

**BY-LAWS**  
**For**  
**SOUTHERN GAS ASSOCIATION**  
**GAS MACHINERY RESEARCH COUNCIL**

**I. NAME**

The name of this organization is "Southern Gas Association Gas Machinery Research Council" (hereinafter "Council"), a Texas Non-Profit Corporation.

**II. PURPOSES**

- A. The purposes for which the Council has been formed are as follows:
1. To encourage and promote a spirit of cooperation among members.
  2. To promote arts and sciences pertaining to the oil and hydrocarbon industries.
  3. To educate members, industry and the public in the advancement and improvement in all technical facets of the oil and hydrocarbon industries.
  4. To provide an opportunity for exchange of information and ideas among the membership.
  5. To provide members and industry with the benefits of an applied research and technology program directed toward improving the reliability and cost effectiveness of design, construction and operation of mechanical and fluid systems.
  6. To do any and all things not specifically enumerated or prohibited herein designed or intended to accomplish or further any of the purposes set forth above.
- B. The Council has no capital stock and has no purpose to carry on business of any nature for profit. No part of any earnings of the Council shall inure to the benefit of any member, officer, director or private individual, except that the Corporation shall be authorized to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the purposes set forth above.

**III. MEMBERSHIP**

- A. **Classifications:** Membership in the Council shall be classified as *Full Membership* or *Associate Membership*. Full Membership shall be divided into two (2) classes, to-wit: (1) Operating Companies and (2) Engineering and Fabricating Companies.
- B. **Requirements:** *Full Membership* in the Council shall be available to any company engaged or interested in the compression, transmission, and all other phases of the gas industry upon payment of an initiation fee, execution of a membership agreement, and payment of annual dues. *Associate Membership* shall be available upon payment of annual dues and execution of a membership agreement to those companies or individuals engaged in the following categories of business directly related to the oil and hydrocarbon industries, to-wit: (1) engineering, environmental and research organizations, (2) manufacturing, (3) construction and (4) distributors of material and equipment.
- C. **Initiation Fee:** The Initiation Fee for *Full Membership* shall be in an amount as shall be, from time to time, determined by the Board of Directors for membership within the appropriate class.
- D. **Membership Agreement:** The Membership Agreement shall be in a form prepared and approved by the Board of Directors for membership within the appropriate class.
- E. **Voting:** *Full Members* shall be entitled to vote. *Associate Members* shall not be entitled to vote.
- F. **Official Company Representative:** Each Member, full or associate, of the Council shall designate in writing one Official Company Representative (hereinafter sometimes referred to as "Representative") to represent the Member in Council activities and at membership meetings.
- G. **Annual Dues for Full Membership:** Annual dues for Full Membership shall be in amounts to be determined by the Board of Directors for membership within the appropriate class. If a full member does not pay current annual dues when due, that member shall be placed on an inactive status until that member has paid annual dues for two consecutive years. While on inactive status, that member cannot

vote, serve as an officer, serve on a committee or board of the GMRC, or qualify for any of the discounts or other benefits that are available to GMRC members.

- H. **Annual Dues for Associate Membership:** The term for *Associate Membership* shall be on an annual basis with payment of annual dues in an amount to be determined by the Board of Directors.

#### IV. MEMBERSHIP MEETINGS

- A. **Time:** A meeting of the Members of the Council shall be held each year at a time and location determined by the Board of Directors. Special meetings of the Members may from time to time be held during the year at a time and at a location determined by the Board of Directors.
- A. **Notice:** Written notice of the Annual Meeting or a special meeting shall be communicated to all Members of the Council no later than one month prior to the meeting. The agenda for the meeting, as well as any additional information to be considered at the meeting, shall be communicated to all Members no later than ten (10) days prior to the meeting.
- B. **Quorum:** The Members of the Council eligible to vote in attendance by their Representative, or his alternate, shall constitute a quorum for the transaction of all business at an annual or special meeting.
- C. **Votes:** The Representative shall represent the Member at the Annual Meeting and at special meetings. The Representative eligible to vote, or his alternate, shall cast all votes for the Member at the meeting. All votes shall be by show of hands unless a written ballot shall be required by a Member's Representative at the meeting or by the Board of Directors prior to the meeting. A majority of the votes cast by Members eligible to vote through their representatives at the meeting shall be required upon all questions except as provided in Article IX of these By-Laws.

#### V. OFFICERS

- A. **Selection:** The officers of the Council shall be the Chairman and Vice Chairman of the Board of Directors, the President, the Secretary and the Treasurer. The President of Southern Gas Association shall serve as President of the Council. The Chairman, Vice Chairman, Secretary, and Treasurer shall be members of, and appointed by, the Board of Directors. The Board of Directors may, from time to time, create director officer positions and non-director officer positions for limited time periods.
- B. **Term:** With the exception of the President, the Officers of the Council shall hold office until their successors are chosen and qualified in their stead. The President shall continue to serve for so long as he shall also serve as President of Southern Gas Association.
- C. **Duties:** The Officers shall have the following duties:
  1. The *Chairman of the Board of Directors* shall be the chief elected officer of the Council and preside at all meetings of the Board of Directors. The Chairman shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chairman may execute contracts, deeds, certificates, bonds or other obligations authorized by the Board of Directors and sign records or certificates required by law or by order of the Board of Directors. He shall perform such other duties as may be conferred upon him by the Board of Directors. Such duties as noted above may be delegated at the discretion of the Board of Directors.
  2. The *Vice Chairman of the Board of Directors* shall perform the duties of the Chairman of the Board in the event of his absence or inability to service. He shall carry out other duties as delegated to him by the Board of Directors.
  3. The *President* shall be the chief staff executive of the Council responsible for management functions. He shall employ, and may terminate the employment of, persons necessary to carry on the work of the Council and fix their compensation within the approved budget. As President, he shall define the duties of the staff, supervise their performance, establish their titles, and delegate to them those responsibilities as shall, in his judgment, be in the best interest of the Council. The President may execute contracts on behalf of the Council as well as other corporate documents and other such obligations as authorized by the Board of Directors. The President may execute such other records and/or certificates as may be required by law, or authorized by the Board of Directors.

4. The *Secretary* shall record the minutes of all meetings of the Council and the minutes shall be filed when approved by the Council and by the President and the Board of Directors.
5. The *Treasurer*, in cooperation with the President, shall keep, or cause to be kept, full and accurate accounts or receipts and disbursements in books belonging to the Council and shall deposit, or cause to be deposited, all monies and valuable effects in the name and to the credit of the Council in such depositories as may be designated by the Board of Directors. He shall cause to be paid all invoices and individual items approved by the President, unless he feels that such bills should be referred to the Chairman of the Board of Directors. He shall prepare the proposed annual budget to be submitted for approval by the Board and the Membership and periodically, a full statement of the finances of the Council and perform such other duties as may be conferred upon him by the Board of Directors. He shall give bond as determined by the Board, premiums for which shall be paid by the Council.

## VI. BOARD OF DIRECTORS

A. **Responsibility:** The Board of Directors shall direct the activities of the Council between meetings of the Membership, shall consider prospective research activities, submit recommendations for research to the Council, shall approve all payments to be made for research or other activities of the Council and shall periodically review all research and other activities conducted and report thereon to the Council.

B. **Membership:** The Board of Directors shall consist of a minimum of nine and a maximum of fourteen members. The board shall consist of the following:

(a) Member Company Elected Representatives

- |   |                               |
|---|-------------------------------|
| 1 | Chairman                      |
| 2 | Vice Chairman                 |
| 3 | Secretary                     |
| 4 | Treasurer                     |
| 5 | Member Company Representative |
| 6 | Member Company Representative |
| 7 | Member Company Representative |

(b) Mandated Positions

- |   |   |
|---|---|
| 8 | President of the Southern Gas Association     |
| 9 | Chairman of the Project Supervisory Committee |

(c) Board Created Positions

Other director and non-director positions that the Board of Directors may create at any time.

The Board of Directors of the Southern Gas Association may elect four of the Member Company Representative Board Members as set forth in Paragraph VI.B (a) above. The immediate Past Chairman of the Council shall serve on the Board of Directors for a term of one year as a voting member but shall not count as a numbered director.

C. **Term:** The Member Company Elected Representatives who serve on the Board of Directors shall hold office for a term of two (2) years and until their successors are elected and qualified. The Chairman may serve no more than two (2) consecutive two-year terms. The Board of Directors may extend the term of the Chairman for one additional year.

D. **Vacancy:** In the event a vacancy occurs, the Board of Directors of the Council may nominate and select a successor to complete his predecessor's term of office.

E. **Meetings:** The Board of Directors shall meet from time to time, at the call of the Chairman or at the call of a majority of the Members of the Board at a location to be determined by the Chairman.

F. **Notice:** Members of the Board of Directors shall be notified by the President of all meetings no later than seven days prior to the meeting.

G. **Quorum:** Four members of the Board of Directors shall constitute a quorum for the transaction of all business at any meeting.

- H. **Voting:** All votes shall be oral unless a written ballot is requested by any Board member. A majority vote of the Board Members present at such meeting shall be required upon all questions.
- I. **Conduct of Meetings:** The Chairman of the Board of Directors shall preside over all meetings of the Board of Directors. The Vice Chairman, in the absence of the Chairman, shall act in the place of the Chairman. The Secretary shall record the minutes of all meetings of the Board of Directors and the minutes shall be filed when approved by the Board of Directors.

## VII. COMMITTEES OF THE COUNCIL

### A. Project Supervisory Committee

1. **Responsibility:** The Project Supervisory Committee shall develop and review options and make recommendations to the Board of Directors concerning projects to advance the Council's (a) technical assistance programs, (b) training programs and (c) research programs. The Project Supervisory Committee shall also provide oversight for the execution, technical content and results of the approved Council projects and advise and consult with the Board of Directors in this regard. The Project Supervisory Committee shall be authorized only to make recommendations to the Board of Directors.
2. **Membership:** The voting members of the Project Supervisory Committee shall consist of a Chairman, Vice Chairman, and a Secretary to be selected and approved by the Board of Directors and such other members as may, from time to time, be appointed by the Board of Directors. Other non-voting members of the Project Supervisory Committee may also be appointed by the Board of Directors from time to time. Members of the Project Supervisory Committee shall serve until their successors are chosen and qualified in their stead.
3. **Meetings:** The Project Supervisory Committee shall meet from time to time at the call of the Chairman of the Project Supervisory Committee.
4. **Notice:** Members of the Project Supervisory Committee shall be notified in writing by the Chairman of the Project Supervisory Committee of all meetings no later than fifteen (15) days prior to such meeting.
5. **Quorum:** A majority of the voting members of the Project Supervisory Committee shall constitute a quorum for the transaction of all business at any such meeting.
6. **Voting:** All votes shall be oral unless a written ballot is requested by any voting member of the Project Supervisory Committee. A majority vote of the voting members present at such meeting shall be required on all questions.
7. **Officers and Duties:** The Officers of the Project Supervisory Committee shall be the *Chairman, Vice Chairman, and the Secretary*. The Chairman shall preside over all meetings of the Project Supervisory Committee. The Vice Chairman shall perform the duties of the Chairman in the event of his absence or inability to serve. The Secretary shall record the minutes of all meetings of the Project Supervisory Committee and the minutes shall be filed when approved by the Project Supervisory Committee and the Board of Directors.
8. **Term:** The voting members of the Project Supervisory Committee shall serve for a term of two years and until their successors are appointed by the Board of Directors.

### B. Nominating Committee

The Chairman of the Board of Directors shall appoint, with the approval of the Board of Directors, a Nominating Committee which shall consist of no less than three (3) members chosen from among Member Company Representatives. It shall be the duty of the Nominating Committee to meet as needed and nominate individuals to serve as members of the Board of Directors of the Council.

### C. Applications Contractor Committee

1. **Responsibility:** The Applications Contractor Committee ("ACC") shall make recommendations to the Board of Directors concerning the ways and means of transferring to industry the intellectual property ("IP") developed as a result of the Council research program. The ACC shall work in conjunction with the Project Supervisory Committee in determining when to start the process of exploring license of IP to third party contractors for the purpose of making the IP available to industry, work with legal counsel in developing agreements for application contractors, follow progress of the application contractors, assist in resolving any issues related to the ongoing transfer process and provide status reports to the Board of Directors.

2. **Membership:** The voting members of the ACC shall consist of a Chairman and a Secretary to be selected and approved by the Board of Directors and such other members as may, from time to time, be appointed by the Board of Directors.
3. **Meetings:** The ACC shall meet from time to time at the call of the Chairman of the ACC.
4. **Notice:** Members of the ACC shall be notified in writing by the Chairman of the ACC of all meetings no later than fifteen (15) days prior to such meeting.
5. **Quorum:** The voting members present at any meeting shall constitute a quorum for the transaction of all business at any such meeting.
6. **Voting:** All votes shall be oral unless a written ballot is requested by any voting member of the ACC. A majority vote of the voting members present at such meeting shall be required on all questions.
7. **Officers and Duties:** The Officers of the ACC shall be the Chairman and the Secretary. The Chairman shall preside over all meetings of the ACC. The Secretary shall record the minutes of all meetings of the ACC and the minutes shall be filed when approved by the ACC and the Board of Directors.
8. **Term:** The voting members of the ACC shall serve for a term of two years and until their successors are appointed by the Board of Directors.

#### D. Investment Committee

1. **Responsibilities:** The Investment Committee shall monitor Council investments and regularly review investment reports, together with investment performances. The Investment Committee shall periodically review the Council investment policies to determine whether the investment policies are being executed in a manner consistent with the Council's needs and goals and consistent with the directions of the Board. The Investment Committee shall make recommendations to the Board concerning investment matters and any recommended changes regarding investments.
2. **Members:** The members of the Investment Committee shall consist of (a) a Chairman to be selected and approved by the Board, (b) the Board Chairman and, (3) the Treasurer. Additional members may be selected and approved by the Board.

#### E. Gas Machinery Conference Committee

1. **Responsibility:** The Gas Machinery Conference Committee shall:
  - Review options and make recommendations to the GMRC Board of Directors for the location of future Gas Machinery Conference meetings
  - Plan the program for the Gas Machinery Conferences
2. **Membership:** The members of the Gas Machinery Conference Committee shall consist of a Chairman, Vice Chairman, and a Secretary to be selected by the Committee and approved by the Board of Directors and such other members as may, from time to time, be selected by the Committee members. Members of the Gas Machinery Conference Committee shall serve until their successors are chosen and qualified in their stead.
3. **Meetings:** The Gas Machinery Conference Committee shall meet from time to time at the call of the Chairman of the Gas Machinery Conference Committee.
4. **Notice:** Members of the Gas Machinery Conference Committee shall be notified in writing by the Chairman of the Gas Machinery Conference Committee of all meetings no later than fifteen (15) days prior to such meeting.
5. **Quorum:** A majority of the members of the Gas Machinery Conference Committee shall constitute a quorum for the transaction of all business at any such meeting.
6. **Voting:** All votes shall be oral unless a written ballot is requested by any voting member of the Gas Machinery Conference Committee. A majority vote of the voting members present at such meeting shall be required on all questions unless specified otherwise.
7. **Officers and Duties:** The Officers of the Gas Machinery Conference Committee shall be the Chairman, Vice Chairman, and the Secretary. The Chairman shall preside over all meetings of the Gas Machinery Conference Committee. The Vice Chairman shall perform the duties of the Chairman in the event of his absence or inability to serve. The Secretary shall record the minutes of all meetings of the Gas Machinery Conference Committee and the minutes shall be filed when approved by the Gas Machinery Conference Committee and the Board of Directors.

#### F. Other Committees

The Chairman of the Board of Directors, with the approval of the Board of Directors, shall appoint such other committees as are necessary and the duties of any such committee shall be described upon their appointment.

**VIII. MAIL BALLOTS**

- A. **Membership:** When authorized by the Board of Directors or a majority of the Membership, a mail vote of the Membership may be taken. A majority of the Members of the Council eligible to vote shall be required on all questions for which a mail ballot is obtained except as provided in Article IX of these By-Laws.
- B. **Board of Directors:** When authorized by the Chairman of the Board of Directors, or a majority of the Members of the Board of Directors, a mail vote of the Board of Directors may be taken.

**IX. AMENDMENTS**

- A. **Membership Vote:** Subject to the approval of the Southern Gas Association Board of Directors, as herein provided, these By Laws may be amended by a two-third affirmative vote of the total number of voting Members present in person or by written proxy at any annual or special meeting of the Council provided that notice of the proposed amendment is contained in the notice of such meeting. Members not intending to be present may submit their vote in a written proxy form delivered to the Chairman of the Board of Directors prior to, or at the time of, such annual or special meeting and such written proxy shall be counted in the same manner as if the Member were personally represented and voting at the meeting. These By Laws may also be amended by a two-thirds affirmative vote of the total number of Members eligible to vote by a mail ballot provided that the mail ballot is authorized by the Board of Directors or by a majority of the Members of the Council.
- B. **Southern Gas Association Approval:** No amendment to these By Laws shall be effective unless first approved in writing by the Southern Gas Association Board of Directors.

**X. MISCELLANEOUS**

- A. **Fiscal Year:** The fiscal year of the Council shall be January 1 through December 31.
- B. **Financial Accounts:** The Treasurer of the Council shall have responsibility of the financial account of the Council.
- C. **Notice:** Whenever any notice is required by these By Laws to be given, personal notice is not meant and any notice so required shall be deemed to be sufficient if given by electronic mail, facsimile, or by depositing the same in a post office box in a sealed post-paid envelope, addressed to the person intended to receive it, at his last known post office address, and any notice required to have been given under these By Laws may be waived by the person entitled thereto.

Approved – October 5, 2016 at the GMRC Annual Membership Meeting