduces the likelihood that the individual's influence can be exercised impartially in the best interests of the association.

Procedures

Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement

Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon.

Ways to Address the Conflict of Interest: The president may, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board shall determine whether the association can obtain a more advantageous transaction or arrangement that would not give rise to a conflict of interest. If this is not reasonably possible, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the association's best interest, for its own benefit, and whether it is fair and reasonable.

Violations of the Policy: If the Board has reasonable cause to believe a Director has failed to disclose actual or possible conflicts of interest, it shall inform the Director of the basis for such belief and afford the Director an opportunity to explain the alleged failure to disclose. If, after hearing the Director's response and making further investigation as warranted by the circumstances, the Board determines the Director

has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Recordkeeping: The minutes of the Board shall contain the names of the persons who disclosed or were otherwise found to have financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Board's decision as to whether a conflict of interest in fact existed. The minutes shall also contain the names of the persons who were present for discussions and votes related to the transaction or arrangement, any alternatives to the proposed transaction and a record of any votes taken in connection with the proceedings.

Annual Statements: Each Director shall at least annually acknowledge (1) receipt of the conflicts of interest policy, (2) understanding of and agreement to comply with the policy, and (3) understanding that the association is a tax exempt entity and must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Travel Reimbursement

Periodically association officers and the executive director may be asked to travel on association business. In general, trips of less than 100 miles one way do not qualify for reimbursement for an overnight stay. Mileage will be reimbursed at the current IRS reimbursement rate.

Original travel receipts for all reimbursements are required, except where unavailable (e.g., housekeeping gratuities). APMA reserves the right to request a reasonable explanation for any amount of travel expenses submitted for reimbursement.

All requests for reimbursements must be submitted within 45 days of the conclusion of the travel. Any request for reimbursement may be denied if not in accordance with this policy.

Covered/Not-covered Expenses

Covered travel expenses include the following:

- Lodging;
- Meals will be reimbursed ONLY if the receipts contain the name, date and location of the restaurant, and the name(s) of all people being paid for;
- Gratuities (use \$1 per bag as a guide); 20% for meals; \$3 per day maximum for housekeeping services;
- Internet connectivity fees if required for your work;
- Tolls, cabs, uber and parking expenses;
- Mileage for business use of personal vehicle;
- Reasonable rental car rates, if necessary;
- Dry cleaning and laundry (up to a maximum of \$50 per 5 night period)
- Meeting expenses such as registration (if not prepaid), costs of presentations, published proceedings, rental of meeting rooms, and other actual expenses in connection with professional meetings, conferences and seminars.

Not-covered travel expenses can include the following items. Note that this list is provided as a general guideline. Any item not clearly identified in the "covered" category may be denied unless approved in advance.

- Travel expenses for another individual - spouse, family member, etc. (unless pre-approved);
- Extravagant (greater than \$150 per person) meals;
- Car rental insurance purchased for domestic travel;
- Child or pet care;
- Bank fees or finance charges associated with funds provided by the APMA, personal credit card or automatic teller (ATM) fees;
- Frequent flier and other similar awards for hotel and car rentals;
- In-room movies;
- Insurance costs such as life insurance, flight insurance, personal automobile insurance and baggage insurance;
- Loss, theft or damage of: cash advance money, airline tickets, personal funds or property, company property assigned to you;
- "No-show" charges for hotel and car service;
- Parking tickets, traffic violations, personal automobile repairs;
- Upgrades (air, hotel, car, etc.);
- Charges for excess baggage are reimbursable only when the traveler is transporting business related materials or when the extended period of travel necessitates excess personal baggage;
- Personal expenses for such discretionary items as tennis, golf, personal side trips, valet, personal grooming services (such as barbers, hairdressers and shoe shines), gym and recreational fees, massages and saunas, spa appointments, dues for private clubs, etc.

Air Travel - Those traveling on APMA business are encouraged to obtain the lowest fare possible. Typically, to ensure the lowest possible rate, reservations should be arranged no later than 21 days prior to travel. Investigating the possibility of reduced airfare by using any local airport within a reasonable driving distance is encouraged.

Lodging - Lodging will be reimbursed at actual expense for the term of the business portion of each trip. No per diem rate is provided. If a sponsoring organization has obtained a special housing rate for the event being attended, APMA travelers are expected to take advantage of the contracted facility. If the APMA traveler does not take advantage of the pre-arranged discounted rate, any increased costs will be the responsibility of the individual unless taking advantage of the discounted rate is impossible (e.g., sold out).

Ground Transportation - Costs associated with cab fares, rental cars, parking, etc. will be reimbursed with proper receipt(s). When parking at airports, travelers should use the economy parking lot. If another, more expensive lot is used, APMA will only reimburse at the rate charged at the lower priced lot.

Meal Guidelines - APMA will generally reimburse staff and official representatives for the actual cost of three meals a day while conducting business for the association. On the days of travel to or from the destination, the individual's departure and return times should determine whether a meal was incurred during the period of travel.

Accompanying Spouses, Guests, and Family Members - APMA will not reimburse expenses for spouses, guests, or family members (unless pre-approved). If a traveler decides to bring a spouse, guest, or family member on a corporate trip, the traveler is responsible for all costs incurred by those individuals.

Travel will most likely be incurred by the following:

- President (Washington, DC PMAA Meeting of 4 nights)
- PMAA Director (Washington, DC PMAA Meeting of 4 nights and Fall PMAA Meeting of 2 nights)
- Executive Director (Washington, DC PMAA Meeting of 4 nights, Summer PMAA State Execs Meeting of 3 nights and Fall PMAA Meeting of 2 nights)

Officers, Directors and Chairs Duties

PRESIDENT

Specific duties:

The President is the executive officer of the association. It is the president's responsibility to provide leadership, to exercise general supervision over association activities and to conduct association affairs in accordance with the association bylaws and/or operating policies.

The president shall maintain an open line of communication with other officers, directors, committee chairs and members of the association. The president should attend all meetings of the association board of directors and any events sponsored by the association. The president, if available, may attend meetings with association members.

The president, in all business activities of the association including correspondence and personal contacts, shall act and speak in a professional manner so as to give a favorable and professional impression of the association.

The president's duties also include:

1. Presiding at all meetings of the board of directors. When available, presiding at membership luncheons.
2. Appointing committees, committee chairs and committee members to serve the various functions of the association.
3. Appointing Directors, confirmed by the board, should a vacancy occur mid-term.
4. Acting in a firm, competent, tactful and just manner, permitting full discussion on all debatable motions. The president must respect the opinion of each individual and see that each decision is made in a harmonious atmosphere.
5. Acting as the primary authorized spokesperson for the association.
6. Writing the President's Letter for quarterly publication in the Fuel Monitor.
7. Preparing, in conjunction with the Executive Director, an agenda prior to all board meetings; adhering to the agenda; and opening and closing meetings in a timely manner.
8. Overseeing the activities of committees, making sure appropriate reports and minutes are prepared and voted on by the board as necessary.
9. Overseeing arrangements for all meetings and/or functions of the association.

10. Being available to the entire membership, especially new members and guests.
11. Displaying enthusiasm and support for all association activities.
12. Overseeing arrangements for speakers for meetings and events.
13. Overseeing the activities of the Executive Director and Treasurer.
14. Reviewing the Executive Director's monthly expense reimbursement requests.
15. Transferring all material pertaining to the role as president to the newly elected president and educating the newly elected president as to the role of the position.

1ST VICE PRESIDENT

Specific duties:

The 1ST Vice President shall perform any and all duties of the president in the absence of the president. The 1ST vice president shall be assistant to the President and perform any other duties as assigned by the president. The 1st vice president shall fill any vacancy in the office of president for the unexpired term of the president's office. The 1st Vice President will attend all meetings of the Executive Committee and board of directors, and when available, membership luncheons.

The 1st vice president will chair the APMA Annual Conference Committee while serving as 1st vice president.

2ND VICE PRESIDENT

Specific Duties:

The 2nd Vice President shall perform any and all duties of the president in the absence of the president and/or the 1st vice president. The 2nd vice president shall be assistant to the president and perform any other duties as assigned by the president. The 2nd vice president shall fill any vacancy in the office of president for the unexpired term of the president's office. The 2nd vice president will attend all meetings of the Executive Committee and board of directors, and when available, membership luncheons.

The 2nd vice president will chair the APMA Scholarship Golf Tournament Committee while serving as 2nd vice president.

TREASURER

Specific duties:

The Treasurer will be the custodian of the funds, securities, and other properties of the association. The treasurer will work with the accountant to ensure a true and accurate account of all financial transactions is kept in the name of the association. The treasurer will review all expenses to be paid. He or she will sign checks, except when it is not possible due to vacation or illness, in which case the executive director will do so. On a quarterly basis, the treasurer will review the expense and income statements provided by the accountant for accuracy and present them to the Board. The treasurer will submit an Annual Report of the financial condition of the association to the Executive Committee and to the membership. The treasurer will assist with an annual audit process if necessary.

With the executive director, the treasurer will develop the association's operating budget. The treasurer will ensure that the accountant retains a list showing the dues status of all members. In June of each year, the treasurer will work with the executive director and the accountant to ensure all members are mailed bills for the succeeding year's dues. Ninety days after dues billing, the treasurer will ensure that a notice of arrears is sent to each member who has not paid dues. The treasurer, with the executive director, will prepare a list of members in arrears and present this list to the members of the Executive Committee for their action.

The treasurer will attend all meetings of the Executive Committee and Board of Directors, and when available, membership luncheons.

The treasurer will perform any duties assigned by the president that do not conflict with the APMA Bylaws. The treasurer will transfer all material pertaining to the role as treasurer to the newly elected treasurer and educate the newly elected treasurer as to the role of the position.

IMMEDIATE PAST PRESIDENT

Specific Duties:

The Immediate Past President will serve as an advisor to the president and Executive Committee on association business. The immediate past president will serve on the Nominating Committee. The immediate past president will attend all meetings of the Executive Committee and board of directors, and when available, membership luncheons.

PMAA DIRECTOR

Specific Duties:

The PMAA Director is the liaison between APMA and PMAA. It is the PMAA Director's responsibility to provide PMAA updates to APMA's Board of Directors and membership as necessary.

The PMAA Director will serve as APMA's representative for and attend all of PMAA's Board meetings:

- a. PMAA Washington Conference and Day on the Hill — Spring
- b. PMAA Fall Meeting (prior to NACS Show) – Fall

The PMAA Director's reasonable travel expenses will be eligible for reimbursement under the Travel Reimbursement Policy.

The PMAA Director will coordinate and contact APMA members to contribute to the PMAA SBC PAC and to meet Arizona's PAC goal.

The PMAA Director will stay up to date on Arizona marketing concerns, through attendance at Legislative Committee meetings or reviewing minutes thereof.

The PMAA Director will act and speak in a professional manner in all association contacts.

The PMAA Director may attend PMAA Western Region Meetings, if available (WPMA and POC).

Per the APMA Bylaws, when appointed to serve, the PMAA Director may be designated as:

1. An officer of the association,
2. A director of the association, or
3. A member of the association.

If the PMAA Director is designated as an officer, the PMAA Director will attend all APMA Board meetings and Executive Committee meetings. If the PMAA Director is designated as a director, the PMAA Director will attend all APMA Board meetings. If the PMAA Director is designated as a member, the PMAA Director will attend APMA Board meetings as necessary to report on PMAA business.

The PMAA Director will transfer all material pertaining to the role as PMAA Director to the newly elected PMAA Director and educate the newly elected PMAA Director as to the role of the position.

BOARD OF DIRECTORS

Specific duties:

1. Directors should be current in their membership dues.
2. Directors will attend all meetings of the Board of Directors and APMA sponsored events. They should attend membership luncheons when available.
3. Directors will attend all Board Meetings prepared to debate and discuss issues at hand. The Board's responsibility is for making strategic decisions for the association as a whole.
4. Directors will actively support the decisions of the Board of Directors.
5. Directors should assume other responsibilities as assigned by the president.
6. Directors are not authorized speak on behalf of the association.
7. Outgoing Directors are to assist incoming Directors as to the roles and responsibilities of the position.

COMMITTEE CHAIR

Specific duties:

1. The Committee Chair or Co-Chairs (the Chair), with the assistance of the Executive Director, will arrange for meetings of and create agendas for the committee.
2. The Chair will preside over committee meetings and participate actively in discussions.
3. The Chair may make motions, debate, and vote on all questions.
4. The Chair will prepare and provide reports on committee activities to the Board and/or President.
5. The Chair will be responsible for appointing subcommittees as necessary to carry out the activities of the committee. It is the Chair's responsibility to make sure that the duties and functions of the committee are carried out to the satisfaction of the Board.
6. It is the Chair's responsibility to seek appropriate Board approval when necessary.
7. The Chair will transfer all material pertaining to the committee to the newly elected Chair and educate the newly elected Chair as to the role of the position.

EXECUTIVE DIRECTOR

Specific duties:

1. The Executive Director shall work in close harmony with the President.
2. The Executive Director shall maintain an accurate membership list.
3. The Executive Director shall handle correspondence for the association.
4. The Executive Director shall keep accurate minutes of all business meetings of the association, board and committees.
5. The Executive Director shall prepare the agenda for meetings in consultation with the President or Committee Chair.
6. The Executive Director shall keep the records of the association, including committee reports.
7. The Executive Director shall call the meeting to order if the President and the Vice President(s) or Committee Chair are absent, and conduct business unless a temporary chair is elected.
8. The Executive Director shall send the President and/or Committee Chair a copy of the minutes as soon as possible after each meeting.
9. The Executive Director shall make minutes available for examination by the members upon request.
10. The Executive Director shall notify officers, committee members, and delegates of their election or appointment.
11. The Executive Director shall be a secondary authorized spokesperson for the association.
12. The Executive Director shall attend PMAA meetings (Spring Day on the Hill, Fall Meeting and Summer Executives Conference).
13. The Executive Director shall represent the association as its lobbyist at the local, state and federal levels.
14. In consultation with the President, the Executive Director shall conduct necessary board votes via email.
15. In consultation with the President and Committee Chairs, the Executive Director shall make arrangements for speakers, meetings and events.
16. At the direction of the President, Officers, Directors and Committee Chairs, the Executive Director shall carry out and implement the decisions of those groups.
17. The Executive Director shall keep members informed about association events, industry news and business.
18. The Executive Director shall work with the Fuel Monitor Committee to plan, coordinate and publish the Fuel Monitor quarterly publication.
19. The Executive Director shall update and administer the APMA website.
20. The Executive Director shall be available to the entire membership, especially new members and guests.
21. The Executive Director shall display enthusiasm and support for all association activities.