

**BYLAWS**

**of the**



**NATIONAL ENERGY SERVICES ASSOCIATION**

Revised and Adopted October 8, 2009

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**ARTICLE I**

**NAME & LOCATION**

Section 1. The name of this organization shall be the National Energy Services Association (hereafter designated as NESA or the “Association”), a not-for-profit corporation incorporated in the State of Minnesota and qualified to do business in the State of Texas.

Section 2. Offices of the Association shall be located in Houston, Texas and/or in such other localities as may be determined by the Board of Directors.

**ARTICLE II**

**OBJECTIVES**

The Objectives of this Association shall be:

- (1) To encourage and sponsor the development and welfare of the Energy industry for the benefit of the industry and its customers.
- (2) To foster the exchange of information and ideas among its members.
- (3) To collaborate with other organizations in mutually desirable activities.
- (4) To acquire, preserve and disseminate data and valuable information relative to the field of Energy.
- (5) To develop and encourage the practice of high standards of personal and professional conduct among those engaged in the field of Energy.
- (6) To conduct and participate in courses of study for the benefit of persons in the Energy field, and to hold meetings and conferences for the mutual improvement and education of members.
- (7) To do any and all things not specifically enumerated or prohibited herein designed or intended to accomplish said Objectives.

Subject to prior approval of the Board of Directors, the Association may take a position and/or express an opinion on issues directly and generally affecting the Energy Industry.

## **ARTICLE III**

### **MEMBERSHIP**

Section 1. Qualification: Voting Membership in this Association shall be composed of persons who are engaged in the Energy Industry. All such persons seeking membership shall agree to comply with the Association's Bylaws and Standards of Conduct, as approved by the Board of Directors.

An unemployed Voting Member who is seeking employment in the Energy Industry may continue to hold membership for one additional full membership year past the current membership year for which dues payment has been made. Such members may also continue to serve on the NESAs Board and/or Committees for the remainder of the then current fiscal year.

Section 2. Voting Membership: Voting Membership in this Association shall be limited to persons engaged in the Energy Industry and who have paid the membership dues for the current fiscal year.

Section 3. Honorary Life Members: Honorary Life members shall retain voting rights. Waiver of annual dues may be conferred upon members of the Association at such time and under such terms as the Board of Directors shall determine. Honorary Life Memberships will automatically be conferred upon Past Chairmen of the Board.

Section 4. Application for Membership: All applicants for membership shall complete and sign the form of application provided by the Association and submit the application to the Association. Such application shall include an agreement by the applicant to abide by the Association's Bylaws and Standards of Conduct.

Section 5. Removal: Members may be removed from membership by the Board of Directors for cause by a three fourths vote of a quorum of the Board of Directors. For any cause other than non-payment of dues, removal shall occur only after the member complained against has been advised of the complaint lodged against him/her and has been given reasonable opportunity for response. Such member, if removed, may appeal the decision to the Board of Directors at its next regularly scheduled meeting, providing that notice of intent to appeal is provided in writing to the President at least ten (10) days in advance of the meeting. The Board of Directors shall be obligated to render a final decision within thirty (30) days of the appeal.

Section 6. Resignation: Any member may resign by filing a written resignation with the President, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, or other charges theretofore accrued and unpaid.

## **ARTICLE IV**

### **DUES**

Section 1. Establishment of Dues: Dues shall be established by the Board of Directors.

Section 2. Delinquency and Cancellation: Any member of the Association who shall be delinquent in dues for a period of sixty (60) days from the time dues become due, shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership, until dues are paid.

Section 3. Refunds: No dues shall be refunded to any member whose membership terminates for any reason.

## ARTICLE V

### MEETINGS OF MEMBERS AND VOTING

Section 1. Annual Meeting: The Annual Meeting of the Association shall be held at such place and on such dates as may be determined by the Board of Directors.

Section 2. Special Meetings: Special meetings of the Association may be called by the Board of Directors at any time; or shall be called by the Chairman of the Board upon receipt of a written request by ten (10) percent of the Voting Members, within thirty (30) days after the filing of such request with the President. The business transacted at any special meeting shall be stated in the notice thereof, and no other business may be considered at that time.

Section 3. Notice of Meetings: Written notice of any meeting of the Association shall be sent to the last known address of each member not less than ten (10) days before the date of the meeting.

Section 4. Voting: At all meetings of the Association each Voting Member shall have one (1) vote, and may take part and vote in person only, except as otherwise specified herein. Unless otherwise specified by these Bylaws, a majority vote of those Voting Members present and voting shall govern.

Section 5. Voting by Mail or Electronic Means: Proposals to be offered to the members for a mail or electronic means vote, excepting election ballots, shall first be approved by the Board of Directors unless the proposal is endorsed by ten (10) percent of the Voting Members in which case Board approval shall not be necessary. On any mail or electronic means vote, a majority of all votes cast shall govern.

Section 6. Quorum of Members: At an annual or special meeting of members, a quorum shall consist of the Voting Members in attendance.

Section 7. Cancellation of Meetings: The Board of Directors may cancel any Annual or special meeting for cause.

Section 8. Rules of Order: The meetings and proceedings of this Association shall be regulated and controlled according to "Roberts Rules of Order (revised)" for parliamentary procedure, except as may be otherwise provided by these Bylaws.

## ARTICLE VI

### OFFICERS

Section 1. Elected Officers: The elected officers of this Association shall be a Chairman of the Board, the Immediate Past Chairman of the Board, a Vice Chairman of the Board, and a Secretary/Treasurer to be elected by the membership at the Annual Meeting of the Association and to serve until their successors have been duly elected and assume office. The Chairman of the Board shall succeed to the Immediate Past Chairmanship automatically.

Section 2. Qualifications for Office: Any Voting Member in good standing shall be eligible for nomination and election to any elective office of this Association, provided he/she shall have served at least one (1) year previously as a member of the Board of Directors.

Section 3. **Nomination & Election of Officers:** In accordance with the procedure specified in Article X, Section 1(b), the Nominating Committee shall prepare and submit to the members prior to the Annual Meeting a nomination for each of the three (3) elected offices of the Association. Any Person so nominated shall have given his/her prior consent to nomination and election as an officer.

Section 4. **Term of Office:** Each elected officer shall take office on January 1 of the coming year and shall serve for a term of one (1) year or until his/her successor is duly qualified and elected. Each elected officer shall serve concurrently as a member of the Board of Directors and as a member of the Executive Committee.

Section 5. **Vacancies-Removal:** Vacancies in any elective office may be filled for the balance of the term thereof by the Board of Directors upon recommendation of the Nominating Committee. The Board of Directors, in its discretion, by a three fourths vote of a quorum, may remove any officer from office for cause.

## **ARTICLE VII**

### **DUTIES OF ELECTED OFFICERS**

Section 1. **Chairman of the Board:** The Chairman of the Board shall also serve as Chairman of the Executive Committee. He/she shall also serve as a member, ex officio, with right to vote, on all committees. He/she shall make appointments of standing and special committees as specified in Article X, Section 2.

At the Annual Meeting of the Association and at other such times as he/she shall deem proper, the Chairman shall communicate to the members such matters and make such suggestions as may in his/her opinion tend to promote the welfare and increase the usefulness of the Association. He/she shall perform such other duties as are necessarily incident to the office of the Chairman or as may be prescribed by the Board of Directors.

Section 2. **Immediate Past Chairman of the Board:** The Immediate Past Chairman of the Board shall serve as Chairman of the NESAs Nominating Committee.

Section 3. **Vice Chairman of the Board:** The Vice Chairman of the Board shall be the Chairman-elect and shall succeed to the Chairmanship pursuant to Article 6, Section 3 of these bylaws. His/her duties shall be as delegated or assigned to him/her by the Chairman of the Board or the Board of Directors. The Vice Chairman of the Board shall perform the duties of the Chairman in the event of his/her inability to serve.

Section 4. **Secretary/Treasurer:** The Secretary/Treasurer shall oversee the Association's funds and records; the collection of all member dues and/or assessments; the establishment of proper accounting procedures for the handling of the Association's funds, and shall report on the financial condition of the Association at all meetings of the Board of Directors and at other times when called upon by the Chairman of the Board.

The Secretary/Treasurer of the Association shall be responsible for the proper recording of proceedings of meetings of the Association and its Board of Directors and shall see that accurate records are kept of all members. Such duties of the Secretary/Treasurer as may be specified by the Board of Directors may be delegated by the Board of Directors to the President.

## ARTICLE VIII

### BOARD OF DIRECTORS

Section 1. Authority and Responsibility: The governing body of this Association shall be the Board of Directors. The Board of Directors shall have supervision, control and direction of the affairs of the Association, its committees and publications; shall determine its policies or changes therein; shall actively pursue its objectives and supervise the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to the Executive Committee.

Section 2. Composition: The Board of Directors shall consist of the Chairman of the Board, the Immediate Past Chairman of the Board, the Vice Chairman of the Board, the Secretary/Treasurer, the President of the Association and up to twelve (12) Directors-at-Large who shall be Voting Members of the Association who shall be elected as herein provided and who shall be in addition to the five (5) Officers prescribed.

Section 3. Manner of Election and Term: Directors-at-Large shall be elected at the Association's Annual Meeting by a vote of the members. Directors shall be elected each year to serve for a term of three (3) years or until their successors have been elected and assume office.

Section 4. Nominations: The Nominating Committee, acting in accordance with Article X, Section 1(c) of these Bylaws, shall present to the membership at least one (1) nomination for each seat on the Board which is vacant or is about to expire.

Section 5. Quorum of the Board: At any meeting of the Board of Directors, a majority of members of the Board shall constitute a quorum for the transaction of the business of the Association and any such business thus transacted shall be valid providing it is affirmatively passed upon by a majority of those present.

Section 6. Meetings of the Board: A regular meeting of the Board of Directors shall be held no less than three (3) times during each administrative year at such time and at such place as the Board may prescribe. Notice of all such meetings shall be given to the Directors not less than thirty (30) days before the meeting is held. Special meetings of the Board may be called by the Chairman of the Board or at the request of any three (3) Directors by notice mailed, via electronic means, delivered, telephoned or telegraphed to each member of the Board of Directors not less than seventy-two (72) hours before the meeting is held.

Section 7. Voting: Voting rights of a Director shall not be delegated to another nor exercised by proxy.

Section 8. Voting by Mail or Electronic Means: Action taken by a mail ballot of the members of the Board of Directors, or by electronic means, shall be a valid action of the Board of Directors and shall be reported at the next regular meeting of such Board of Directors.

Section 9. Absence: Any elected Officer or Director who shall have been absent from two (2) consecutive regular meetings of the Board of Directors during a single administrative year shall automatically vacate the seat on the Board of Directors and the vacancy shall be filled as provided by these Bylaws; however, the Board of Directors shall consider each absence by an elected Officer or Director as separate circumstance and may expressly waive such absence by affirmative vote of a majority of its members in attendance.

Section 10. Vacancies and Removals: Any vacancy occurring on the Board of Directors between Annual Meetings shall be filled by the Board of Directors upon recommendation of the Nominating Committee. A Director so elected to fill a vacancy shall serve the unexpired term of his predecessor.

The Board of Directors may by affirmative vote of three-fourths of its members, remove any Director for cause at a regular or special meeting.

Section 11. Compensation: With the exception of the NESA President, Directors and elected Officers shall not receive any financial remuneration for their services.

Section 12. Indemnification: Every Director, Officer, employee of the Association and others as specified from time to time by the Executive Committee, shall be indemnified by the Association against all expenses and liabilities including legal fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party, or in which they may become involved, by reason of being or having been a Director, Officer or employee of the Association, or any settlement thereof, whether the person is a Director, Officer or employee of the Association at the time such expenses are incurred, except in such cases wherein the Director, Officer or employee of the Association is adjudged guilty of willful misfeasance or malfeasance in the performance of duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which the indemnified may be entitled.

## **ARTICLE IX**

### **EXECUTIVE COMMITTEE**

Section 1. Authority and Responsibility: The Executive Committee may act in place and stead of the Board of Directors between Board meetings on all matters, except those specifically reserved to the Board by these Bylaws.

The Committee shall prepare and monitor the annual budget and make recommendations to the Board of Directors regarding the Association's finances. The Committee may perform such other duties in connection with the finances of the Association as the Board may determine from time to time.

Section 2. Composition and Election: The Executive Committee shall consist of five (5) members of the Board of Directors, including the Chairman of the Board as Chairman of the Committee, the Immediate Past Chairman of the Board, the Vice Chairman of the Board, the Secretary/Treasurer, and the President of the Association.

Section 3. Quorum-Call of Meetings: A majority of the Executive Committee shall constitute a quorum at any duly called meeting of the Committee. The Chairman shall call such meetings of the Executive Committee as the business of the Association may require, or a meeting shall be called by the President of the Association on request of three (3) members of the Executive Committee.

Section 4. Vacancies: Any vacancy occurring on the Executive Committee shall be filled in the manner provided for in Article VI, Section 6 of these Bylaws. Any committee member so elected to fill a vacancy shall serve the unexpired term of his/her predecessor.

## **ARTICLE X**

### **SPECIAL AND STANDING COMMITTEES**

Section 1. Nominating Committee: (a) The Nominating Committee shall consist of members of the Executive Committee. (b) The Committee shall recommend a new slate of officers of the Association, consisting of a Chairman of the Board, a Vice Chairman of the Board and a Secretary/Treasurer to the Board of Directors for approval. Slate will be announced to the Membership at Large thirty (30) Days prior to the Annual Meeting and voted on by the Voting Membership in attendance. (c) The Committee shall make all best efforts to maintain a numerical balance of Board members with regard to Voting Membership representation. The Committee will notify the entire membership of its selections at least thirty (30) days prior to the Annual Meeting.

Section 2. Special Committees: The Chairman of the Board, with approval of the Board of Directors, shall appoint such other committees, subcommittees or task forces as are necessary and which are not in conflict with other provisions of these Bylaws, and the duties of any such committees shall be prescribed by the Board of Directors upon their appointment.

## **ARTICLE XI**

### **EXECUTIVE AND STAFF**

Section 1. Appointment: The Board shall employ a salaried chief executive who shall have the title of President and Chief Executive Officer of the Association and whose terms and conditions of employment shall be specified by the Executive Committee in a mutually agreed upon contract. The Executive Committee shall have the authority to determine the ongoing compensation and other financial arrangements of the Association Staff.

Section 2. Authority and Responsibility: The President, as Chief Executive Officer of the Association, shall manage and direct all activities of the Association subject to the policies of the Board of Directors and through the office of the Chairman of the Board. The President, with the approval of the Executive Committee, shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association and fix their compensation within the approved budget. The President shall define the duties of the staff, supervise their performance, establish their titles and delegate those responsibilities as shall, in his judgment, be in the best interests of the Association.

## **ARTICLE XII**

### **FINANCE**

Section 1. Fiscal Period: The fiscal period of the Association shall be prescribed by the Executive Committee with the approval of the Board of Directors.

Section 2. Bonding: Trust or surety bonds shall be furnished by the Association for the Chairman of the Board, the President, the Secretary/Treasurer and such other individuals or employees of the Association as the Board of Directors shall direct. The amount of such bonds shall be determined by the Board and the cost paid by the Association.

Section 3. Budget: With recommendations of the Executive Committee, the Board shall adopt in advance of the next fiscal period an annual operating budget covering all activities of the Association.

The Secretary/Treasurer shall make available to the membership within sixty (60) days following the end of each annual fiscal period a financial report for the year just completed.

Section 4. Accounting: The accounts of the Association shall be reviewed by an accounting firm approved by the Executive Committee, not less than every two years and reported to the Board of Directors once said review is complete.

## **ARTICLE XIII**

### **DISSOLUTION**

The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws and no part of said funds shall inure, or be distributed, to the members of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, scientific, or philanthropic organizations selected by the Board of Directors.

## **ARTICLE XIV**

### **AMENDMENTS**

Section 1. Methods: Amendments to or repeal of these Bylaws are proposed for action either by the Board of Directors or by petition to the Board of Directors of at least ten (10) percent of the Voting Membership.

Section 2. Approval: Amendments to or repeal of these Bylaws shall be approved by: a majority affirmative vote of the Voting Members voting and present at an Annual Meeting or special meeting of the Association, duly called, provided written notice of the proposed changes have been sent to the Voting Members at least thirty (30) days before such meeting; or by mail or electronic means ballot as specified in Article XIV, Section 3.

Section 3. Mail or Electronic Means Ballots: A mail or electronic means ballot, as defined in Article V of these Bylaws, may be utilized for the adoption, amendment and/or repeal of these Bylaws. Mail or electronic means ballot amendments that receive a majority of the total vote become part of these Bylaws. The effective date of any amendment is immediate, unless otherwise specified in the amendment.

Section 4. Dissemination: The amendments shall be distributed to the membership.



**NATIONAL ENERGY SERVICES ASSOCIATION**

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