

**THE NATIONAL DRILLING ASSOCIATION
CONSTITUTION AND BYLAWS
(Revised December 2014)**

ARTICLE I--NAME AND LOCATION:

- Section 1 Name - The name of this association is The National Drilling Association, Inc. (NDA) This association was created from a merger of The Diamond Core Drilling Manufacturers Association, The National Drilling Contractors Association, and the International Drilling Federation.
- Section 2 Location - The principal office of the Association shall be established by the Board of Directors, and need not be identical with the registered office required by the "General Not-For-Profit Corporation Act" of the Commonwealth of Pennsylvania.

ARTICLE II--PURPOSE:

The purpose of the Association is to promote the common business interest of all parties engaged in sub surface exploration; to provide an organization whereby the ethical interests of new and existing drilling oriented groups, associations, corporations, and individuals may be brought together for the purpose of providing continuity of their common goal. The industry represented by the Association shall include those involved in the manufacturing, sale, and use of drilling rigs and equipment and others whose activities share the common business interest of the industry. The Association shall, among other things:

- Section 1 Promote a spirit of helpful cooperation among its members.
- Section 2 Collect and disseminate information of value to its members and to the general public.
- Section 3 Foster trade and commerce in the drilling business.
- Section 4 Recommend and promote technical standards for drilling rigs and related drilling products for the benefit of consumers of these products and the drilling industry as a whole.
- Section 5 Gather and report meaningful statistics to reflect the magnitude of the industry and to provide a source of negotiating strength for the association.
- Section 6 Promote certification of drillers and acceptance of the certification program.
- Section 7 Promote the formation of local chapters based on geographical or market areas.
- Section 8 Appear for its members before governmental departments and agencies and other bodies in regard to matters affecting the industry.
- Section 9 Conduct trade shows, educational seminars, symposiums and informal discussions in an effort to promote the interests of its members.
- Section 10 Promote the common and lawful business interests of its members but not engage in business of the kind ordinarily carried out for profit or perform particular services for its members or individual persons as distinguished from activities to improve the business conditions and lawful interests of all its members.

ARTICLE III--MEMBERSHIP:

Section 1 There shall be three classes of membership in the Association.

1. Regular Membership

A. Contractor - any persons, firms, companies and/or corporations who own and operate one or more drill rigs and who contract for services (domestic or foreign).

B. Not for Hire Owner/Operator - any persons, firms, companies and/or corporations who own and operate one or more drill rigs (domestic or foreign).

C. Manufacturer - any persons, firms, companies and/or corporations who manufacture products for sale to the drilling industry (domestic or foreign).

D. Supplier/Distributor - any persons, firms, companies and corporations who do not manufacture but who sell products to the drilling industry (domestic or foreign).

E. Consultant/Engineering - any person, firm, company and or corporation that is involved in the drilling industry (domestic or foreign).

2. Associate Membership

A. Any persons, firms, companies, corporations, government agencies and/or associations interested in the welfare and success of the subsurface exploration industry and not eligible for regular membership (domestic or foreign).

B. Students or employees of member government agencies. - any persons pursuing a course of study as a graduate or undergraduate student on a full time basis leading to a career in the profession.

C. Retired - any person retired from the industry.

3. Honorary Life Membership

Limited to persons elected to such membership by a unanimous vote** of the Board of Directors.

Section 2 Application for membership in the Association shall be made by completing an application online by fax or mail*. It shall contain acceptance of an agreement to abide by the constitution and bylaws. When the application is approved by the Board of Directors or a duly approved committee, the applicant shall thereupon become a member.

Section 3 Each regular member corporation, partnership, or individual is entitled to only one vote in person or by written ballot to the NDA Management Office.

Section 4 Membership in the Association shall be personal to the holder, and any purported sale, assignment, transfer, or encumbrance of such membership or of operation of law shall be

wholly void and shall confer no rights upon the purported purchaser, assignee, transferee, or claimant; provided, however, that the Board of Directors at its discretion may, by proper vote, expressly consent to the transfer of a membership and to the acceptance of the transferee as a member of the Association.

Section 5 By a majority vote** of the Board of Directors of the Association taken at a meeting thereof, any member or representative of a member may be removed for cause including non-attendance. Removal shall occur only after the member complained against has been advised of the charge and has been given reasonable opportunity to respond either in writing or orally before the Association. A majority is defined here as “A majority of those present”.

ARTICLE IV--MANAGEMENT OF THE ASSOCIATION:

Section 1 The affairs of the Association shall be conducted by a Board of Directors which will constitute the legal governing body of the Association. The Board of Directors shall consist of:

A. The President who shall preside at all meetings, and shall supervise and control business and affairs of the Association. The President shall be an ex-officio member of all committees of the Board.

B. The Vice President who shall perform the duties of the President in the event the President is disabled or otherwise absent from meetings, and shall perform such duties as directed by the President.

C. The Secretary/Treasurer who shall be responsible for the minutes of all business meetings, for all moneys received and disbursed by the Association, and other duties as may be assigned by the President or the Board of Directors.

D. The Immediate Past President who shall serve in an advisory capacity and chair the nominating committee. In the event that there is no Immediate Past President, as an option, the board may appoint a “Director at Large” to fill this position. A “Director at Large” is not required to chair the nominating committee.

E. Ten Directors –Nine from the regular membership and one from the DCDMA Committee.

F. The Executive Director or Management Company, if any, shall be contracted by the Board at its pleasure and shall be responsible for the day-to-day business of the Association and other duties assigned by the Board. The Executive Director or Management Company shall provide the Association with a fidelity bond.

Section 2 At no time shall there be more than one member of the Board of Directors employed by any particular member company.

ARTICLE V--BOARD OF DIRECTORS:

Section 1 The affairs of the Association shall be conducted by a Board of Directors consisting of the

President, the Vice President, the Secretary/Treasurer, the Immediate Past President or Director at Large of the Board and ten Directors. All members of the Board of Directors at all times shall consist of those persons who are employees of regular association members in good standing.

- Section 2 Length of Service - The term of the President, Vice President, Secretary/Treasurer, and Immediate Past President or Director at Large shall be two (2) years. The terms of the other directors shall be two years with one-half of the directors being elected in alternate years.
- Section 3 Election - The President, Vice-President, and Secretary-Treasurer and all Directors shall be elected by mail* ballot with each voting member being entitled to one vote. The DCDMA Committee representative shall be elected by ballot from the DCDMA Committee. No member whose dues are 90 or more days in arrears shall have the right to vote. Ballots are due to be returned to the NDA Office within 10 days of the date noted on the ballot and they will be counted on the eleventh day. (Weekends Included)
- Section 4 Filling Vacancies - Vacancies on the Board of Directors by reason of death, resignation, or otherwise may be filled by the remaining members of the Board of Directors for the unexpired term.
- Section 5 Meetings - Except that the Board shall have a regular meeting at the time and place of the annual meeting, the Board shall meet upon call of the president at such times and places as he may designate but not less than twice each year, and shall be called to meet upon demand of a majority of its members. Notice of all meetings of the Board of Directors shall be sent by mail* to each member of the Board at his last recorded address at least ten (10) days in advance of such meetings.
- Section 6 Quorum - A majority of the whole Board shall constitute a quorum at any meeting of the Board. Any less number may adjourn from time to time until a quorum is present.
- Section 7 Legal Counsel to The Association - The Board of Directors may retain legal counsel for the Association upon such terms and conditions, as it shall deem advisable.
- Section 8 Absences - Any member of the Board of Directors unable to attend a meeting shall in a letter addressed to the president or Management Office, state the reason for his absence. If a director is absent from three (3) consecutive meetings for reasons which the Board has failed to declare to be sufficient, his resignation shall be deemed to have been tendered and accepted.
- Section 9 Compensation - Directors as such shall not receive any stated compensation for their services as directors, but the Board may, by resolution, authorize reimbursement of expenses incurred in the performance of their duties. Such authorization may prescribe procedure for approval and payment of such expenses by designated officers of the association.
- Section 10 Resignation - Any director may resign at any time by giving written notice to the President, Executive Director, or the Board of Directors. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the President or the Board.

Section 11 Removal - By a majority vote** of the Board of Directors present at a meeting, a member of the Board may be removed after the member complained against has been advised and has been given reasonable opportunity to respond.

ARTICLE VI--COMMITTEES

Section 1 The President, with approval by the Board, shall appoint a Director as liaison for standing, special and ad hoc committees as may be established by either the President or the Board of Directors. The President, with approval by the Board, shall appoint a chairman of each committee. The following standing committees may be needed: safety, DCDMA standards and technical, chapters, certification, education, statistics, planning, *Drill Bits*, and membership.

Section 2 The Chairperson of each Committee shall be responsible for the effectiveness of that Committee and shall report to the Board of Directors in a manner as may be prescribed by the Board.

Section 3 A Chairperson may not speak on behalf of the Association without the prior approval of the Board of Directors.

ARTICLE VII--MEETINGS OF THE ASSOCIATION:

Section 1 Annual Meeting. The Association shall hold its annual meeting each year during the fall or at such time and place as may be determined.

Section 2 Special Meetings. Special meetings of the Association may be called by the President at such times the Board deems necessary or at the request of not less than ten percent of the members of the Association. Notice of any special meeting shall be mailed* to each member at his last recorded email address at least ten (10) days in advance, with a statement of time and place and information as to the subject or subjects to be considered.

Section 3 Quorum - A majority of the board members or a majority of those present and entitled to cast a vote shall constitute a quorum.

Section 4 The order of business may be altered or suspended at any meeting by a majority vote of the members present. The usual parliamentary rules as laid down in "Robert's Rules of Order" shall govern all deliberations, when not in conflict with these bylaws.

Section 5 Written Ballot - Voting by written ballot shall be permitted. Written ballots must be received by the Management Office prior to the required date for counting of votes.

Section 6 Board of Directors Meetings - see Article V, Section 5.

ARTICLE VIII--DUES

Section 1. Annual Dues Schedules - Annual dues schedules for each class of membership in the

Association shall be determined by the Board of Directors. All dues and assessments shall be payable to the Association in United States funds. Membership is valid for twelve months. Members will be invoiced 60 days prior to their renewal date.

Section 2 If any member fails to pay the prescribed dues within ninety (90) days after the same shall have become due, such member shall be notified by the Executive Director in writing and if payment is not made within the next succeeding thirty (30) days shall without further notice and without hearing, be dropped from the rolls and thereupon forfeit all rights and privileges of membership; provided that the Board of Directors may by rule prescribe procedures for extending the time for payment of dues and continuation of membership privileges upon request of a member and for good cause shown.

ARTICLE IX--LOCAL CHAPTERS AND THEIR ORGANIZATION

Section 1 Members in good standing with the Association may form Local Chapters based on geographical or market areas. Local Chapters may be officially chartered by the Board of Directors when five members of the Association have signed a petition requesting such recognition.

Section 2 Request for chapter status shall be submitted to the Executive Director or Management Office of the Association and shall consist of the following:

--A petition of request for chapter status signed by not less than five (5) regular members in good standing of the association.

--A map or statement showing proposed boundaries and name of the proposed chapter.

--Information regarding the anticipated activities of the proposed chapter.

Section 3 Officers - The officers of the chapter shall be President, Vice President, Secretary and Treasurer and such others as the chapter may desire.

Section 4 Membership - Membership in any class of the Association shall constitute qualification for equivalent membership in the chapter.

Section 5 Meetings - Chapters must hold a minimum of two (2) regular business meeting per year. Minutes of each meeting shall be forwarded to the Management Office for review.

Section 6 Dues - The dues of the chapter shall be at its discretion.

Section 7 Committees - Each chapter may appoint and maintain committees as necessary to conduct the business of the chapter.

Section 8 All newly formed chapters shall be subject to a minimum probation period of one year. At that time a progress report shall be prepared by the chapter and submitted to the Board for review. It shall contain but not be limited to:

1. Number and locations of meetings held.
2. Average attendance.
3. Summary of committee action within the chapter.
4. Summary of activities.

5. Summary of membership and dues payment.
6. Financial statement.
7. Conclusions as to chapter's future.

- Section 9 Chapters falling below five (5) members will be on probation for one year. Unless their membership increases to a minimum of five members within that year, at the end of the year of probation, they will be subject to Board of Directors review for dissolution.
- Section 10 Local chapters are not permitted to speak or attempt to speak for the Association as a whole on any matter unless prior authorization has been sought and received in writing from the association Board of Directors. Further, no chapter may incur any financial obligations of any kind binding upon the Association without prior approval from the Association Board of Directors.
- Section 11 The bylaws of the local chapters must conform to the aims and objectives and bylaws of the Association before becoming effective.

ARTICLE X--MAIL VOTE

- Section 1 Whenever, in the judgment of the Board of Directors, any question shall arise which it believes should be put to a vote of the Board or active membership and when it deems it inexpedient to call a special meeting for such purpose, the directors may, unless otherwise required by these bylaws, submit such a matter to the Directors or membership in writing by mail* for vote and decision, and the question thus presented shall be determined according to a majority of the votes received by mail within ten (10) days after such submission to the membership. Any and all action taken in pursuance of a majority mail* vote in each such case shall be binding upon the Association in the same manner as would be action taken at a duly called meeting.
- Section 2 All member company branches in good standing with the Association have the same voting rights as the member company main office.

ARTICLE XI--FISCAL YEAR

- Section 1 The fiscal year shall commence on the first day of January and shall end on the thirty-first day of December.

ARTICLE XII--CONTRACTS

All contracts which may be entered into by or on behalf of the Association shall in express terms provide that under no circumstances shall any member of the Association, or the officer authorizing such contracts or executing such contracts or executing the contract on the Association's behalf be held to assume either directly or indirectly any personal liability or liability on behalf of their company or obligation thereunder.

ARTICLE XIII--CONTRACT WITH OUTSIDE BODIES

- Section 1 Approval of New Contracts - New contracts or negotiations with outside bodies shall be made only with the approval of the Board of Directors and after their legality and conformity with the Constitution and Bylaws of the Association shall have been

determined. The President, with the approval of the Board of Directors and legal counsel, if the Board feels this is necessary, shall be empowered to approve such contacts or negotiations between meetings, subject to confirmation by the Board of Directors at its next meeting.

- Section 2 Scope of Contacts with Outside Bodies - At the time that contacts or negotiations with outside bodies are authorized, the scope of the activity of the Association representatives shall be clearly defined. No activities beyond such authorized scope shall be engaged in by the Association representatives.
- Section 3 General Policy - In contacts with outside bodies, the policy of the Association shall be, in general, to request (1) the appointment of joint committees composed of accredited representatives of the Association and of the outside body directly concerned or (2) the appointment of accredited representatives of the Association to serve on such outside body.
- Section 4 Instructions for Official Action by Representatives - Association representatives on joint committees or on outside bodies represent the interests of the Association membership in general and whenever formal action is to be taken, shall vote in accordance with the official instructions furnished by the Board of Directors or the President of the Association. Requests for such instructions shall be addressed to the NDA Management Office.
- Section 5 Reports - Copies of the minutes of all meetings of outside bodies with which the Association has contact through its representatives; drafts of all proposed publications; and copies of all official communications to or from outside representatives shall be filed with the NDA Management Office.

ARTICLE XIV--BUDGET

- Section 1 Budget - At each annual meeting of the Board of Directors, a budget for the total expenses of the Association for the ensuing year and for such reasonable reserves for contingencies as may be deemed advisable, shall be adopted.
- Section 2 Obligations in Excess of Approved Budget - Neither the Board of Directors nor officers of the Association shall obligate the Association in excess of the total amount of the approved budget except that the Board of Directors, by unanimous vote of its membership if polled by email ballot or by unanimous vote of those present at a meeting, where a quorum is present, may make appropriations from the surplus funds or reserves for contingencies of the Association, to defray expenses not contemplated by the budget.

ARTICLE XV--PROCEDURE

Except as otherwise provided in the Constitution and Bylaws, Robert's Rules of Order shall govern in any question of parliamentary procedure.

ARTICLE XVI--STATISTICS

- Section 1 Statistics - Statistics of any nature that will be of value and interest to the membership will be gathered and disseminated at the direction of the Board of Directors.

Section 2 Authorization - Authorization from the Board of Directors shall be obtained before initiating any new statistical activity or before revising an existing statistical activity.

Section 3 Statistics Held Confidential - All statistical data received by the Association from any member of the Association for any purpose shall be held strictly confidential and no statistical data furnished by any member shall be divulged to any other member. No statistical data furnished by any member shall be divulged to any outside individual or organization unless specifically authorized by the member furnishing the data and the Board of Directors. The NDA Management Office shall prepare and distribute appropriate summaries of such data in such form and at such intervals as may be authorized by the Board of Directors.

ARTICLE XVII-- INDEMNIFICATION OF OFFICERS, DIRECTORS, COMMITTEE MEMBERS AND MANAGEMENT COMPANY OF THE ASSOCIATION

Section 1 Every officer, director and committee member shall be indemnified by the Association against all expenses, settlement, judgments, or other liabilities, including counsel fees, reasonable incurred or imposed upon such person in connection with any proceeding or threatened proceeding to which such person may be made a party or may become otherwise involved by reason of such person being or having been an officer, director, or committee member, of the association whether or not such person is an officer, director, or committee member, at the time such expenses are incurred. PROVIDED, that no indemnification shall be made where a person has been found to have acted in bad faith or where such person did not reasonably believe that the actions in question were in the best interest of the association; and PROVIDED FURTHER that, other than expenses paid to a person who prevails on the merits, no indemnification shall be made unless a court orders such indemnification or a majority of a quorum of those directors not involved in the proceeding vote for such indemnification; and PROVIDED FURTHER that the Association shall not indemnify any person where such indemnification would be in violation of any applicable law.

Section 2 The aforementioned duty to indemnify shall not exceed the treasury funds existing for the Association at the time the loss in question is incurred, said funds to include any applicable insurance proceeds.

ARTICLE XVIII--AMENDMENTS

Section 1 These by-laws may be altered, amended, or repealed by the affirmative vote of the members of the Association provided that notice shall be sent to each member of the Association in accordance with Article 10, Section 1 Mail* Vote.

ARTICLE XIX--DISSOLUTION

Section 1 The Association may dissolve and conclude its affairs in the following manner:

A. The Board of Directors shall adopt a resolution recommending that the Association be dissolved; and directing that the question of such dissolution be submitted to a vote at a meeting of the voting members. Written or printed notice stating that the purpose, or one of

the purposes, of such meeting is to consider the advisability of dissolving the Association, shall be given to each voting member within the time and manner provided in these bylaws for the giving of notice of meetings of voting memberships. A resolution to dissolve the Association shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting.

B. Upon the adoption of such a resolution by the membership, the Association shall cease to conduct its affairs except in so far as may be necessary for the conclusion thereof, shall immediately cause a notice of the proposed dissolution to be mailed* to each known creditor of the Association and shall proceed to collect its assets and apply and distribute them as provided in these bylaws.

Section 2 Distribution of Assets - The assets of the Association in the process of dissolution shall be applied and distributed as follows:

A. All liabilities and obligations of the Association shall be paid, satisfied and discharged, or adequate provision shall be made thereof.

B. Assets held by the Association upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements.

C. Assets received and held by the Association subject to limitation permitting the use only for the accomplishment of the objectives and purposes specified by these bylaws, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations engaged in activities substantially similar to those of this Association, pursuant to a plan of distribution adopted by the Board of Directors. No part of said funds shall inure, or be distributed to the members of the Association.

*"Mail" throughout this document shall apply to e-mail, facsimile or standard mail

**Through this document Proxy Voting is allowed as long as the proxy vote is in writing* and added to the minutes when a vote is taken. Proxy Voting is only allowed for the Board of Directors

