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ADDC BYLAWS

Article I – Name

The name of this organization shall be Association of Desk and Derrick Clubs, hereinafter referred to as “Association”. Its existence shall be perpetual, and the official address shall be the address of its President.

Article II – Purpose

The Association of Desk and Derrick Clubs (ADDC), an international non-profit organization, is a premier provider of energy education and professional development. ADDC’s purpose shall be to promote the education and professional development of individuals employed in or affiliated with the petroleum, energy and allied industries, and to educate the general public about these industries as well as the companies and global communities the members serve.

Article III - Structure

Section 1.

The Association shall consist of four (4) regions.

(a) Clubs formed inside the United States and Canada shall be a part of the geographical regions as set forth in Section 2 of this article.

(b) Clubs formed outside the United States and Canada shall be assigned to the active region in the closest geographic proximity.

Section 2.

(a) The Central Region shall consist of the states of Kansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota and the northeastern portion of the state of Texas bounded on the north by the northerly boundary lines of the counties of Bowie, Clay, Cooke, Fannin, Grayson, Lamar, Montague, Red River, and Wichita; on the east by the easterly boundary lines of the counties of Bowie, Cass, Harrison, Marion, Panola, Sabine, and Shelby; on the south by the southerly boundary lines of the counties of Anderson, Cherokee, Coryell, Freestone, Limestone, McLennan, Nacogdoches, Sabine, and San Augustine, and on the west by the westerly boundary lines of the counties of Archer, Bosque, *Coryell*, Erath, Palo Pinto, Wichita and Young and the provinces of Manitoba and Saskatchewan in Canada.

(b) The Northeast Region shall consist of the District of Columbia, the states of Connecticut, Delaware, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Wisconsin within the United States and the provinces of New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island and Quebec of Canada.

(c) The Southeast Region shall consist of the states of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and the southeast portion of the state of Texas bounded on the north by the northerly boundary lines of the counties of Angelina, Bell, Bexar, Comal, Falls, Hays, Houston, Jasper, Kinney, Leon, Medina, Newton, Robertson, Travis, Uvalde, Williamson; on the east by the easterly boundary lines of the counties of Newton, Orange, and Jefferson; on the south by the southerly boundary lines of the counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio and Willacy; on the west by the westerly boundary lines of the counties of Cameron, Dimmit, Hidalgo, Kinney, Maverick, Starr, Webb and Zapata.

(d) The West Region shall consist of the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, Wyoming, and the western portion of the state of Texas bounded on the east by the westerly boundaries of the counties in the Central Region, and the northerly boundaries in the Southeast Region and the provinces of Alberta and British Columbia in Canada.

Section 3.

Any club desiring transfer from one active region to another must submit such request in writing to the Association Board of Directors, who shall be authorized to grant permission for such transfer provided the majority of the clubs in both active regions involved have voted prior approval of the request. Such requests should be based on geographical location and/or financial hardships.

Section 4.

A club situated on the boundary of two active regions may be affiliated in the active region of its choice as decided by a majority vote of the charter members of the organizing club at the time of its affiliation. Members of proposed or existing clubs which border two active regions will be considered members of the active region with which they are affiliated, regardless of the active region in which they reside and/or are employed.

Section 5.

The Association shall be nonshareholding, noncommercial, nonprofit, nonpartisan and nonbargaining.

Section 6.

The Association and the clubs are hereby prohibited from affiliating themselves with, or becoming members of, any local, regional, national or international club or organization or any groups of such clubs or organizations. This shall not be construed to prohibit any individual member from joining any other club or association or transferring membership from one Desk and Derrick club to another.

Section 7.

The ADDC is not formed for pecuniary gain or profit and does not contemplate pecuniary gain or profit to members or officers thereof, and no part of the net earnings of the Association shall inure to the benefit of any member or officer thereof, or to any private individual.

Article IV - Association Distribution Office

Section 1.

The Association shall maintain a distribution office.

Section 2.

The Board of Directors shall employ a person(s) or management company to perform such duties at this office as the Board shall specify. Such person(s) or management company shall be responsible to the Board of Directors and work under the supervision of the President.

Article V - Association Membership

Section 1.

The Association shall be composed of clubs organized by individuals employed in or affiliated with the petroleum, energy, and allied industries as well as individuals interested in increasing their knowledge about these industries.

(a) Clubs may obtain membership in the Association by written application as follows:

- (1) Within the United States and Canada, application shall be made to the appropriate regional director.
- (2) Outside the United States and Canada application shall be made to the Association President, who will

refer the application to the regional director in charge of the active region in the closest geographic proximity.

(b) A club's request for membership in the Association must be accompanied by copies of its proposed bylaws, remittance of Association dues and other instruments of organization prescribed. A minimum of six (6) active members shall be required for a new club. Club affiliation submitted after November 1st will be processed after January 1st of the following year.

(c) Upon approval of the prospective club's bylaws by the Club Bylaws Review Committee and completion of other requirements, a Charter signed by the Association President and the regional director shall be transmitted to the club.

(d) The Board of Directors may by majority vote discipline or suspend a club for good cause, such as failure to meet its financial obligations or noncompliance with these bylaws and the known policies of the Association. The Board of Directors may by unanimous vote expel such club; provided a copy of such charges has been mailed to the club; provided that the club is afforded a thirty (30) day period in which to reply to such charges and notice of pending action; and provided further that an opportunity for a hearing before a committee of three appointed by the Association President is granted if the club requests. Such hearing shall be held within a period of sixty (60) days following the expiration of the thirty (30) day period hereinbefore mentioned, and the findings thereof shall be referred to the Association Board of Directors for final action. Such action shall be taken at either the next regularly scheduled meeting of the Board, at a special called meeting, by electronic means, or by mail vote. The decision of the Board shall be final.

(e) Clubs shall notify their regional director 60 days prior to a vote by their club to disband. Any club ceasing to be a member of the Association shall surrender its Charter, and neither the club nor any of its members shall thereafter use the name, insignia (emblem) or membership card of the Association of Desk and Derrick Clubs.

(f) Any club whose connection with the Association has been severed by resignation, expulsion, or otherwise shall forfeit all interest in any funds or property belonging to the Association.

Further, such club cannot be reinstated during the current fiscal year and cannot have representation at that year's convention.

(g) A club whose Charter has been revoked for any reason can be reinstated by the Association Board of Directors upon application for membership subject to provisions in 1(f) of this Article.

Section 2.

A Member-At-Large Membership may be conveyed to an individual who lives more than one hundred (100) miles from the closest club by a two-thirds vote of the Board of Directors. A Member-At-Large may attend club meetings, regional meetings or conventions without voice or vote.

Section 3.

The purpose of the Association shall be accomplished by program presentations at membership meetings, field trips or seminars devoted to subjects directly related to or concerned with the petroleum, energy, and allied industries.

Each club shall schedule a minimum of five (5) educational program presentations a year, four (4) of which must be directly related to these industries. The remaining program presentations may be on Desk and Derrick orientation, Bylaws, socio-economic responsibilities or professional self-development.

Program reports shall be submitted to the program committee on a monthly basis within ten (10) days after the program has been presented.

Section 4.

Each club is self-governing and shall adopt its own bylaws and standing rules and any amendments thereto, which shall not contain any provision in conflict with the Association Bylaws and Standing Rules. The name of all clubs shall include the words "Desk and Derrick Club."

Section 5.

The president of each club shall serve as the representative between the Association Board of Directors and the club.

Section 6.

Honorary members of the Association are:

- (a) Inez Awty Schaeffer - Founder
- (b) Lee Wilson Hoover - First President

Section 7.

The Association shall not confer additional Honorary Memberships.

Article VI - Club Membership

Section 1.

Membership in a Desk and Derrick Club may be granted to individuals actively employed in, affiliated with, or retired from the petroleum, energy, and allied industries as well as individuals interested in increasing their knowledge about these industries; to former Desk and Derrick members; and to individuals who are enrolled in an accredited course of study with a declared major in the petroleum, energy, and allied industries. (See Club General Information Section for additional information on membership.)

Section 2.

- (a) Based upon the findings of the Membership Committee of each club, the club's Board of Directors will consider local circumstances of the job and the company in determining new membership eligibility, working within the Association guidelines as set out in the Club General Information Section.
- (b) Membership may not be held concurrently in more than one Desk and Derrick club.

Section 3.

Members in good standing may transfer membership to another club during the year by letter of transfer between club presidents with no exchange of dues.

Article VII - Dues and Fees

Section 1.

- (a) Annual dues payable to the Association by each club shall be Fifty-Five Dollars (\$55.00) in U.S. funds for each member of such club.
- (b) Annual dues payable to the Association by each Member-At-Large shall be Seventy-Five Dollars (\$75.00) in U.S. funds.
- (c) Annual dues are payable February 1 of each year and shall be submitted to the Association Distribution Office or ADDC Treasurer, as directed by the Board, with checks made payable to the Association of Desk and Derrick Clubs, within thirty (30) days. Annual dues for members added after February 1 shall be submitted to the Association Distribution Office or ADDC Treasurer, as directed by the Board monthly, with no dues to be submitted after November 30 each year.
- (d) Minimum annual dues for each club shall be the total amount of Association dues for six (6) members.

- (e) Association dues are not refundable.

Section 2.

Any club whose annual dues or any portion thereof remain unpaid for a period of sixty (60) days after payment date specified in Section 1(b) of this Article shall be considered delinquent and shall be notified by the Treasurer by first-class mail that payment is required within thirty (30) days from date of said letter. Any club failing to pay within thirty (30) days shall be notified by the Treasurer by certified mail that the delinquency has been referred to the Board of Directors for action as provided in Article V, Section 1(d). Clubs shall not be eligible to have a voting delegate at Region Meetings until Association minimum annual dues have been paid.

Section 3.

No initiation fees may be assessed. Regional dues may be assessed as voted by a majority of clubs in the region, but no other dues or fees may be assessed against clubs unless a shortage in the Convention Fund requires a special assessment.

Article VIII - Officers

Section 1.

The officers of the Association shall be a President, President-Elect, Secretary, Treasurer, Immediate Past President, and a Director from each active region. These officers shall constitute the Board of Directors.

Section 2.

The term of office for each Association officer shall be for a period of one year commencing January 1 of the year following election.

Section 3.

- (a) Association officers may succeed themselves in office only if they had previously filled a vacancy in which they had served less than six months in office, except when Section 4(a) and 4(b) of this Article apply. No officer may serve in more than one office concurrently.
- (b) In the event there is no nominee for the office of regional director, the current regional director may serve one additional term in office. (No more than two consecutive terms.)

Section 4.

- (a) In the event of a vacancy in the office of President, the Immediate Past President shall become President and serve the remainder of the term. If the Immediate Past President is unable to fill the vacancy, the remaining Board Members shall appoint the most recent available Past President who is not a current officer to serve the remainder of the term.
- (b) In the event of a vacancy in the office of Immediate Past President, no successor shall be chosen.
- (c) In the event of a vacancy in the office of regional director, the President shall appoint a successor to serve the unexpired term, subject to the approval of the majority of the clubs in the region affected.
- (d) Should a vacancy occur in any other Association office, the vote of a majority of the remaining members of the Board of Directors shall elect a successor to fill the unexpired term.

Article IX - Nominations and Election of Officers

Section 1.

Nominees for any Association office shall be employed in or retired from the petroleum, energy, or allied industries. Nominees for regional director shall have served or be serving as a President of a Desk and Derrick Club. Nominees for all other offices shall have served or be serving as a regional director. All nominees shall be bondable.

Section 2.

The Association President-Elect, Secretary and Treasurer shall be nominated and elected as set forth hereinafter:

(a) The Nominating Committee shall consist of a Chairman, a Vice Chairman, and a committee member appointed by the ADDC President and approved by the Board.

(b) Neither the Nominating Committee Chairman nor its members may succeed themselves.

(c) Each club may nominate from its members one person (qualified as in Section 1) for each office provided such nomination has been approved by vote of the club.

(d) Nominations must be submitted to the Nominating Committee at least seventy-five (75) days prior to the first day of convention on the form provided by the Nominating Committee.

(e) The Nominating Committee shall consider the qualifications of all nominees proposed by the clubs and shall nominate all qualified candidates for each office from the names submitted. If no nominations are received for a particular office seventy-five (75) days prior to the first day of convention, the Nominating Committee shall nominate, with the consent of the nominees and the approval of their clubs, not more than two (2) candidates for that office.

(f) The names of the candidates selected, and a brief statement of qualifications shall be sent to all clubs at least thirty (30) days prior to the first day of convention.

(g) On the first day of convention, the report of the Nominating Committee shall be read, and additional nominations may be made from the floor by any delegate provided:

(1) Consent of the nominee is obtained, and a written statement submitted that such nomination has been approved by vote of the nominee's club which is signed by the club president or vice president and one other officer of the club.

(2) Such nominations from the floor must be seconded by three clubs.

(h) Names of the candidates shall appear in alphabetical order under the office considered on the official ballot to be submitted for vote at the convention.

(i) Election shall be by preferential ballot.

(1) Procedure for preferential voting. Delegates shall indicate the order of preference for all candidates by placing the numeral "1" for the first preference, the numeral "2" for the second preference, and so on for every possible choice desired. The vote for an office shall become illegal at that point in the distribution when a number is duplicated. When a ballot becomes illegal or blank/non-transferable, it will no longer be considered for redistribution.

(2) Counting. Ballots are sorted into piles, one for each candidate receiving a first preference. The piles remain identified with the name of the same candidates throughout the counting procedure so long as the candidates remain in the contest for the election. If there is no majority on the first count, the candidate whose name has been marked as first choice by the fewest number of voters is eliminated and these ballots are redistributed into other piles according to the names marked as second choice on these ballots. If there is no majority on the second count, the candidate with the fewest number of votes is eliminated and these ballots are redistributed according to the names on these ballots. However, if the name eliminated in the preceding distribution is marked as second choice on this ballot, the ballot is placed according to its third choice. The process is continued by dropping the candidate with the least number of votes, by

redistributing the ballots each time according to the second or most preferred choice among those not yet eliminated, until one candidate receives a majority, or until the possibilities are eliminated.

If there is a tie in the winning position, the candidate receiving the largest number of first choices (numeral "1's") shall be declared the winner.

If at any point, two candidates tie for the lowest number of votes cast, both candidates shall be eliminated, and their ballots redistributed in one step.

(j) If there is only one candidate for each office and there is no objection from a delegate the presiding officer can declare that the nominees have been elected (election by acclamation). If a delegate objects, the election will be handled by preferential ballot as set out in item (i) above.

(k) If any convention is suspended, election shall be conducted by mail. The Nominating Committee shall observe deadline dates and procedures for mail ballot as directed by the President and shall mail the ballots to the clubs for vote, to be returned to a Tally Committee appointed by the President.

Section 3.

A regional director for each active region shall be nominated and elected as follows:

(a) A Nominating Committee composed of a chairman and two (2) members from the clubs of the region shall be appointed by the regional director in January immediately after taking office.

(b) Each club within the region, by majority vote, may submit the name of one (1) of its members (qualified as in Section 1) for the office of regional director to the Nominating Committee for its consideration. All nominees shall be bondable.

(c) The Nominating Committee shall consider the qualifications of all nominees proposed by the clubs and shall nominate all qualified candidates from the names submitted. If no nominations from clubs are received sixty (60) days prior to the regional meeting, the Nominating Committee shall nominate, with the consent of the nominees and the approval of their clubs, not more than two (2) candidates for the office.

(d) The names of the nominees and a brief statement of qualifications shall be sent to all clubs of the region at least thirty (30) days prior to the regional meeting. Names of nominees shall not be published prior to the official announcement made by the Nominating Committee.

(e) On the first day of the regional meeting, the report of the Nominating Committee shall be given. Additional nominations may be made from the floor by any delegate provided written consent of the nominee has been given, accompanied by a statement that such nomination has been approved by vote of the nominee's club, which has been signed by the club president or vice president and one other officer of the club.

(f) Names of candidates shall appear in alphabetical order on the official ballot.

(g) Election shall be by preferential ballot.

(1) The procedure for preferential balloting at a regional meeting shall be as defined in Article IX, Section 2 (i) - Nomination and Election of Officers.

(2) The procedure for preferential mail balloting. In the event a regional director is not elected at a regional meeting, the Nominating Committee shall observe the deadline date and procedure for mail ballot as directed by the regional director, and shall mail a preferential ballot to each club in the region for vote at a regular or special meeting of the membership. Instructions for preferential voting by

club membership should accompany the ballot. The ballot shall be returned to a Registrar Committee appointed by the regional director.

(h) If there is only one candidate for regional director and there is no objection from a delegate the presiding officer can declare that the nominee has been elected (election by acclamation). If a delegate objects, the election will be handled by preferential ballot as set out in item (g) above.

(i) Within seven (7) days of the election the regional director shall mail the results of the election to the clubs of the region and to the Association Board of Directors.

Article X - Duties of Officers

Section 1.

The Association President shall represent the Association in all of its affairs; shall preside at all meetings of the Association and of the Board of Directors; shall appoint Chairmen of all Standing and Special Committees subject to the approval of the Board of Directors; shall be a member ex-officio of all committees except the Nominating Committee; shall appoint a parliamentarian to serve without vote at the Association Convention and such other meetings subject to the approval of the Board. The President shall sign all Certificates of Membership; shall make an annual report to the membership; shall perform such other duties as are required of this office.

Section 2.

The President-Elect shall assist in the performance of the President's duties; shall generally assist in coordinating the affairs of the Association and shall perform such other duties as are required of the office. In the absence of the President at any meeting of the Association or the Board of Directors, the President-Elect shall preside.

Section 3.

The Secretary shall keep minutes of all meetings of the Association and the Board of Directors; shall maintain a register of the officers of each club and its delegates and alternates; and shall maintain a permanent file of the Association. Upon order of the President, the Secretary shall forward notice of the annual convention to each club at least ninety (90) days before the first day of convention, said notice to contain the tentative convention agenda. The Secretary shall perform such other duties as may be required of the office.

Section 4.

The Treasurer shall supervise the collection and disbursements of all funds of the Association as directed by the Association Board of Directors; shall furnish the Board of Directors with a quarterly statement of income and expenditures; shall submit the Association books for review by an independent certified public accounting firm and the ADDC Finance Review Committee at the close of each fiscal year or more frequently as directed by the Board of Directors; and shall submit a written quarterly report with highlights (budget to actual variances and significant expenditures) of both ADDC operating funds and ADDC convention funds to the clubs. The Treasurer shall furnish a surety bond in an amount fixed by the Board of Directors, the cost of which shall be borne by the Association. The Treasurer shall prepare a budget at the beginning of the year to be submitted to the Board of Directors for their consideration and shall perform such other duties as may be required of the office.

Section 5.

The Immediate Past President shall serve in an advisory capacity to all members of the Board of Directors and shall perform such duties as may be required of the office.

Section 6.

(a) Regional directors shall maintain close contact with the clubs in their regions and shall serve as liaison between the

clubs and the Board of Directors. Regional directors shall preside at regional meetings, assist in the formation of new clubs in the region as specified in these bylaws and perform such additional duties as may be required of the office.

(b) Subject to the approval of the clubs within the region, a regional director may designate a representative and/or an assistant within the region whose expenses will not be borne by the Association and who will not be a member of the Association Board of Directors.

(c) Regional directors who relocate outside the region they are serving shall offer their resignation as regional director. The vacancy automatically created by such resignation shall be filled in accordance with the provisions of Section 4 (c), Article VIII.

Section 7.

Regional directors shall serve as representatives on the Association Board of Directors for the clubs in their regions, and other Association officers shall serve as Board Contacts for one or more committees, excluding the Nominating Committee.

Article XI - Board of Directors

Section 1.

The Board of Directors shall consist of the President, President-Elect, Secretary, Treasurer, Immediate Past President, and a Director from each active region. The Board of Directors shall be the governing body of the Association between conventions; shall have authority to act in any and all matters pertaining to the affairs of the Association and shall exercise general control and supervision over all Association officers and committees.

Section 2.

The Board of Directors shall meet at least three times each year:

(a) One meeting shall be at a time and place to be designated either by the Association President or by a two-thirds vote of the Board of Directors.

(b) One meeting shall be held immediately prior to the annual convention. Regional directors-elect may attend the Pre-Convention Board Meeting at their own expense without voice or vote.

(c) One meeting shall be held jointly with the newly elected Board of Directors immediately following the annual convention.

(d) Board members may meet by videoconference or teleconference. This meeting shall be conducted by a technology that allows for simultaneous aural communication among all participating members equivalent to those of a meeting held in one room or area in that all participating members hear each other, as well as see each other (if videoconference), at the same time. Board members who are unable to attend a board meeting due to unavoidable circumstance may join the meeting by teleconference or videoconference.

Section 3.

Two-thirds (2/3) of the Board of Directors shall constitute a quorum for all meetings. The Board of Directors may transact business by mail, facsimile transmission (fax), or e-mail, and an affirmative vote must be cast by a majority of the members of the Board to constitute action of the Board.

Section 4.

The Board of Directors may delegate the duties of any officer during absence or disability. In the event a regional director is unable to attend Association Board Meeting or other official functions, the previous regional director shall be made the alternate. In the event the predecessor is unavailable or ineligible, the most immediate eligible, available past regional director, in order of terms, shall serve

as alternate. The alternate shall serve only for the meeting or function appointed and shall have all privileges of the regional director.

Section 5.

The Association President may appoint an Executive Assistant, but the Executive Assistant shall serve without voice or vote at such meetings as the Board of Directors may determine.

Article XII - Committees

Section 1.

The Standing Committees of the Association shall be the following: Club Bylaws/Guidelines Review, Education/Certification, Finance Review, Membership, Program, Public Relations, Rules, and Tax Exempt Committees. Special committees may be created from time to time as deemed necessary by the Board of Directors.

The Standing Committees of the Association shall be the following: Club Bylaws Review, Education/Certification, Finance Review, Guidelines Review, Membership, Program, Public Relations, Rules, and Tax Exempt. Special committees may be created from time to time as deemed necessary by the Board of Directors.

Section 2.

Committees may meet by videoconference or teleconference. This meeting shall be conducted by a technology that allows all persons participating to hear (and, if a videoconference, to see) each other at the same time.

Section 3.

(a) The Club Bylaws/Guidelines Review Committee shall review bylaws of prospective clubs for membership in the Association. This committee shall also review all amendments and revisions to club charters, bylaws, standing rules and related registration documents (as required by a state or province for charter or incorporation) to determine that such amendments are not in conflict with any rules of the Association. Approved club charters, bylaws, standing rules and related registration documents shall be made a part of the Association's permanent club files at the Association Distribution Office. The Club Bylaws/Guidelines Review Committee shall have the authority to call in all club charters, bylaws, standing rules and related registration documents for a review on a revolving basis. The committee shall review the committee guidelines to ensure that all ADDC manuals/guidelines are prepared and posted on the ADDC website in a uniform format. It is the job of the individual committee chairs to submit their manuals or guidelines to the Club Bylaws/Guidelines Review Committee for review whether as initially created or when updated.

(b) The Education/Certification Committee shall assist the clubs in coordinating and promoting the educational purposes of the Association. The Certification program shall provide an educational program covering the subjects within the established curriculum, leading to a Petroleum Tech Certificate of Completion, prior to the start of the annual ADDC convention and educational conference and/or the annual regional meetings.

(c) The Finance Committee shall review the ADDC finances to determine that generally accepted accounting procedures are being followed and that the financial books of the Association, including the Convention accounts, fairly represent the true presentation of the Association.

(d) The Membership Committee shall provide assistance to the clubs in promoting ADDC membership.

(e) The Program Committee shall assist the clubs with the program presentations in furtherance of the educational purpose of the Association.

The Committee shall maintain a current listing of the monthly reports that have been received from the clubs.

Any club that fails to comply with the reporting guidelines as stipulated in Article V, Section 3 of these bylaws shall be notified in writing by the program committee chairman that compliance is required within thirty (30) days from date of said letter. Any club failing to provide the necessary information within the thirty (30) days shall be notified that the delinquency has been referred to the Board of Directors for action as provided in Article V, Section 1(d) of these bylaws. Clubs shall not be eligible to have a voting delegate at any Association meeting (Region or Convention) until the proof of compliance has been received by the Association.

(f) The Public Relations Committee shall determine methods of informing the general public of the aims, activities and accomplishments of the Association of Desk and Derrick Clubs and shall prepare publicity statements for release. The committee shall assist in coordinating representation at industry related exhibitions (trade shows).

(g) The Rules Committee shall receive, collate, edit, and make recommendations on all proposed amendments to the Association bylaws, and shall propose amendments when needed. The Rules Committee shall prepare amendments in proper form for presentation at the convention. These amendments with the Rules Committee's recommendations shall be sent to the clubs at least forty (40) days prior to the Association convention. It shall also be the duty of this committee to keep all rules of the Association properly codified, amended and up to date. This committee shall consider all questions of constitutionality and interpretation referred to them. A ruling determined by majority vote of the members of the Rules Committee shall govern on questions referred to them, subject to appeal to the Association Board of Directors. A copy of such a ruling shall be retained in the permanent committee files and copies sent to the person or body requesting the ruling, the Association Board of Directors, and the Distribution Office to be placed in permanent files.

(h) The Tax Exempt Committee shall maintain a central file of important tax exempt data on each club and provide assistance to clubs.

Article XIII – Voting

Each club in the Association shall be entitled to one vote.

(a) Each club is represented at convention by its official delegate, subject to Article XIV, Section 3.

(b) In the interim between conventions, a mail vote may be taken to amend Association Bylaws, as provided in Article XXV Section 3, and to conduct other business. Club ballots shall be signed by the club president and one other officer. Mail votes shall be counted by a Registrar Committee.

(c) Ballots must be received from at least two-thirds (2/3) of the Association's clubs to constitute a legal mail vote. Amendments to bylaws shall require a two-thirds (2/3) affirmative vote.

(d) Voting by proxy, either verbal or written, shall not be permitted.

Article XIV – Conventions

Section 1.

(a) The Association shall hold an annual convention at a time and place to be decided by majority vote of delegates at the convention three years prior thereto.

(b) Clubs desiring to bid for convention shall advise the Board of Directors and all clubs at least sixty (60) days prior to the first day of the convention at which the bid is to be made.

- (c) If no club bids for convention within the prescribed time, or if a convention cannot be held at the time and place fixed, the site and dates shall be determined by the Board of Directors.
- (d) The convention is an Association responsibility and all major convention plans shall be approved by the Board of Directors.
- (e) The Board of Directors shall approve the registration fee, a detailed budget, and authorize convention expenditures.

Section 2.

In the event of an extreme emergency, the Board of Directors may suspend the holding of a convention, but a second convention may be suspended only by vote of the clubs.

In the event of an extreme emergency, the Board of Directors may suspend the holding of a convention, but a second convention may be suspended only by a majority vote of the clubs.

Section 3.

The voting body of the convention consists of one registered delegate from each club which has been approved for membership at least sixty (60) days prior to the first day of convention.

- (a) A majority of the duly accredited and registered delegates shall constitute a quorum, provided two-thirds (2/3) of the clubs are represented by registration at the convention.
- (b) Members of the Association Board of Directors shall have the right to speak but not vote at the Association Convention.

Article XV - Regional Structure

Section 1.

The clubs within each active region shall hold an annual meeting to discuss the affairs of the Association, disseminate information and promote the purpose of the Association, at a time and place selected by a majority vote of the delegates at the preceding regional meeting or by mail ballot of the clubs.

Section 2.

The voting body at the regional meeting shall consist of the delegate from each club of the region present at the meeting. Delegates present representing a majority of the clubs of the region shall constitute a quorum.

Section 3.

Financial responsibility for the regional meeting shall be assumed by the clubs within the region and the Association shall have no liability for any expense.

Section 4.

The regional meeting shall be under the supervision of the regional director and all plans shall be coordinated with the club hosting the meeting.

Section 5.

A regional meeting may be suspended or held virtually by a majority vote of the clubs in that region. Participation in a meeting pursuant to this provision constitutes presence in person at such meeting.

Section 6.

The regional director and delegates may transact business by email, mail, or facsimile transmission (fax). An affirmative vote must be cast by a majority of the delegates to constitute action of the voting body unless the item being voted on requires a two-thirds (2/3) vote. The vote shall be ratified at the next regional meeting.

Section 7.

The clubs within each active region shall hold an annual election to fill the office of regional director as provided in Article IX, Section 3.

Section 8.

Regional dues may be assessed and rules governing the use of such funds shall be adopted by majority vote of the delegates at a regional meeting, providing at least sixty (60) days written notice has been given to the clubs prior to the meeting, or by mail vote of the clubs, without notice.

Article XVI - Educational Foundations

Section 1.

The Association may form tax-exempt foundations to accomplish the purpose and goals of the Association, upon the vote of the Delegates at Convention. The President and Treasurer shall execute the necessary documents on behalf of the Association of Desk and Derrick Clubs to establish such foundations.

Section 2.

The Educational Trust shall receive and disburse funds for increasing the educational opportunities for individuals employed in the petroleum, energy, and allied industries and/or pursuing college degrees which would lead to employment in said industries.

Section 3.

The ADDC Foundation shall receive and disburse funds to publish and produce educational materials, conduct research and to hold seminars and classes.

Article XVII - Insignia (Emblem)

The official insignia (emblem) of the Association of Desk and Derrick Clubs shall be a derrick with a stylized desk at the lower right as registered in the United States and Canada.

Article XVIII - Official Colors

The official colors of the Association of Desk and Derrick Clubs shall be black and gold.

Article XIX - Motto

The motto of the Association shall be Greater Knowledge-Greater Service.

Article XX - Fiscal Year

The fiscal year of the Association shall be from January 1 through December 31.

Article XXI - Legal Responsibility

Section 1.

Except for such financial obligations of the Association as are duly authorized by these Bylaws, the Association and its Board of Directors shall not be responsible for any contract or financial obligation of any kind incurred by any club or individual.

Section 2.

Any club that fails to comply with its obligations under (a) General Information Section II "Governing Legislation", and (b) As required under Section 3(f) of Article XII "Committees". (1) For US Clubs: ADDC Tax Exempt Form(s) and if required IRS Form(s) (2) For Canadian Clubs: ADDC Tax Exempt Form(s) and if required Provincial and Federal Tax Form(s) shall be considered delinquent and shall be notified in writing by the ADDC Treasurer that proof of

compliance is required within thirty (30) days from date of said letter. Any club failing to provide proof of compliance within thirty (30) days shall be notified in writing by the Treasurer that the delinquency has been referred to the Board of Directors for action as provided in Article V, Section 1(d). Clubs shall not be eligible to have a voting delegate at any Association meeting (Region or Convention) until proof of compliance has been received by the Association.

Article XXII—Dissolution Clause

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, distribute all of the assets of the Association to an organization which qualifies as an exempt organization under Section 501(c)(3) or Section 501(c)(6) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law at such time as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the District Court of the County in which the principal office of the Association is then located to such organization or organizations as said Court shall determine which are organized and operated exclusively for such exempt purposes.

Article XXIII – Code of Ethics

All club members shall adhere to the Association’s Code of Ethics that follows the ADDC Bylaws and Standing Rules.

Article XXIV - Parliamentary Authority

The latest edition of Roberts Rules of Order, Newly Revised shall be the parliamentary authority in all matters of procedure not specifically covered by the Association Bylaws.

Article XXV- Amendments

Section 1.

These bylaws may be amended at a convention of the Association by two-thirds (2/3) vote provided:

- (a) The proposed amendments are submitted in writing to the Chairman of the Rules Committee by an Association Officer, the Board of Directors, the Rules Committee or a club prior to a deadline date set by the Board of Directors, such date not to be less than ninety (90) days prior to convention, and
- (b) That copies of the proposed amendments with the recommendations of the Rules Committee and the Board of Directors shall be distributed at least forty (40) days and not more than six (6) months prior to the convention.

Section 2.

At convention, a Rules Committee representative shall move the adoption, with no second required, of all proposed amendments in the Rules Committee's report.

Section 3.

These bylaws may be amended by a two-thirds (2/3) affirmative mail vote of the clubs provided the proposed amendment is authorized by a majority vote of the delegates at convention and submitted to the clubs by the Rules Committee within forty-five (45) days after adjournment of convention.

Section 4.

Amendments to these bylaws shall be effective on the first day of the succeeding year of the Association unless the motion to adopt such amendment specifies another effective date.

STANDING RULES

1. Club membership shall be open to all eligible applicants and shall not be limited in number except when the meeting facilities make limitation necessary; such limitation shall be approved by vote of the membership of the club and the Association Board.
2. Clubs shall furnish applicants with information regarding the purpose and structure of the organization and shall orient new members on bylaws, policies, procedures and history of the club and the Association. The method of orientation shall be at the discretion of the club.
3. Association membership rosters shall be distributed only when:
 - a. The member has given permission to do so on the membership application form or membership renewal form and
 - b. The Association Board of Directors has approved the release.
4. Upon request, the Association shall furnish blank membership cards to any club for members whose dues have been paid.
5. Each year a scrapbook shall be compiled and presented to the President of the Association. Scrapbooks and other Desk and Derrick memorabilia may be donated at any time to the Scrapbook Committee or to the Association Distribution Office to compile a history of the Association.

Each year a scrapbook may be compiled and presented to the President of the Association. Scrapbooks and other Desk and Derrick memorabilia may be donated at any time to the Scrapbook committee or to the Association Distribution Office to compile a history of the Association.

6. Use of the Association logo or insignia in advertising is encouraged and supported. When a Desk and Derrick ad is to be included in any publication or media other than a club bulletin, it shall have the approval of the Immediate Past President, through the regional director. This will ensure that the logo or insignia is used appropriately.

When a Desk and Derrick ad is to be included in any publication or media other than a club bulletin, the club shall submit a request through the regional director for approval by the Immediate Past President. This will ensure that the logo or insignia is used appropriately.

7. Any club desiring to use a social media will need approval from the Association Board of Directors (Board). The club must adhere to the guidelines as set out in the Club General Information Section, Article VII, Social Media Guidelines. Any violation of the guidelines will be referred to the Board and shall result in a written request to terminate the site. The club will be considered a “club not in good standing” until the site has been terminated.

A club desiring to use any social media shall submit ADDC Form 51 SM to the regional director for approval by the Immediate Past President. The club must adhere to the guidelines as set out in the Club General Information Section, Article VII, Social Media Guidelines. Any violation of the guidelines will be referred to the Board and shall result in a written request to terminate the site. The club will be considered a “club not in good standing” until the site has been terminated.

8. Association officers shall be presented Certificates of Service.
9. Fund raising is permissible where necessary to further the educational purposes of our organization. Proper records and reporting must be maintained and filed in accordance with the tax-exempt status of the Association and clubs. The Association guidelines must be followed for fund-raising projects. Specific, but not all-inclusive, requirements include:
 - a. Any club contemplating a fund-raising project should ensure that such project is in the best interest of the Association and will not injure the image and dignity of Desk and Derrick.
 - b. Any club sales item and accompanying printed materials bearing the words “Desk and Derrick,” “D&D,” “Association of

Desk and Derrick Clubs," "ADDC," and/or the trademark (insignia) must receive approval of the Immediate Past President by application through regional directors.

Clubs shall submit requests through the regional director for any club sales item and accompanying printed materials bearing the words "Desk and Derrick," "D&D," "Association of Desk and Derrick Clubs," "ADDC," and/or the trademark (insignia) for approval by the Immediate Past President.

- c. Approval for any sales item not bearing the words and/or trademark (insignia) outlined in Item b (above) shall be obtained:
 - 1). Club or regional items sold within that region require approval by that regional director only.
 - 2). Club or regional items sold in other regions must receive Association Board approval by application through the regional director.
Clubs interested in selling any items outside of their home region must submit requests through the regional director for approval by the Immediate Past President.
 - d. Lotteries and raffles that are prohibited by local or post office regulations are not to be conducted.
10. The Association guidelines must be followed for all promotional and gift items bearing the ADDC logo or ADDC name in any manner. Specific, but not all-inclusive, requirements include:
- a. Any club contemplating a promotional or gift item should ensure that such project is in the best interest of the Association and will not injure the image and dignity of Desk and Derrick.
 - b. Any such item and accompanying printed materials bearing the words "Desk and Derrick", "D&D", "Association of Desk and Derrick Clubs", "ADDC", and/or the trademark (insignia) must receive approval from the ADDC Immediate Past President by application through the regional director.
Clubs shall submit requests through the regional director for any such item (see 10 a.) and accompanying printed materials bearing the words "Desk and Derrick", "D&D", "Association of Desk and Derrick Clubs", "ADDC", and/or the trademark (insignia) for approval by the Immediate Past President.
11. The major portion of convention expenses shall be defrayed by registration fees, but at the discretion of the Association Board, a portion of any funds accumulated from past conventions may be used, and assistance from the industry may be accepted.
- a. Excess funds from any convention shall be forwarded by the host club to ADO to be deposited in a Convention Fund carried over from year to year. Interest generated from the monies in the Convention Fund may be deposited in the General Fund.
 - b. A deficit in any year shall be paid from the Convention Fund, or if it is insufficient, from the General Fund. If no funds are available, the deficit shall be prorated among the clubs.
 - c. Should the balance in the Convention Fund exceed \$50,000, the Association Board may transfer, as the need arises, no more than \$10,000 in any one year to the General Fund. Up to \$5,000 additional funds may be transferred to meet legal obligations. The transfer of funds shall be communicated to clubs within thirty (30) days.
 - d. No solicitation letters shall be sent regarding Convention other than the one approved by the Association Board, which contains the qualifying statement that contributions are not considered tax deductible as charitable donation; however, they may be deducted as a trade or business expense.
12. At the discretion of the Board of Directors, the Association Office Manager may attend, at Association expense, the annual convention and/or Association Board Meetings without voice or vote.
At the discretion of the Board of Directors, a member of the

Association Distribution Office may attend the annual convention and/or Association Board Meetings without voice or vote. If the financial status of the Operating Fund allows, approved expenses may be paid by the Association.

13. Allocation of General funds for expenses for the Association Board to attend the ADDC Convention shall be made only if sufficient funds are available within the operating budget. Financial assistance shall be limited to economical airfare (other transportation not to exceed airfare), registration and hotel accommodations as outlined in the Board of Director Procedures. These expenses shall only be covered if the Board member's company does not reimburse the Board member. Board members should submit before Budget and Planning a proposed budget of anticipated costs.
14. The names of individuals submitted for consideration by the Association or Regional Nominating Committees shall not be published; further, no announcement of nominees shall be made prior to the release of the official slate by the Nominating Committees.
 - a. Regional director candidates shall be presented at regional meeting on an equal basis.
 - b. Candidates for other Association offices shall be presented at convention on an equal basis.
 - c. Credentials distributed by the ADDC Nominating Committee, which may also appear in the ADDC Publication, will be the only material released on the candidates for Association office.
 - d. Credentials distributed by each regional nominating committee will be the only material released on the candidates for regional director.
 - e. An individual to be nominated for an office from the floor shall be allowed to distribute only their credentials during the convention or regional meetings.
 - f. There shall be no other form of campaigning either prior to or during the ADDC convention or regional meetings.
15. Any project not devoted to the purpose of the Association of Desk and Derrick Clubs which involves more than one club shall require the approval of the Association Board.
16. Approved amendments to the Bylaws and Standing Rules shall be distributed by January 1 following each convention.
17. Prospective clubs in the process of organizing shall not use the name "Desk and Derrick" until they are approved for membership in the Association, but they may use the wording "Proposed Desk and Derrick Club of..."
18. Petroleum, energy, and allied industries are defined to include but are not limited to the oil, gas, petrochemical and related industries, supply and service companies, as well as companies and organizations directly involved in related energy industries, including minerals and mining.
19. If an individual holds an Honorary membership title only, no Association dues are required; however, if the Association mailings and publications are desired for the individual, a fee equal to current Association dues must be remitted.
20. The Association Board shall approve any changes in the General Information Section and the Club General Information Section. Changes may be recommended by the Association Board, the Rules Committee, a club or club member.
21. Not more than sixty (60) days after taking action, the Association Board of Directors shall provide written notice of such action to all clubs.
22. These standing rules may be amended with previous notice at any Association Convention by majority vote or by two-thirds (2/3) affirmative mail vote of the clubs. Ballots must be received from at least two-thirds (2/3) of the Association's clubs to constitute a legal mail vote. Amendments shall be effective on the first day of the succeeding year unless the motion to adopt specifies another effective date.

ADDC Bylaws and Standing Rules

Written: January 1951
Last Amended: January 2020

CODE OF ETHICS

I. Mission Statement

The club members of the Association of Desk and Derrick Clubs collectively adhere to the principle that a standard of professional conduct for its membership is desirable and that, through strong adherence to these standards, the professionalism and performance of club members will be enhanced.

II. Definitions

Webster defines ETHICS as "the discipline dealing with what is good and bad with moral duty and obligation; a set of moral principles or values". ETHICAL is defined as "conforming to accepted professional standards of conduct". He defines CODE as "a system of principles or rules". Thus, we can infer that a CODE OF ETHICS is a set of rules of moral conduct for an organization.

Integrity is an element of character fundamental to professional recognition. It is the quality from which trust derives and the benchmark against which a club member must ultimately test all decisions. Integrity requires a club member to be, among other things, honest and candid. Integrity is measured in terms of what is right and just. Integrity requires a club member to observe both the form and the spirit of technical and ethical standards. Integrity also requires a club member to observe the principles of objectivity and independence and of due care.

III. Scope

This Code of Ethics ("Code") depends primarily upon voluntary compliance by members of the Association and, secondarily, upon reinforcement by peers. The specific clauses of this Code are not exhaustive of the ethical obligations of members. However, conduct or activities in contravention of this Code should not give rise to legal cause of action against the Association, or any member of the Association, nor create any presumption that any legal duty has been breached. This Code is intended to provide guidance to members only and is not intended to provide a basis for civil liability.

IV. Specific Clauses

Club members shall:

- A. Conduct their official affairs in such a manner so as to give the clear impression they cannot be improperly influenced in the performance of their official duties.
- B. Recognize that their membership requires them to provide leadership by example, to include adherence to all Bylaws and Standing Rules and other written directives, as applicable.
- C. Pledge themselves to protect and promote the interests of the membership and the industry. This obligation is primary but does not relieve the club members' obligation to act in an ethical manner.
- D. Not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, creed, sex, or country of national origin.
- E. Guard against not only the fact but also the appearance of impropriety. In the performance of any duty, club members shall maintain objectivity and integrity, shall be free from conflicts of interests, and shall not knowingly misrepresent facts or subordinate their judgment to others.

- F. Avoid business activities that may conflict with the interest of their employers or the membership of this organization or result in the unauthorized disclosure or misuse of confidential information.
- G. Not participate in conduct which causes them to be convicted, adjudged or otherwise recorded as guilty by any court of competent jurisdiction of any felony, any offense involving fraud as an essential element, or any other serious crime.

GENERAL INFORMATION SECTION

The following Association General Information and Club General Information sections are not intended to supersede or conflict with any bylaws or standing rules. Explanations of and guidelines for current Association policies to be followed in conjunction with the Bylaws and Standing Rules of the Association of Desk and Derrick Clubs are provided. Other sections are included as explanatory information only, based on the Association Bylaws and Standing Rules for the edification of each club member.

Any club or club member may recommend changes in this General Information Section. Recommendations should be submitted to the Association Board for approval.

I. The Association of Desk and Derrick Clubs

A. Brief History:

The Association of Desk and Derrick Clubs of North America was formed in 1951 when the first four Desk and Derrick Clubs (New Orleans, LA; Jackson, MS; Los Angeles, CA; and, Houston, TX) signed the Articles of Association. The first Association convention was held in 1952. At the 1977 Denver convention, the Association's name was changed to the Association of Desk and Derrick Clubs.

B. Original Purpose:

The original purpose of the Association was to, "promote among the women employed in the petroleum and allied industries through informative and educational programs, a clearer understanding of the industry which they serve".

At the Association convention held in Oklahoma City in 1987, male membership was adopted when delegates voted to change the word "women" to "individuals" in then Article IV - Membership.

In 1993 the word "energy" was inserted making it read "petroleum, energy, and allied industries".

In 1994 the wording of the purpose was changed to, "The purpose of the Association shall be to promote the education and professional development of individuals employed in the petroleum, energy, and allied industries."

In 1997 the wording of the purpose was changed to, "The purpose of the Association shall be to promote the education and professional development of individuals employed in or affiliated with the petroleum, energy, and allied industries."

In 2009 the wording of the purpose was changed to, "The purpose of the Association shall be to promote the education and professional development of individuals employed in or affiliated with the petroleum, energy, and allied industries and to educate the general public about these industries."

In 2015 the wording of the purpose was changed to, "The Association of Desk and Derrick Clubs (ADDC), an international non-profit organization, is a premier provider of energy education and professional development. ADDC's purpose shall be to

promote the education and professional development of individuals employed in or affiliated with the petroleum, energy and allied industries, and to educate the general public about these industries as well as the companies and global communities the members serve.

C. **The Association was formed to protect the name “Desk and Derrick”**; to provide a medium for the exchange of ideas; to implement our purpose of providing industry educational programs for employees of the petroleum, energy, and allied industries; and to insure the nonshareholding, noncommercial, nonprofit, nonpartisan and nonbargaining structure.

1. Nonshareholding: The Association does not issue nor own shares of stock.
2. Noncommercial and nonprofit: The Association does not engage in business or operate for the purpose of making a profit.
3. Nonpartisan: The Association is not affiliated with nor committed to the support of any political party, candidate or legislation.
4. Nonbargaining: The Association does not engage in collective bargaining or labor negotiations.

II. Governing Legislation

A. The Association of Desk and Derrick Clubs, all region funds and the individual clubs in the United States operate under Internal Revenue Tax Code Section 501(c)(6) – a Business League designation.

- B. Region Funds and individual clubs in Canada operate under:
- a. The Income Tax Act of Canada
 - b. The Federal Excise Tax Act
 - c. In the Province of Saskatchewan “The Non-Profit Corporations Act, 1995”
 - d. In the Province of Alberta, the “Societies Act”
 - e. In the Province of British Columbia, the “Societies Act”

While contributions to the organization are not charitable, they may qualify as a trade or business deduction. See General Information Section VII. C. regarding status of the Desk and Derrick Educational Trust and ADDC Foundation.

The Association of Desk and Derrick Clubs, all Region Funds and the individual clubs are required to operate in compliance with all required Legislation.

III. Association Officers and Committees

A. A President-Elect, Secretary and Treasurer are elected at Association convention by club delegates. (See Article IX of Bylaws)

1. Guidelines for Association Officers

- a. Requirements
 - (1) All nominees for regional director shall have served or currently be serving as a club president to be eligible. Nominees for all other offices shall have served or be serving as a regional director to be eligible. All nominees shall be bondable.
 - (2) All nominees for Association office, must be members employed in or retired from the petroleum, energy, and allied industries.
 - (3) Nominees for Association President-Elect must have served or be serving on the Association Board.

(4) Nominees shall possess knowledge of Desk and Derrick history and aims, and dedication to the Association's purpose.

(5) Nominees shall have sufficient time available for assigned responsibilities.

(6) Club Responsibility. Nominations for all Association offices emanate from the clubs. Before making nominations, the clubs should ascertain that their nominees meet the requirements and possess the qualifications listed above, and, if elected, will discharge the duties of the office in a manner which will reflect credit on the clubs and the Association.

- b. Suggested Qualifications for All Association Offices:
 - (1) Service on Association Committees
 - (2) Service as delegate or alternate at Convention
 - (3) Attendance at conventions, regional meetings, and seminars.
- c. The Secretary should be able to take and transcribe accurate meeting minutes.
- d. The Treasurer should have knowledge of accounting procedures and computer experience.
2. A director for each region that holds a regional meeting, is elected during regional meetings of the clubs or by mail ballot. These directors serve on the Association Board as a liaison between the clubs and the Board and also serve in an advisory capacity to the clubs in the region.

B. Association Committees, with representation in each active region (where practical), work with the clubs.

IV. Association Distribution Office

The Association Distribution Office (ADO) disseminates information to the clubs, committees, and Association Board; maintains centrally located files; and handles such Association matters as prescribed by the Association Board.

The file in the computer at ADO shall be the source for Bylaws, Standing Rules, General Information and Club General Information Sections.

V. Association Convention

A. Effective with the Convention held in 2008, bids for the Association Convention shall be made on a rotating regional basis. The revised schedule for this rotation will be Region VI (Central)-2019, Region I (Northeast)-2020, Southeast Region-2021, Western Region-2022, Central Region-2023, and Northeast Region-2024. Subsequent conventions shall follow the same rotation schedule from 2021. Any individual club within the region, a group of clubs within the region or all the clubs within a region as a group, may make bids for Convention.

B. The format of the annual convention shall be as follows: Wednesday and Thursday – Field Trips and Seminars; Friday and Saturday – Business Meetings, Open Forum, Luncheon(s) and/or Banquet(s).

C. Convention is an Association responsibility. Clubs considering bidding for convention may obtain detailed information from the Association Distribution Office on requirements and presentation of bids.

D. Invitation for Association Convention shall be presented by clubs that have first determined the cities can provide necessary and adequate facilities as outlined in the information furnished by ADO.

E. The club or region hosting the annual ADDC convention may use a convention planner (planner). The ADDC President as well as the Board Contact for that year's convention shall be included in

all correspondence associated with the research for the planner. The ADDC Board of Directors shall approve the planner and any contracts shall be signed by the ADDC President. The ADDC President as well as the Board Contact for that year's convention shall be included in all correspondence with the selected planner. Costs for the planner shall be included in the convention's budget.

- F. It is the obligation of each club's delegate to come to convention informed in order to cast the vote of the club on the following:
1. Association Officers
 2. Proposed amendments to the Association Bylaws and Standing Rules.
 3. All Association matters on the convention agenda and any other business presented.
 4. Date and site of future conventions.
- G. All accounting procedures, including collection and disbursement of Convention Funds, shall be administered by the ADO (Association Distribution Office).
- H. A budget-to-date report shall be made by the Convention Treasurer to the Association Board of Directors on a monthly basis in the calendar year of the Convention.
- I. Each convention's official printed program (agenda section) shall be approved by a majority vote of the Board of Directors at the Pre-Convention Board Meeting. Any corrections made to the program, including items other than the agenda, will be posted to the ADDC website within thirty (30) days following the end of the convention.

VI. Desk and Derrick Educational Trust and Desk and Derrick Foundation

- A. The Educational Trust is established to give assistance to individuals pursuing college degrees in subjects related to the petroleum, energy, and allied industries. Scholarships are awarded to eligible students, non-members, attending accredited colleges on a full-time or part-time basis. Contributions to the Trust may be made through the Trust Treasurer, the Trust Chairman, or ADO.
- B. The Association of Desk and Derrick Clubs (ADDCC) Foundation is established to assist the Association, its members, and others in the petroleum, energy, and allied industries to:
1. Publish or produce educational materials
 2. Conduct research; and
 3. Hold seminars and classes
- Contributions to the Foundation may be made to the Foundation Treasurer.
- C. The Trust and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue code and all donations are deductible for United States income tax purposes.

VII. Association Sales Items

All of the textbooks listed below may be sold at a mark-up by Desk and Derrick Clubs to provide educational revenue. Check for current prices.

A. D&D Standard Oil Abbreviator - Current Edition

Authored by members of the Association, this book contains abbreviations used in the petroleum industry indexed alphabetically and by meaning, logging abbreviations, map symbols, and miscellaneous useful information. Each club receives a fifteen percent (15%) discount on all purchases of ten or more copies shipped to one address. Orders must be

processed through clubs and forwarded to PennWell Books (see address below).

B. Illustrated Petroleum Reference Dictionary - Current Edition

Complete reference that provides understandable, nontechnical definition and explanation for more than 3,500 subjects. It also contains Universal Conversion Factors and D&D Abbreviator. Order from PennWell (see address below).

PennWell Books (800)752-9764 Phone
PO Box 21288 (918)831-9555 Fax
Tulsa, OK 74121

C. Fundamentals of Petroleum - Current Edition

Published by the Petroleum Extension Service, University of Texas Austin (PETEX), this book was developed from an idea of a Desk and Derrick member and may be used as a reference or textbook for special study courses. Use the link to PETEX on the ADDC Web site for ordering information.

D. Land and Leasing

A Comprehensive, understandable study of land ownership, transfer, and leasing that are basic to an understanding of that aspect of the petroleum industry. Published by PETEX. May be used as a reference or textbook for special study course. Use the link to PETEX on the ADDC Web site for ordering information.

E. Practical Petroleum Geology

Reference or textbook presenting the scope and content of the field of petroleum geology from the standpoint of the practicing petroleum geologist. Published by PETEX. Use the link to PETEX on the ADDC Web site for ordering information.

VIII. ADO – Information, Videos and ADDC Display

- A. Forms and other helpful guidelines can be obtained from the ADDC Web site or by contacting the ADO directly.
- B. Videos, films and DVDs may be ordered through ADO using the "Video Film Request" form. ADO will send the orders "UPS Insured", with an invoice to cover the UPS charges.
- C. ADDC display materials (for trade shows, etc.) can be ordered through ADO using the "ADDCC Display Request" form. ADO will send the orders "UPS Insured", with an invoice to cover the UPS charges.

All ADDC committees and clubs have access to the videos and display materials, so advance planning and requests are suggested. Checks or money orders for shipping charges should be made payable to "Association of Desk and Derrick Clubs."

IX. Desk and Derrick Awareness Month

March of each year shall be celebrated as "Desk and Derrick Awareness Month." Clubs should use this opportunity to promote their club and the Association in their respective areas through various activities and the media, helping to build and retain a positive community image.

CLUB GENERAL INFORMATION SECTION

I. Organization of a Club

- A. It is the responsibility of the regional directors to organize new clubs in the United States and Canada. When individual members or clubs are requested to assist in organizing a new club, such

requests should be referred promptly to the regional director. Neighboring clubs or members may also be asked to lend encouragement or visit the organizing group.

- B. When a regional director receives an inquiry, if the group is eligible for membership in Desk and Derrick, the director should request that ADO send the New Club Organization Guide. The director should also offer the group any assistance, as needed. If the membership potential is too small for a new club, interested individuals may be encouraged to join an existing club in a neighboring community. The director should keep in close contact with groups in order to maintain momentum and to answer questions about the Organization Guide and procedures.
- C. Formal procedures listed in Article V, Section 1 of the Association Bylaws should be followed, and documents must be submitted as outlined in the New Club Organization Guide before a club may affiliate with the Association.
- D. Inquiries for groups outside the United States and Canada concerning membership in the Association shall be referred to the Association President. Under authority of the Bylaws, any person or committee may be appointed to assist. If the group decides to form a Desk and Derrick Club, formal application must be made in accordance with Article V, Section 1(a)(2).

II. BYLAWS

- A. A current electronic copy of all Region and Club Bylaws shall be maintained by the Club Bylaws/Guidelines Review Committee and by ADO.
- B. Region and Club Bylaws shall be submitted according to the Club Bylaws/Guidelines Review Committee guidelines at least once every four (4) years per the committee's guideline procedures and Exhibit E, Bylaws Review Schedule spreadsheet.
- C. Clubs shall not be eligible to have a voting delegate at any Association meeting (Region or Convention) until the Club Bylaw/Guidelines Review Committee Chairman has confirmed compliance.
- D. Club Bylaws updated only to conform to updated ADDC Bylaws, Standing Rules, and Code of Ethics are not required to be reviewed beyond the scheduled period.
- E. Club Bylaws amended for any other reason other than to conform to D. above must be reviewed in the year the amendments are approved by the club.

III. Membership

- A. Benefits for Members
 - 1. Knowledge of petroleum, energy, and allied industries gained from programs, field trips, seminars, special study courses, conventions, and regional meetings.
 - 2. Personal and business horizons expanded by contact with industry leaders and other employees.
 - 3. Development of public speaking talents and leadership ability through active participation.
- B. Transfer of Membership

A member of any club may transfer to another club during the year without any exchange of dues. A letter of transfer (see the Clubs Forms section on the ADDC website), stating that the member is in good standing with the current club, may be

requested of the current club president to be forwarded to the new club.

C. Guidelines for Membership Eligibility

- 1. The Membership Committee for the club shall investigate local circumstances and make recommendations concerning eligibility of applicants and of renewing members where eligibility may be questioned. The club's Board of Directors shall be empowered to make the final determination. If the Board of Directors is unable to make such determination, they may contact the regional director who may request a ruling from the Association Rules Committee. Any ruling rendered by this committee, or by the Association Board of Directors upon appeal, is binding upon the club and failure to abide by such ruling could subject the club to disciplinary action or suspension as provided in Article V, Section 1 (d) of the Association Bylaws.
- 2. Descriptions of membership qualifications may not be all-inclusive. Check with the local club membership committee or the Association Rules Committee regarding specific interpretations.
 - a. Membership may be granted to individuals actively employed in, affiliated with, or retired from the petroleum, energy, and allied industries as well as individuals interested in increasing their knowledge about these industries; to former Desk and Derrick members; and to individuals who are enrolled in an accredited course of study with a declared major in the petroleum, energy, and allied industries.
 - (1) Retirement is defined as when an individual has been officially retired by the employer, having reached a specific age, or having worked a specific number of years.
 - (2) An individual may also be considered retired when he or she is no longer working and is eligible for Social Security retirement income.
 - b. Members of a club who work in or are retired from the petroleum, energy, and allied industries but have relocated to an area where there is no Desk and Derrick Club shall apply to the club of their choice.
 - c. Individuals employed in or affiliated with the petroleum, energy, and allied industries who do not have a Desk and Derrick club in close proximity may submit an application to ADO, which will forward it to the regional director for that area who will forward it to a club for application.
 - d. Members of a club which has disbanded and who live in an area where there is no Desk and Derrick Club shall apply to the club of their choice, located within their geographic region. If disbandment occurs in the current year, the application shall be handled as a transfer of membership.
 - e. Students enrolled in an accredited course of study with a declared major in the petroleum, energy, or allied industries may apply to the nearest Desk and Derrick Club for membership.
 - f. Former members who left the Association in good standing are eligible for membership at any time.
 - g. Former members who rejoin must have five (5) consecutive years of membership in good standing for previous years to be considered toward total service years.
- 3. Honorary Membership
 - a. Honorary membership may be granted to an individual by a club but should be granted only for distinguished service to the club. Membership in Desk and Derrick is not a requirement for this type of membership.

(1) Such Honorary membership is perpetual unless rescinded or qualified by the club's bylaws.

(2) The Honorary member title is a complimentary title in the granting club only. It does not confer membership in Desk and Derrick but grants only the privilege of attending meetings of the club and speaking on pending questions.

- b. A majority vote of the club's membership should be required to award Honorary membership.
- c. Association dues are not required for a person holding only Honorary membership; however, if the granting club desires to have the Honorary member receive the Association mailings and publication, the current Association dues must be remitted for the Honorary member.
- d. If the title of Honorary member is granted to a current member, the club has the right, but not the obligation, to vote to pay all or a part of the honoree's dues. It is recommended that this decision be made at the time Honorary membership is granted.

4. A Member-At-Large membership may only be conveyed by the ADDC Board of Directors. (See ADDC Bylaws Article V, Section 2.)

IV. Educational Program Guidelines

- A. A minimum of five program presentations shall be at membership meetings, field trips or seminars. Four programs shall be devoted to the petroleum, energy, or allied industries. (Desk and Derrick Club members are encouraged to present these programs, whenever feasible.)
- B. The remaining presentation may be on Desk and Derrick Orientation, Bylaws, socio-economic responsibilities, or professional self-development Clubs may choose to combine orientation with an industry-related program or conduct orientation at another time.
- C. Presentations which are made by or on behalf of a company to its employees qualify as educational programs.
- D. Installation of officers and Industry Recognition Nights by themselves are not within the educational requirements of the Association; however, they are acceptable if presented in conjunction with an industry-related program.
- E. Program reports shall be submitted monthly per instructions shown on the ADDC Program Report form.

V. Club Social, Welfare, Civic and Other Activities

- A. Desk and Derrick clubs are encouraged to seek opportunities within their respective communities and states/provinces to foster a better understanding of the industry through educational programs which will promote the contributions of the industry. By reaching out through social, civic and charitable organizations and community affairs programs, we will meet that goal and expand our membership through a positive image. Participation in community affairs on the club level should not interfere with the purpose of the Association. Individual participation by club members, of course, is not prohibited.
- B. Fund raising is permissible where necessary to further the Association's educational purpose. Proper records and reporting must be maintained and filed in accordance with the tax-exempt status of the Association and clubs. (See Standing Rule 9, a through d, for additional information on fund-raising requirements.)

C. Clubs should use discretion in the operation of Employment Committees and caution should be exercised in describing the functions of this committee in club bulletins.

D. Donations may be made by a club to a charitable organization. If the organization is not a well known National or International charitable organization (i.e. American Red Cross), the organization needs to provide a copy of its exemption letter from a governing agency (i.e. Internal Revenue Service) and verify in writing that the funds will be used for charitable purposes as intended. This information should be maintained in a file at the ADO.

VI. Scholarship Guidelines

A. The Association of Desk and Derrick Clubs ("ADDC") and member Clubs in the United States operate under Internal Revenue Tax Code Section 501(c)(6), a Business League designation.

Contributions to section 501(c)(6) organizations are not deductible as charitable contributions on the donor's federal income tax return. They may be deductible as trade or business expenses if ordinary and necessary in the conduct of the taxpayer's business.

B. Since Section 6113 of the Internal Revenue Code provides that certain tax-exempt organizations that are not eligible to receive tax deductible charitable contributions must disclose, in any **fundraising solicitation* (see below), "an express statement (in a conspicuous and easily recognizable format)" that contributions to the organization are not deductible for federal income tax purposes as charitable contributions.

**A fundraising solicitation* is any solicitation of contributions or gifts made in written or printed form or by television, radio, or telephone.

C. The use of the term "scholarships" is discouraged for fundraising solicitation unless the total amount of the monies received is designated to be used exclusively for scholarship grants. You might consider "benefitting scholarships and educational programs" or "benefitting students and educational programs".

D. All solicitations, whether verbal or written, should include the following statement: "The Association of Desk and Derrick Clubs and all member clubs operate under Internal Revenue Tax Code Section 501(c)(6), a Business League designation. Contributions are not deductible for federal income tax purposes as charitable contributions however they may qualify as a trade or business deduction. Contact your tax advisor to determine whether a contribution may be deducted as a trade or business expense."

E. Guidelines for the application and awarding of scholarship grants (scholarship program) should be established in a written format whether a committee appointed by the club or an outside source reviews and selects the recipient(s) of the grants.

Some points that should be included:

- 1. The scholarship program shall be conducted in an objective and nondiscriminatory basis.
- 2. A description of the eligibility requirements for scholarships.
- 3. The items that will be considered in selecting scholarship recipient(s) (e.g. the judging criteria which may include academic performance, performance on tests designed to measure ability and aptitude, recommendations from instructors, financial need, and conclusions the selection

committee may draw from a personal interview or essay as to an individual's potential ability and personal character).

4. A description of how the scholarship program is advertised to eligible individuals.
5. The amount of each scholarship and the number of scholarships to be awarded each year.
6. Any requirements for maintaining a scholarship for additional years (e.g. the individual must continue to pursue a degree at an approved educational institution and maintain a certain grade-point average).
7. A description of the procedures used to ensure that scholarship funds are used for the intended purposes and the steps the club will take in the event that a recipient violates the terms of the scholarship.
8. A description of the selection committee and a statement that selection committee members shall not be in a position to derive a private benefit if one candidate is chosen over another.
9. The club should also attach a copy of the scholarship application and any materials used to advertise the availability of the scholarships to the written guidelines.

F. Receipt and Distribution of Monies

The monies received for a scholarship program, whether through donations or fundraising activities, shall be included in the gross revenue reported on IRS Form 990 for that year.

Form 990-N Filing Requirement

Clubs that are included in the group exemption and have annual gross receipts under \$50,000 (25,000 for tax years ending before December 31, 2010) must file Form 990-N electronically with the Internal Revenue Service by the 15th day of the 5th month after the close of the club's tax year (May 15th for calendar year filers). There is no provision to print and mail a hard copy of this form. The form must be filed electronically. Please enter the date that you electronically file the Form 990-N on the line provided on the TAXE1. If you do not have internet access and are unable to find someone who does, please contact the Tax Exempt Chairman-US (TECC). The IRS will send an email to the email address of the person filing the Form 990-N once the Form 990-N is accepted. Please forward a copy of this email to the TECC." Refer to ADDC forms TAXE1 and TAXE2 for additional filing information. Clubs with annual gross receipts in excess of the Form 990-N filing threshold must file either Form 990 or Form 990-EZ depending on the total amount of gross receipts.

Special Note: If the funds for scholarships are maintained in an interest bearing account, the interest earned should be considered in your gross revenue for the year in which the interest was earned.

ADDC cannot give legal or accounting advice so it is in the best interest of the club to have an attorney and/or your CPA review your scholarships procedures and accounting.

VII. Social Media Guidelines

A. Approval Process

1. A club may not establish a social media site without the approval of the Association Board of Directors (ADDC). Any site using the name of ADDC, D&D, Desk and Derrick and/or the ADDC logo without prior approval is in violation of ADDC Standing Rule 7.
2. ADDC Form 51SM shall be submitted for approval to the Region Director and forwarded to the Board of Directors

3. The following disclaimer must be included on the site: "The Association of Desk and Derrick Clubs is not liable for any information included on this site."

4. The following social media sites are **suggested**:

- a.) Facebook
- b.) Twitter
- c.) LinkedIn
- d.) YouTube
- e.) Instagram

B. Purpose

The use of the site shall be for communication purposes only including but not limited to meeting dates and times; field trip information; educational material. All information posted shall be verified for accuracy prior to posting. Members shall not use ADDC as a method to promote or advertise any product or service that is not related to ADDC.

C. Site Administrator

The club shall appoint a site administrator(s). The administrator shall monitor the site at all times. No one shall have access to the site without prior approval from the administrator. Nothing shall be posted to the site without prior review by the administrator.

D. Privacy

The use of an individual's name on the site shall only be allowed with prior approval from that individual using ADDC Form 51SM. Reference to any individual shall be by name only; initials, monikers, and titles in referring to any individual shall not be condoned.

No personal information shall be posted on the site.

E. Posting Protocol

The ADDC Ethics and Code of Conduct shall apply to all postings.

All postings shall be respectful.

No third party applications shall be allowed on the site; these include but are not limited to games, polls, quizzes, etc.

F. Violations

Any violation of the guidelines will be referred to the Board and shall result in a written/e-mail request to the club president and/or site administrator from the Board, via the appropriate Regional Director, requesting the site be terminated or brought into compliance with the guidelines within seven (7) days of receipt of request. Upon notification of violation of the guidelines, the club will be considered a "club not in good standing" until the site has been terminated or brought into compliance with the guidelines.

General Information Section

Last amended: January 2021