

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**PENNSYLVANIA INDEPENDENT OIL & GAS ASSOCIATION**

**Adopted \_\_\_\_\_, 2010 in connection with the merger of The  
Independent Oil & Gas Association of Pennsylvania and Pennsylvania Oil &  
Gas Association**

**Table of Contents**

	<b>Page</b>
ARTICLE I <u>MISCELLANEOUS</u> .....	1
Section 1.1 Purpose.....	1
Section 1.2 Offices.....	1
Section 1.3 Seal. ....	1
Section 1.4 Funds.....	1
Section 1.5 Liability of Members. ....	1
Section 1.6 Fiscal Year. ....	1
Section 1.7 Dissolution. ....	2
Section 1.8 Governing Law.....	2
ARTICLE II <u>MEMBERS</u> .....	2
Section 2.1 Eligibility for Membership.....	2
Section 2.2 Classes of Members.....	2
Section 2.3 Process for Becoming a Member. ....	3
Section 2.4 Termination, Expulsion and Suspension of Members.....	3
Section 2.5 Meetings of Members. ....	3
Section 2.6 Action without a Meeting. ....	6
Section 2.7 Transfer of Membership. ....	6
Section 2.8 Dues.....	6
ARTICLE III <u>BOARD OF DIRECTORS</u> .....	6
Section 3.1 Authority.....	6
Section 3.2 Composition of Board of Directors. ....	6
Section 3.3 Qualification. ....	7
Section 3.4 Election of Directors. ....	7
Section 3.5 Powers and Duties of Directors. ....	7
Section 3.6 Quorum and Manner of Acting.....	8
Section 3.7 Consents.....	8
Section 3.8 Meetings.....	8
Section 3.9 Vacancies. ....	9
Section 3.10 Removal of Directors.....	9
Section 3.11 Standard of Care and Fiduciary Duty.....	10
Section 3.12 Conflict of Interest.....	11
ARTICLE IV <u>COMMITTEES</u> .....	11
Section 4.1 Committees.....	11
Section 4.2 Limitation on Power of Committees. ....	11
Section 4.3 Executive Committee.....	11
Section 4.4 Audit Committee.....	12
Section 4.5 Governance Committee.....	12
ARTICLE V <u>OFFICERS</u> .....	12
Section 5.1 Identification and Selection.....	12
Section 5.2 Term of Office. ....	13
Section 5.3 Agents and Employees.....	13
Section 5.4 Chair.....	13
Section 5.5 Vice-Chair.....	13

Section 5.6	Secretary.....	14
Section 5.7	Treasurer.....	14
Section 5.8	President and Executive Director.....	14
Section 5.9	Removal of Officers.....	14
ARTICLE VI <u>INDEMNIFICATION</u> .....		15
Section 6.1	Mandatory Indemnification of Directors and Officers.....	15
Section 6.2	Mandatory Advancement of Expenses to Directors and Officers.....	15
Section 6.3	Permissive Indemnification and Advancement of Expenses.....	15
Section 6.4	Scope of Indemnification.....	16
Section 6.5	Miscellaneous.....	16
Section 6.6	Definition of Authorized Representative.....	16
Section 6.7	Procedure for Effecting Indemnification.....	16
ARTICLE VII <u>LIMITATION OF PERSONAL LIABILITY OF DIRECTORS</u> .....		17
Section 7.1	Limitation of Directors' Personal Liability.....	17
Section 7.2	Preservation of Rights.....	17
ARTICLE VIII <u>AMENDMENTS</u> .....		17
Section 8.1	By Directors.....	17
Section 8.2	By Members.....	17

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**PENNSYLVANIA INDEPENDENT OIL & GAS ASSOCIATION**

**ARTICLE I**

**MISCELLANEOUS**

**Section 1.1 Purpose.** As provided in its Articles of Incorporation, the Association is organized for the purposes set forth in Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) and in furtherance thereof to (a) promote the general welfare of the oil and natural gas industry in the Commonwealth of Pennsylvania, (b) encourage and promote professionalism in the exploration, development and production of natural gas and crude oil, (c) provide a forum for members of the corporation to exchange views and expand their knowledge relative to natural gas and crude oil exploration, development and production, (d) assist members in educating and encouraging the public to consider and appreciate the importance of natural gas and crude oil issues, (e) encourage members to achieve higher degrees of success and adhere to high standards in the natural gas and crude oil industry, (f) protect the rights of natural gas and crude oil producers to develop and produce natural gas and crude oil in the Commonwealth of Pennsylvania, (g) recommend reasonable natural gas and crude oil policies, and (h) be supportive of members who may be confronted with unjustified criticism or legal or regulatory action in regard to natural gas or crude oil activities.

**Section 1.2 Offices.** The principal and registered office of the Association shall be 115 VIP Drive, Suite 201, Wexford, PA 15090, Allegheny County. The Association may also have offices at such other places as the Board of Directors may from time to time appoint, or the business of the Association may require.

**Section 1.3 Seal.** The corporate seal of the Association shall be a circle with the name of the Association and the state of incorporation around the border and the words “Corporate Seal” in the center.

**Section 1.4 Funds.** All monies belonging to the Association shall be deposited with the financial institutions designated by the Board of Directors from time to time in accounts held in the name of the Association. The Board of Directors shall designate from time to time the persons authorized to withdraw funds, sign checks and take other actions with respect to the Association’s funds.

**Section 1.5 Liability of Members.** The Members shall not be liable for the debts of the Association except to the extent of any unpaid portion of their respective membership or assessment fees.

**Section 1.6 Fiscal Year.** The fiscal year of the Association shall be the calendar year or such other time period as the Board may designate from time to time.

**Section 1.7 Dissolution.** As provided in its Articles of Incorporation, upon the dissolution of the Association, its assets shall be transferred to such organizations as the Board shall designate, which then qualify as tax-exempt under Section 501(c)(3) or (c)(6) of the Internal Revenue Code, or corresponding provision then in effect.

**Section 1.8 Governing Law.** The Association is governed by the Pennsylvania Nonprofit Corporation Law of 1988, as it may be amended from time to time (“NPCL”).

## **ARTICLE II**

### **MEMBERS**

**Section 2.1 Eligibility for Membership.** Effective upon the effective date of the merger of Pennsylvania Oil & Gas Association (“POGAM”) into The Independent Oil & Gas Association of Pennsylvania (“IOGA”) (“POGAM”), the Members of the Association shall consist of those persons who, at the close of business on the day immediately preceding the effective date of the merger, were members of either IOGA or POGAM; provided, however, that those persons who were members of both IOGA and POGAM on the day immediately preceding the effective date of the merger shall receive only one membership in the Association. Thereafter, membership shall be open to any individual, business entity or association that supports the Association’s statement of purpose, that files an application for membership in the Association, accompanied by the appropriate dues, and is accepted into membership by vote of the Association’s Board of Directors or a committee authorized by it to act on membership applications.

**Section 2.2 Classes of Members.** The following persons shall be eligible to become Members of the Association:

(a) Oil and Gas Producers (“Producer Members”). Individuals, business entities and associations engaged in the exploration and production of natural gas and/or crude oil within the Commonwealth of Pennsylvania;

(b) Oil and Gas Industry Service and Supply Providers (“Service Provider Members”). Individuals, business entities and associations engaged in providing to Producer Members drilling, leasing, marketing of Pennsylvania natural gas or crude oil, pipeline construction, well management and servicing, logging, and similar goods or services related to the exploration and production of Pennsylvania natural gas or crude oil; and

(c) Allied Professional and Supporting Members (“Associate Members”). Individuals, business entities and associations not described in (a) or (b), above, and engaged in providing to Producer Members consulting and other services related to the exploration and production of natural gas or crude oil. By way of example and not limitation, Associate Members include Royalty Owners, attorneys, accountants, realtors, and students. Associate Members are not entitled to vote. “Royalty Owners” are persons who receive royalties from natural gas or crude oil produced within the Commonwealth of Pennsylvania.

Producer Members, Service Provider Members and Associate Members are referred to collectively as “Members.” Producer Members and Service Provider Members are referred to collectively as “Voting Members.” Any dispute regarding the class of membership for which any person is eligible or whether any person is a Royalty Owner shall be submitted to the Board of Directors and the decision of the Board of Directors shall be final.

**Section 2.3 Process for Becoming a Member.** Having satisfied the requirements shown in Section 2.2, an eligible applicant shall apply to be a Member by completing and submitting the application form supplied by the Association. An application for membership may be considered at any regular or special meeting of the Board of Directors. If a majority of the Directors present at a meeting approve the applicant, the applicant may then become a Member of the Association by payment of the prescribed dues. The decision of the Board of Directors shall be final. The Board of Directors may authorize a committee to make decisions regarding applications for membership.

**Section 2.4 Termination, Expulsion and Suspension of Members.**

(a) Standard for termination or suspension. In the event that any Member or any representative of a Member knowingly violates these Bylaws, or any provision hereof, or engages in activity that has or can reasonably be expected to have a material adverse effect on the Association or the oil and gas industry, such Member shall be subject to suspension or expulsion as a Member of the Association.

(b) Process. Upon its own motion, or upon a complaint in writing, signed by ten Members of the Association, charging any Member as set forth in Section 2.4(a), above, the Board of Directors may, by vote of a majority of the whole Board, recommend the suspension or expulsion of such Member. The recommendation of the Board shall be presented to the Members of the Association at the next regular meeting of the Members, or any special meeting of the Members of the Association, called for that purpose. At such meeting, the Board of Directors or the Members making the complaint shall have an opportunity to submit evidence in support of their charges and the accused Member shall have an opportunity to be heard in its own defense. The Board may establish such reasonable rules for the hearing as it deems appropriate, including without limitation imposing time limits on presentations. After full consideration, a vote by written ballot shall be taken, and if two-thirds (2/3) of the votes of the Voting Members at said meeting are cast in favor of sustaining the charges, the Member shall be deemed thereby suspended or expelled, as the case may be. If, at the time of such suspension or expulsion, the Member (or a representative of the Member) held office as an Officer or Director, or both, the Member and/or the representative of the Member, shall be deemed to have been removed as such Officer or Director, or both, and the vacancy or vacancies thereby occurring shall be filled as provided in these Bylaws.

**Section 2.5 Meetings of Members.**

(a) Annual Meetings. For the purpose of conducting business, meetings of the Members will be held at least annually, with time and date to be determined by the Board of Directors.

(b) Special Meetings. Special meetings of Members may be called by the Chair of the Association and shall be called by the Chair upon the written request of a majority of the Directors or a majority of the Members. Each such call shall be in writing and shall state the time and place and purpose of the meeting. No business shall be transacted at a special meeting other than the business stated in the call of such meeting.

(c) Notice of Annual Meeting. Notice of each annual meeting of the Members shall be given, stating the time and place of the meeting. A copy of such notice shall be mailed, faxed, delivered by courier service or emailed to each Member at its address appearing upon the books of the Association, at least 30 days prior to the time for holding the annual meeting.

(d) Notice of Special Meetings. Notice of special meetings shall be given at least 10 days prior to the time fixed for such meeting by (1) mailing to each Member a copy of the call for each such meeting at its address appearing upon the books of the Association, or (2) by notification to each Member of such call by fax or email.

(e) Quorum. At any meeting of the Members, those Members present in person or by proxy shall constitute a quorum for all purposes including the election of Directors, except as otherwise provided by law.

(f) Organization and Order of Business. The Chair of the Association, or in the Chair's absence the Vice-Chair, shall call meetings of the Members to order and shall preside thereat. In the absence of the Chair and Vice-Chair, a majority of the Voting Members present may elect any person present to preside at the meeting. The order of business at all meetings shall be determined by the presiding officer, subject to the approval of a majority of the Voting Members present at such meetings. All meetings shall be conducted in accordance with "Roberts Rules of Order".

(g) Voting. Each individual, partnership, corporation, or other business entity that is a Voting Member (regardless of the number of persons from the Voting Member present at the meetings and deliberations of this Association) shall be entitled to one vote on each matter before the Members of the Association. Associate Members are not entitled to vote. Voting Members may not cumulate their votes for the election of Directors. Each Voting Member of the Association shall advise the Secretary of the Association in writing of the name of the person entitled to exercise said Voting Member's vote and otherwise represent the Voting Member at all meetings of the Members ("Delegate"). Each Voting Member shall also advise the President of the Association the name of an alternate ("Alternate Delegate") entitled to exercise the vote of the Voting Member in the absence of the Delegate. Only a person designated in writing as a Delegate or Alternate Delegate shall be entitled to vote on behalf of the Voting Member. Other persons who are employees, officer or owners of a Member, whether Voting or Associate, may attend the meetings and take part in the discussions and debate.

(h) Record Date. The Board of Directors may fix a time not more than 60 days prior to the date of any meeting of the Members as a record date for the purpose of determining the Members entitled to notice of or Voting Member entitled to vote at such meeting. In such case, only Members of record on the date so fixed shall be entitled to notice and only Voting Members of record on the date so fixed shall be entitled to vote notwithstanding any increase or other change on the books of the Association after the record date. If the Board does not fix a record date, then (a) the record date for determining Members entitled to notice of and Voting Members entitled to vote at the meeting shall be the close of business on the date before the notice is given, or if notice is waived, the date before the meeting is held, (b) the record date for determining Voting Members entitled to express consent or dissent to corporate action in writing without a meeting, when no prior board action is required, shall be the date on which the first written consent or dissent is expressed, and (c) for any other purpose the record date shall be the close of business on the day on which the Board adopts the resolution relating thereto.

(i) Judges of Election. In advance of any meeting of Members, the Board may appoint judges of election, who need not be Members, to act at such meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer may, and on the request of any Member shall, make such appointment at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge. If any person appointed as judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by Board of Directors in advance of the meeting, or at the meeting by the presiding officer. The judges of election shall determine the number of Members of record and voting power of each, the Members present at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, if any, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as may be proper to conduct the election or vote with fairness to all Members. The judges of election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there are three judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all. On the request of the presiding officer of the meeting, or of any Member, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

(j) Proxies. Every proxy shall be executed in writing by the Voting Member or on behalf of the Voting Member by the Voting Member's duly authorized Delegate and filed with the Secretary of the Association. A proxy shall be revocable at will, notwithstanding any other agreement or provision in the proxy to the contrary, but the revocation shall not be effective until notice thereof has been given to the Secretary of the Association. No unrevoked proxy shall be valid after 11 months from the date of its execution unless a longer time is provided therein, but in no event shall a proxy be voted on after three years after the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is

exercised, written notice of such death or incapacity is given to the Secretary of the Association.

**Section 2.6 Action without a Meeting.** Any action required to be taken at a meeting of the Members of the Association may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken shall be signed by all of the Voting Members, and shall be delivered to the Association.

**Section 2.7 Transfer of Membership.** The Board of Directors of the Association may consent to an assignment or transfer of membership and the acceptance of the assignee or transferee as a Member of the Association; and the Board of Directors may delegate this power to a standing committee organized for that purpose. The Board of Directors may establish reasonable rules and regulations governing the consent to transfer and the acceptance of a transferee as a Member, and the Board of Directors, may determine the conditions under which the executor or administrator of a deceased Member may continue to represent such deceased Member or be accepted as a Member in its place and stead, and the conditions under which a purchaser at execution sale or other successor by operation of law may be accepted as transferee of the membership or as a representative of the Member. The purchaser at voluntary sale from any Member of the lease or title to the business owned or operated by the Member, who shall continue to own or lease such business and to operate the same may be accepted as a Member of the Association upon making proper application therefor. No voluntary consolidation or merger of a Member corporation, partnership, or joint stock association shall be deemed a transfer within the meaning of this section, but the merged or consolidated successor corporation may continue as a Member of the Association in the place and stead of the original Member.

**Section 2.8 Dues.** The Board of Directors shall establish, from time to time, such membership dues as it deems appropriate, which dues may vary based upon class of membership.

## **ARTICLE III**

### **BOARD OF DIRECTORS**

**Section 3.1 Authority.**

Subject to the rights of the Members, the affairs of the Association shall be under the general direction of a Board of Directors which shall administer, manage, preserve and protect the property of the Association. Each Director shall be a Voting Member or an employee, owner or officer of a Voting Member. In no case may more than one employee, owner or officer of a Member simultaneously serve as Directors.

**Section 3.2 Composition of Board of Directors.**

(a) Upon Effective Date of Merger of IOGA and POGAM. Upon the effective date of the merger of IOGA and POGAM, the Board of Directors of the Association shall consist of those persons who were directors of either IOGA or POGAM immediately prior to the effective date of the merger (“Initial Directors”).

(b) Transition Period. The time period between the effective date of the merger of IOGA and POGAM and September 30, 2012 shall be referred to as the “Transition Period.” Should any of the Initial Directors resign or die during the Transition Period, the Voting Member company with which such Director was associated, if any, may appoint a replacement director. Any dispute regarding the company with which the Director was associated shall be referred to the Board of Directors and the decision of the Board of Directors shall be final. If such vacancy is not filled within 60 days of the date of resignation or death, then such position shall lapse. In each September during the Transition Period the Voting Members shall elect replacement Directors for each Director whose term expires in that year; provided however that, at each election occurring during the Transition Period, only five Directors shall be elected to replace those Directors whose terms expire in that year, resulting in a reduction of the Board of Directors from 29 persons to 15 persons by the end of the Transition Period. The Board of Directors, by a two-thirds vote of the entire Board of Directors, may modify the process for reducing the size of the Board of Directors during the Transition Period, as set forth in this section 3.2(b).

(c) Post-Transition Period. Following the expiration of the Transition Period, the Board of Directors shall consist of a minimum of 15 and a maximum of 19 persons elected by the Members.

**Section 3.3 Qualification.** Each Director must be an individual associated with a Voting Member of the Association as an employee, officer or owner. At all times, a minimum of two-thirds (2/3) of the Directors shall be employees, officers or owners of a Producer Member.

**Section 3.4 Election of Directors.** The Directors shall be nominated by the Executive Committee and elected by the Voting Members at the annual meeting of the Members (or any special meeting of the Members called for that purpose). The Board of Directors shall be divided into three classes such that approximately one-third of the Directors are elected each year. The Executive Committee shall present a slate of nominees to the Board of Directors at least 60 days prior to the annual meeting of the Members, and the Board shall determine that the slate represents a cross-section of the various segments of the industry. Upon approval by the Board, a ballot containing the slate shall be mailed to the Voting Members at least 30 days prior to the annual meeting of the Members or any special meeting of the Members. Voting Members may vote by mailing or delivering the ballot to the offices of the Association so that it is received at least five business days prior to commencement of the annual meeting or special meeting (“Deadline”). Ballots received after the Deadline shall not be counted. The Chair shall designate one or three persons, none of whom is a candidate for office, to count the ballots and report the results. During the annual meeting, the winners of the election shall be announced to the Members. Except as otherwise provided at the time of election, Directors shall take office upon the close of the annual meeting of the Members. Unless otherwise specified at the time of election, each Director shall serve for a term of three (3) years, unless sooner removed or resigned, and until his or her respective successor is elected and qualified.

**Section 3.5 Powers and Duties of Directors.** The Directors shall have the power, and it shall be their duty:

(a) To conduct, manage, and control the affairs and business of the Association in conformity with the law and powers granted by the articles of incorporation; and to make rules and regulations for the guidance of the officers in the management of its affairs.

(b) To appoint and remove, at pleasure, all officers, committees, agents, and employees of the Association, prescribe their duties, fix their compensation, and require from them, if advisable, security for faithful service.

(c) To have the custody and control of the funds of the Association and to designate persons to sign all orders upon said funds.

(d) To keep a complete record of all of its acts of the proceedings of its meetings, and to present a full statement at the regular annual meetings of the members, showing in detail the condition of the affairs of the Association.

(e) To appoint all necessary standing committees, execute necessary contracts or agreements, conduct necessary negotiations, and do every other act or thing necessary to effectuate the purposes of the Association in connection with its business and affairs, and to incur indebtedness with respect thereto.

(f) To fix the amount of dues or assessments required from each member for the defraying of- the proper expenses of the Association in connection with the administration and conduct of its business and affairs, and to prescribe the manner of payment thereof by each member, said dues to be equitably apportioned among the members.

**Section 3.6 Quorum and Manner of Acting.** A majority of all of the Directors shall be required to constitute a quorum for the transaction of business at a meeting, and the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Directors may participate in a meeting of the Board by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and such, participation in a meeting shall constitute presence in person at the meeting.

**Section 3.7 Consents.** Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all Directors or committee, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or committee.

**Section 3.8 Meetings.**

(a) Place of Meetings. The Board of Directors may hold its meetings, have one or more offices, and keep the books and records of the Association at such places within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

(b) Regular Meetings. The Board shall meet at least three times per year at a regular time designated by the Board of Directors.

(c) Special Meetings. Special meetings of the Board of Directors may be called by the Chair and shall be called by the Chair upon the written request of a majority of the Directors.

(d) Notice. Notice of each regular meeting of the Board of Directors shall be mailed, faxed or emailed to each Director at his or her address in the records of the Association at least ten days before the date on which the meeting is to be held. Notice of each special meeting of the Board shall be similarly dispatched at least three days prior to the meeting. Every such notice shall state the time and place of the meeting, but need not state the purposes thereof except as otherwise required by these Bylaws or by statute. Notice of any meeting of the Board of Directors need not be given to any Director however if waived by such Director, whether waived before or after such meeting is held, or whether or not the Director shall be present at the meeting.

(e) Organization. At each meeting of the Board of Directors, the Chair, or in the Chair's absence the Vice-Chair, shall preside. The Secretary, or in the Secretary's absence, any person appointed by the presiding officer, shall act as secretary of the meeting.

(f) Members. Members and employees, owners and officers of Members who are not Directors may attend meetings of the Board of Directors unless the Chair has determined that it is necessary that the meeting be limited to persons who are Directors. Members and their employees, officers and owners who are not Directors may participate in discussion and debate, but are not entitled to vote or to notice of meetings of the Board of Directors. The Chair may remove from the meeting any Member or employee, officer or owner of a Member who is not a Director and who is disruptive.

**Section 3.9 Vacancies.** Vacancies occurring during the Transition Period shall be filled as specified in Section 3.2 of these Bylaws. Otherwise, any vacancy in the Directors caused by death, resignation, or otherwise shall be filled by the Board and the person so chosen shall serve until the next meeting of the Members of the Association, at which time a Director shall be elected to serve out the unexpired term of the Director whose place he or she shall have been chosen to take.

### **Section 3.10 Removal of Directors.**

(a) By Members. In the event that one-third or more of the Members shall file a written request with the Board of Directors for the removal of any Director, a special meeting of the Members shall be called within ten days after the filing of said request for the purpose of considering the same. At such special meeting, the Director against whom such request is directed shall be given an opportunity to be heard as shall the Members making such request and thereupon a secret ballot of the Voting Members shall be taken; and if, by two-thirds or more of the votes of the Voting Members at said meeting, such ballot shall be cast in favor of said removal, that Director shall thereby be removed from the office of Director and such office shall be deemed vacant and shall be filled as provided in these Bylaws. Any Director so removed shall also be deemed to have

been removed as an officer. At the same meeting, the Voting Members may, but are not required to, remove as a Member the removed Director or the company employing, owned by or where the removed Directors serves as an officer. The Board may establish such reasonable procedures for the conduct of the removal hearing as it determines appropriate. The decision of the Voting Members shall be final.

(b) By Directors. The Board of Directors, by the vote of two-thirds (2/3) of all of the Directors, may declare vacant the office of a Director for Cause. "Cause" means any action or inaction which, in the sole discretion of the Board, materially and adversely affects or may reasonably be expected to so affect the Association or the oil and gas industry. Any Director so removed shall also be deemed to have been removed as an officer. Any vacancies created shall be filled as provided in these Bylaws.

(c) Deemed Resignations. Any Director who fails to attend three consecutive Board meetings shall be deemed to have resigned his or her position as a Director, unless the remaining Directors act to classify the absences as excused. Excused absences include death in the immediate family, serious illness or hospitalization, adverse weather prohibiting travel, etc. Normal day-to-day business shall not be a basis for an excused absence. Any Director who ceases to be a Voting Member or an employee, officer or owner of a Voting Member shall be deemed to have resigned effective upon the termination of such status. Deemed resignations shall not be subject to the process set forth in subsection (A), above.

**Section 3.11 Standard of Care and Fiduciary Duty.** Each Director shall stand in a fiduciary relation to this Association and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Association, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(a) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented;

(b) counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons; and

(c) a committee of the Board of this Association upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

**Section 3.12 Conflict of Interest.** The Board shall maintain and follow a conflict of interest policy governing transactions between the Association and its directors and officers and persons associated with them.

## **ARTICLE IV**

### **COMMITTEES**

**Section 4.1 Committees.** The Association shall have the standing committees specified in these Bylaws and such other standing and ad hoc committees as the Board deems advisable in the administration and conduct of the affairs of the Association. Such committees shall meet as necessary to accomplish their goals. Except as otherwise provided in the Bylaws or in the resolution creating the applicable committee, members shall be appointed annually by the Board and the applicable committee chairpersons shall be appointed annually by the Chair. Persons may be reappointed to a committee for an unlimited number of terms. With the exception of the Executive Committee, if any, persons who are not Directors are eligible to serve as committee members; provided that only committees composed entirely of Directors may exercise the authority of the Board; other committees are advisory in nature. Any person authorized by these Bylaws to appoint the chairman and/or members of any committee may appoint himself or herself as the chairman and/or member. The chairman of each committee shall determine the date and place of all committee meetings.

**Section 4.2 Limitation on Power of Committees.** No committee shall have power or authority as to the following:

- (a) the submission to the Members of any action requiring approval of the Members;
- (b) the creation or filling of vacancies in the Board of Directors;
- (c) the adoption, amendment or repeal of the Bylaws;
- (d) the amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board of Directors; or
- (e) action on matters committed by the Bylaws or a resolution of the Board of Directors exclusively to another committee of the Board of Directors.

### **Section 4.3 Executive Committee.**

(a) During the Transition Period. During the Transition Period the Executive Committee will be comprised of (i) two Directors selected by those Directors who served as directors of POGAM immediately prior to the effective date of the merger of POGAM and IOGA, (ii) two Directors selected by those Directors who served as directors of IOGA immediately prior to the effective date of the merger of POGAM and IOGA and (iii) the person who served as the Treasurer of IOGA immediately prior to the effective date of the merger of POGAM and IOGA.

(b) Post-Transition Period. Following the expiration of the Transition Period, the Executive Committee shall consist of the Chair, Vice-Chair, Secretary, Treasurer and Immediate Past Chair of the Association; provided that in the event the Immediate Past Chair is not then a Director or is unable or unwilling to serve on the Executive Committee, the Board of Directors may in its discretion elect one Director to serve as an at-large member of the Executive Committee. It shall be the duty of the Executive Committee to submit to the Board of Directors a budget for the operation of the Association, recommendations with respect to assessments and membership fees, and recommendations as to nominations to the Board. The Executive Committee may also act in lieu of the Board of Directors when it is not practical to call a meeting of the Board to address a pressing matter. The Executive Committee shall meet at such times as the Executive Director may call, or on the petition of three Executive Committee members. At least twenty-four hours' oral or written notice shall be given for a meeting of the Executive Committee. A quorum for conducting business shall be three members of the Executive Committee. The Chair shall present a full report of all Executive Committee decisions to the Board at the next meeting of the Board. Minutes of meetings of the Executive Committee shall be kept and distributed to all Directors.

**Section 4.4 Audit Committee.** The Audit Committee shall consist of two or more Directors knowledgeable about financial matters and appointed by the Board of Directors, none of whom shall be employed or contracted, or related to persons employed or contracted by the Association. At least twenty-four hours' oral or written notice shall be given for meetings of the Audit Committee. A quorum for conducting business at meeting of the Audit Committee shall be no fewer than two voting members. The Audit Committee shall oversee the integrity of the Association's financial statements and the Association's compliance with legal and regulatory requirements. It shall oversee the effectiveness of the Association's internal controls. It shall also make recommendations regarding the selection and compensation of the Association's auditors. At least once a year the Audit Committee shall meet with the Association's auditors without staff present.

**Section 4.5 Governance Committee.** The Governance Committee shall consist of 3 to 5 Directors and/or former directors appointed by the Board of Directors. It shall monitor the Association's implementation of its conflict of interest policy, including performing a review of the annual disclosure documents provided by the officers and Directors pursuant to the Association's conflict of interest policy. It shall also be responsible for assuring that the Directors have the skills and information necessary to carry out their fiduciary duty. The Governance Committee shall be responsible for planning the board training sessions. The Governance Committee shall meet at least three times a year and may meet by conference call. At least twenty-four hours' oral or written notice shall be given for meetings of the Governance Committee.

## **ARTICLE V**

### **OFFICERS**

**Section 5.1 Identification and Selection.**

(a) Identification. The officers of the Association shall consist of the Chair, Vice-Chair, Secretary, Treasurer, Immediate Past Chair, and President and Executive Director.

(b) During the Transition Period. During the Transition Period the Directors will elect the Chair, Vice-Chair, Secretary and Immediate Past Chair from among the four persons elected to the Executive Committee pursuant to Section 4.3(a) of these Bylaws. Initially, the person who served as the treasurer of IOGA immediately prior to the merger of IOGA and POGAM will serve as the Treasurer. Thereafter, the Board of Directors shall also elect from among the Directors a Treasurer. The Board of Directors shall also appoint a President and Executive Director.

(c) Post- Transition Period. Following the expiration of the Transition Period, at its first meeting following the annual meeting of the Members of the Association, the Directors shall elect from among the Directors a Chair, a Vice-Chair, a Secretary, and a Treasurer. The person who is the immediate past Chair of the Association shall serve as the Immediate Past Chair, subject to such person's willingness and ability to serve.

**Section 5.2 Term of Office.** With the exception of the President and Executive Director, who shall serve at the pleasure of the Board of Directors and the Immediate Past Chair, who shall serve for so long as he or she remains the immediate past Chair, the officers shall hold office for two years, unless sooner removed or resigned, or until their respective successors are elected and qualified. With the exception of the President and Executive Director and Immediate Past Chair, whenever any vacancy among said officers shall occur, the Board of Directors shall fill such vacancy by electing an officer qualifying for such office as set forth in these Bylaws, at its next regular meeting or at a special meeting called for such purpose, which officer shall hold office for the remainder of the unexpired term of such office, unless sooner removed or resigned, or until the officer's successor is elected and qualified. The Chair may temporarily fill any vacancy in the office of Secretary or Treasurer for the time period ending on the date when the Board acts to fill the vacancy.

**Section 5.3 Agents and Employees.** In addition to the officers named, the Board of Directors may appoint or enter into contracts of employment with such other agents and employees as it may from time to time in its discretion determine, at such compensation as the Board of Directors may determine to be reasonable. Such agents shall have such powers as the Board of Directors may lawfully delegate. Such persons shall not be considered officers.

**Section 5.4 Chair.** The Chair shall preside at all meetings of the Board of Directors, all meetings of the Members of the Association, and at all meetings of the Executive Committee. The Chair shall, whenever he or she shall deem it necessary, call special meetings of the Members of the Association, or the Board of Directors. He or she shall perform and discharge such other duties and shall have such other powers as the Board of Directors may from time to time prescribe.

**Section 5.5 Vice-Chair.** The Vice-Chair shall perform the duties of the office of Chair in the absence of the Chair or in case of the Chair's inability to act, and shall have such other powers and shall perform such other duties as the Board of Directors shall, from time to time, specifically prescribe.

**Section 5.6 Secretary.** The Secretary, with assistance from Association staff, shall keep a correct roll of the Members of the Association with their post office addresses and other contact information, class of membership, and, with respect to Voting Members, the names of Delegates and Alternative Delegates. He or she shall take and keep, or cause to be taken and kept, correct and accurate minutes of the proceedings of all meetings of the Members of the Association, the Board of Directors, and the Executive Committee, and shall have such other duties as the Board of Directors may from time to time prescribe. The Secretary's books and records shall, at all times, be accessible to inspection by the Board of Directors or Executive Committee.

**Section 5.7 Treasurer.** The Treasurer shall supervise the financial activities of the Association. Specifically, the Treasurer shall see that (a) full and accurate accounts of receipts and disbursements are kept, (b) a system is in place such that all monies and other valuable effects are deposited in the name and to the credit of the Association in such depositories as shall be designated by the Board, (c) the Directors at the regular meetings of the Board or whenever they may require it, receive an account of the financial condition of the Association, and (d) an annual audit of the Association's books and records is performed by an auditor selected by the Board. In performing these functions, the Treasurer may rely on employees of the Association who possess special financial training and skills and whose employment responsibilities include management of the Association's financial affairs. In the absence or disability of the Treasurer, the Assistant Treasurer, if any, shall perform all the duties of the Treasurer and when so acting shall have all of the powers of and be subject to all of the restrictions upon the Treasurer.

**Section 5.8 President and Executive Director.** The President and Executive Director shall be responsible for coordinating the activities of the Association. He or she shall work with the Board of Directors and its committees in representing the Association in regulatory, legislative, and public relations matters, and shall serve as the liaison for the Association with the agencies regulating the oil and gas industry. He or she shall sign all documents requiring the signature of the chief executive officer. He or she shall be responsible for preparing reports on matters of interest to the oil and gas industry for dissemination to the Members, and shall perform other duties as the Board of Directors may from time to time prescribe. The President and Executive Director shall attend all Board of Directors meetings and committee meetings, when requested to do so. The President and Executive Director shall serve at the pleasure of the Board of Directors and may be removed by the Board of Directors at any time, subject to any contractual rights which may have been granted to the President and Executive Director.

**Section 5.9 Removal of Officers.** Any complaint against any of the officers alleging neglect or unfaithful performance of their duties shall be made in writing signed by three (3) Members and addressed to the Chair (excepting as to any such complaint against the Chair, in which event any such written complaint should be addressed to the Vice-Chair of the Association). The complaint shall be presented by the Chair (or the Vice-Chair as the case may be) to the Board of Directors at its next regular meeting or at a special meeting called for that purpose. The Board of Directors shall consider the complaint and may hear the officer against whom such charge is made. It may refuse the officer admission to the hearing and, if the officer be a Director, it may refuse the officer the right to vote upon the complaint. The Board of Directors may, by a two-thirds (2/3) vote, act to remove the officer. The Board may also act to remove the officer as a Director in accordance with Section 3.10(B) of these Bylaws. If the Board of Directors determines that the officer shall be removed as an officer and/or as a Director,

it shall report its action to the Members and may also call a special meeting of the Members to determine whether the removed officer shall also be removed as a Director and/or as a Member. At such meeting of the Members of the Association, the Members making the complaint may submit evidence and the officer against who said complaint is made may be heard in his or her own defense. After full consideration, a vote by secret ballot of the Voting Members shall be taken and if two-thirds or more of the votes cast by Voting Members represented in person and by proxy at said meeting shall favor sustaining the complaint, the officer complained against shall be deemed removed as a Director and/or Member, as the case may be. The vacancy created by the removal of the Director shall be filled in the manner provided in Section 3.9. The provisions of this section shall not apply to the persons referred to in Section 5.3. This Section 5.9 shall not apply to the removal of the President and Executive Director who serves at the pleasure of the Board of Directors.

## ARTICLE VI

### INDEMNIFICATION

**Section 6.1 Mandatory Indemnification of Directors and Officers.** The Association shall indemnify, to the fullest extent now or hereafter permitted by law, each Director and/or officer (including each former Director or officer) of the Association who was or is or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that the Director or officer is or was an authorized representative of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Director or officer in connection with such action, suit or proceeding if such Director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

**Section 6.2 Mandatory Advancement of Expenses to Directors and Officers.** The Association shall pay expenses (including attorneys' fees) incurred by a Director or officer of the Association referred to in Section 6.1 hereof in defending in any civil or criminal action, suit or proceeding described in Section 6.1 hereof in advance of the final disposition of such action, suit or proceeding, only upon receipt of an undertaking by or on behalf of such Director or officer to repay all amounts advanced if it shall ultimately be determined that the Director or officer is not entitled to be indemnified by the Association as provided in Section 6.4 hereof or by law.

**Section 6.3 Permissive Indemnification and Advancement of Expenses.** The Association may, as determined by the Board of Directors from time to time, indemnify, in full or in part, to the fullest extent now or hereafter permitted by law, any person who was or is or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that such person is or was an authorized representative of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise,

against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in conjunction with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Association may, as determined by the Board of Directors from time to time, pay expenses incurred by any such person by reason of such person's participation in an action, suit or proceeding referred to in this Section 6.3 in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Association as provided in Section 6.4 hereof or by law.

**Section 6.4 Scope of Indemnification.** Indemnification under this Article shall not be made by the Association in any case where a court determines that the alleged act or failure to act giving rise to the claim for indemnification is expressly prohibited by law or where such indemnification is otherwise not permitted by law.

**Section 6.5 Miscellaneous.** Each Director and officer of the Association shall be deemed to act in such capacity in reliance upon such rights of indemnification and advancement of expenses as are provided in this Article. The rights of indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any agreement, vote of members, disinterested Directors, statute or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Association and shall inure to the benefit of the heirs, executors and administrators of such person. Any modification of this Article shall not adversely affect any right or protection existing at the time of such modification to which any person may be entitled under this Article.

**Section 6.6 Definition of Authorized Representative.** For the purposes of this Article, the term, "authorized representative" shall mean a director, officer or employee of the Association or of any corporation controlled by the Association, or a trustee, custodian, administrator, committeeman or fiduciary of any employee benefit plan established and maintained by the Association or by any corporation controlled by the Association, or person serving another corporation, partnership, joint venture, trust or other enterprise in any of the foregoing capacities at the request of the Association. The term "authorized representative" shall not include money managers or investment advisors (or any employees thereof) hired by the Association, and shall not include agents of the Association unless indemnification thereof is expressly approved by the Board of Directors.

**Section 6.7 Procedure for Effecting Indemnification.** Unless ordered by a court, any indemnification under this Article VI shall be made only as authorized in the specific case upon a determination that indemnification of the present or former Director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in the Pennsylvania Nonprofit Corporation Law. Such determination shall be made:

- (a) by the Board of Directors by a majority vote of Directors who were not party to the action or proceeding, even though less than a quorum;
- (b) by a committee of such Directors designated by majority vote of such Directors, even though less than a quorum; or
- (c) by independent legal counsel in a written opinion.

## **ARTICLE VII**

### **LIMITATION OF PERSONAL LIABILITY OF DIRECTORS**

**Section 7.1 Limitation of Directors' Personal Liability.** A Director of the Association shall not be personally liable for monetary damages for any action taken unless the Director has breached or failed to perform the duties of his office under Chapter 57, Subchapter B of the NPCL as in effect at the time of the alleged action by such Director and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. Such limitation on liability does not apply to the responsibility or liability of a Director pursuant to any criminal statute or for payment of taxes pursuant to any Federal, state or local law.

**Section 7.2 Preservation of Rights.** Any repeal or modification of this Article by the Association shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Director or former Director may be entitled under this Article. The rights conferred by this Article shall continue as to any person who has ceased to be a Director of the Association and shall inure to the benefit of the heirs, executors and administrators of such person.

## **ARTICLE VIII**

### **AMENDMENTS**

**Section 8.1 By Directors.** Unless the Pennsylvania Nonprofit Corporation law requires the approval of the Members, the Board of Directors shall have the power to amend these Bylaws at any regular or special meeting of the Board of Directors, subject to the power of the Voting Members to modify any changes made by the Board of Directors. The Board of Directors shall promptly notify the Members of all changes to these bylaws.

**Section 8.2 By Members.** The Voting Members may amend, repeal, replace or restate these Bylaws at any meeting of the Members, provided that notice of such meeting specifies the proposed changes to the Bylaws by providing either the proposed language or a summary of the proposed changes. Members shall be given at least 10 days notice of any meeting at which an amendment to the Bylaws is considered.