

**American
Petroleum
Professionals
of Iranian
Heritage
(APPIH)**

**Organization Governance
and Bylaws**

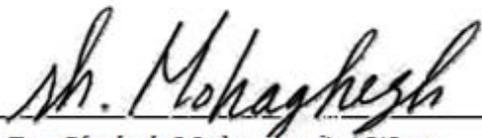
April 2012

This document represents the governance and the bylaws of the American Petroleum Professionals of Iranian Heritage (APPIH), the “Organization”. Amendments to this document will have to be conducted according to the articles contained in the Bylaws.

The Organization was established in March 2012 by the following Founding Members, whose signatures below represent their endorsement of this document adopted effective April 2013. The Organization was registered in the state of Texas in April 2013.



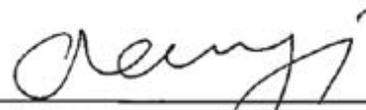
1. Dr. Mohammad Delshad | Aramco



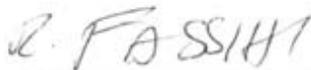
6. Dr. Shahab Mohaghegh | West Virginia University



2. Dr. Iraj Ershaghi | University of Southern California



7. Dr. Abdollah Orangi | Hess



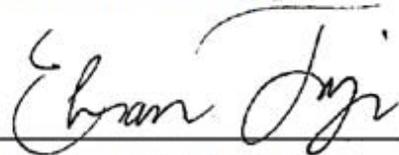
3. Dr. Reza Fassihi | BHP Billiton



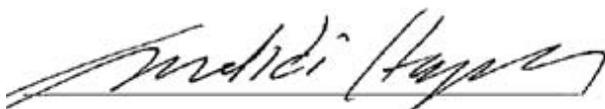
8. Mr. Farrokh Pebdani | Reservoir Transformation Group



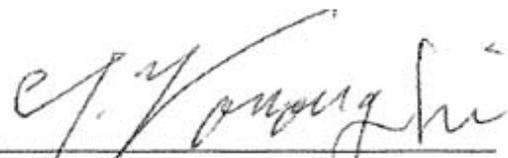
4. Dr. Behrooz Fattahi | Aera Energy



9. Dr. Ehsan Tajer | CSLC



5. Dr. Mehdi Honarpour | Hess



10. Dr. Shapour Vossoughi | University of Kansas

The Governance and Bylaws of the
**AMERICAN PETROLEUM PROFESSIONALS OF IRANIAN HERITAGE
(APPIH)**

ARTICLE I: REGISTRATION

- The Organization shall maintain a registered representative whose address shall be the registered address of the Organization in the State of Texas.
- Organization’s Name: American Petroleum Professionals of Iranian Heritage (APPIH), the “Organization”
- Date of Establishment: March 2012
- Registered in: The State of Texas in April 2013

ARTICLE II: THE ORGANIZATION

- The Organization is a non-profit, non-governmental, and non-political organization operating in accordance with the provisions of Internal Revenue Service section 501(c)(3). The Organization will hold no bias toward any particular political, ideological, or religious groups. Moreover, the Organization shall not participate in, endorse, or repudiate any political, religious, or ethnic movements.

ARTICLE III: PURPOSE, MISSION, and VISION

- Purpose:
The Organization is organized exclusively for educational purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.
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The Organization is also to provide a social, educational, professional, and networking environment for the American Petroleum Professionals of Iranian Heritage, to promote their values, advance their professional interests in the U.S., and contribute to the petroleum industry.

– Mission:

To establish, facilitate, and promote cooperation and exchange of scientific, educational, and scholarly views amongst its members

To provide professional and educational support to its members

To recognize and promote significant scientific and professional contribution of its members at national level

To conduct educational webinars and hold technical meetings

To facilitate integration of new generation of graduates into the petroleum industry

To promote professional growth and networking for petroleum professionals of Iranian heritage

To participate in other philanthropic activities in accordance with APPIH's mission and vision, and subject to the approval of the general membership and Board of Directors

– Vision:

To make the APPIH Organization the premier society of petroleum professionals of Iranian heritage

ARTICLE IV: ORGANIZATIONAL STRUCTURE

The Organization shall be governed by its Board of Directors. The Board of Directors, which is also the executive body shall consist of nine members who have been sanctioned by the nominating committee. The term of office for Board

of Directors is 3 years. One third of the Board members rotates out each year and shall be replaced by new directors through the election process.

The Board of Directors shall hold four quarterly meetings (face to face or virtual) at a time and place as the Board of Directors shall by resolution prescribe. The Board of Directors may also by resolution prescribe the time and place of other meetings as needed. Presence of two thirds of the Directors in the office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. **All meetings of the Board of Directors shall be chaired by the president (or president's proxy)** and conducted according to Robert's Rule of Order.

The board of directors may vote by proxy, subject to the following conditions:

There is already a quorum.

Maximum number of proxies in any meeting is three.

A board member can have only one proxy vote.

Any vacancy occurring in the Board of Directors prior to the expiration of the term shall be filled by appointing a person, by the remaining members of the Board of Directors. A Director so appointed to fill a vacancy shall hold office for the unexpired term of his/her predecessor.

Directors may be re-elected for a maximum of two terms. **The board of directors may hold two offices during all or part of their term.**

A Director may resign from the Board of Directors at any time by giving a notice of his/her resignation in writing addressed to the President. Except as otherwise provided by law, at any meeting of the Board of Directors called expressly for that purpose, any Director may be removed, with or without cause, by the vote of two thirds of the Directors then in office.

Members of the Board of Directors shall not receive any salaries and compensations for their services but may be reimbursed for reasonable expenses.

The composition of the Board of Directors shall be as follows:

President is the spokesperson for the Organization and represents the collective views of the Board of Directors.

President-Elect represents the President in his/her absence, works closely with the active committees, and supervises the employees of the Organization.

Past-President is in charge of administration of by-laws and provides continuity in conducting the affairs of the Organization. The Past-President chairs the nominating committee.

Membership Director is in charge of recruitment, collection of dues, membership projects, annual membership meetings, conferences, social gatherings, and scholarships and grants.

External Affairs Director is in charge of developing contacts with other organizations including state and government agencies, public affairs issues, announcements, web site management, and external projects including interaction with educational institutions.

Internal Affairs Director is in charge of internal issues of the organization including financial records and plans, administration of by-laws, and long term programs.

Treasurer is in charge of finances, accounting, and annual reports including preparation and filing of financial reports to agencies, preparation of operating plan and budget requirements.

Program Director is responsible for scheduling and inviting speakers for technical and educational presentations.

Secretary arranges for the meetings of the Board and keeps the minutes of the Board of Directors' meetings, maintains the membership list, and prepares the annual report of the Organization.

ARTICLE V: ELECTION OF THE BOARD MEMBERS

- After the official registration of the Organization, the members of the first Board of Directors shall be elected by a special majority vote of the Founding Members of the Organization. To allow for proper future rotation of the members of the Board, some members shall serve terms of 2, 3, or 4 years per determination by the Founding Members.
 - For the future annual elections, a nominating committee, consisting of 3 members who are not candidates for any Board positions and represent different geographical areas, shall supervise the election of candidates for the vacant positions in the Board of Directors. The Past-President chairs the nominating committee.
 - Directors must have been in good standing for at least six months prior to the election, have been active in one of the committees, and have been sanctioned by the nominating committee.
 - Directors are elected by the general membership and can serve in that position for 3 years. The elections shall be held in November of each year for the vacant positions. Qualified members can vote for the candidates via confidential emails sent to the chairman of the nominating committee. Results of the election shall be communicated to the general membership via email and the Organization's web site.
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ARTICLE VI: COMMITTEES

- Board of Directors may form various ad hoc committees, such as nominating committee, website committee, or scholarship committee based on recognized needs of the Organization.
- Each committee shall be chaired by a member of the Board of Directors.
- Nominating committee will be chaired by the Past-President and its members are appointed by the Board of Directors.

ARTICLE VII: MEMBERSHIP

- Membership consists of the following five categories:

Full Members are full-time industry or academic professionals engaged in the oil and gas related disciplines, can vote and be nominated for a position in the Board of Directors.

Associate Members are part-time professionals engaged in the oil and gas related research, education, consulting, or operations. They can vote but may not be nominated for a Board's position.

Emeritus Members are "Full Members" with 25 years or more experience who have officially retired from the industry, academic, or research organizations. Emeritus Members would continue with their voting rights and may run for a Board of Directors' position.

Student Members are those who are pursuing oil and gas related academic degrees at schools in North America. They can vote but may not be nominated for a Board's position.

Honorary Members are oil and gas professionals with significant contributions to the industry and the community. They can vote and may be nominated for a Board's position.

– Membership Privileges

Included in the membership invitation, there shall be a clause clarifying that the Organization, by the decision of the Board of Directors, may rescind the membership of any individual whose unprofessional activities are not aligned with the Purpose, Mission, and Vision of the Organization.

– Membership dues will be determined by the Board of Directors.

ARTICLE VIII: FINANCES

– The fiscal year of the Organization shall begin on the first day of January and end on the last day of December of each calendar year.

– The Organization shall keep accurate and complete books and records of all proceedings of the committees. All such documents shall be virtually available to the Board members via a special secure link on the Organization's web site.

– The sources of funding will be from membership dues, tax deductible gifts to the Organization, fund raisings, and revenues from annual conferences, educational and social events.

– The Board of Directors may authorize any officer(s) of the Organization, to enter into a contract or execute and deliver any instrument or document in the name and on behalf of the Organization.

– All checks or drafts for the payment of money, notes, or other evidences of indebtedness issued in the name of the Organization, shall be signed by the Treasurer and another officers.

- All funds of the Organization shall be deposited to the credit of the Organization in the bank or the trust company as designated and approved by the Board of Directors.
- The Board of Directors may accept on behalf of the Organization any contributions, gifts, or bequest for the general purposes or for any special purpose of the Organization. Such contributions, gifts, or bequests shall be in conformity with the laws of the United States, the State of Texas, and any other relevant jurisdiction. To preserve the identity, purpose, vision, and the mission of the Organization, gifts and contributions from any political or religious organization shall not be accepted.
- An operating budget plan shall be submitted to the Board of Directors by the Treasurer and Internal Affairs Director for approval. This submittal shall take place at the last meeting of the Board prior to the fiscal year for which budget approval is sought.

ARTICLE IX: EMPLOYEES

- The Organization may employ the services of a full or part time business manager, web master, and other service personnel subject to the approval of the Board of Directors and availability of funds. Employees of the Organization report to the President-Elect.

ARTICLE X: AMENDMENTS

- The Bylaws may be altered, amended, or repealed by the approval vote of more than two thirds of the members of the Board of Directors. Such changes shall be posted on the Organization’s website within 5 days after Board’s ratification.
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ARTICLE XI: ORGANIZATION DISSOLUTION

- The Organization may be dissolved by the approval vote of more than three fourths of the members of the Board of Directors.

 - Upon the dissolution of this Organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.
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APPENDIX A: AMENDMENTS

ARTICLE IV: ORGANIZATIONAL STRUCTURE

Amended 10/12/2013:

The board of directors may vote by proxy, subject to the following conditions:

There is already a quorum.

Maximum number of proxies in any meeting is three.

A board member can have only one proxy vote.

Amended 10/12/2013:

The board of directors may hold two offices during all or part of their term.

Amended 11/2/2013:

All meetings of the Board of Directors shall be chaired by the president (or president's proxy).

<u>M. Delshad</u>	<u>12/3/14</u>	<u>Matt Honarpour</u>	<u>12/3/2014</u>
Mohammad Delshad	Date	Matt Honarpour	Date
Treasurer/Past-President		President	



American Petroleum Professionals of Iranian Heritage (APPIH)
P. O. Box 218963, Houston, Texas 77218, EIN # 46-3165852
www.appih.org Email: info@appih.org

Exhibits to Application for Recognition of Exemption Under Section 501(c)(3) of IRS (F1023)

Part II – Line 1

Refer to the following attachments:

Attachment AB – 2014 08 23 – Governance and Bylaws of APPIH V2b & Amendments

Attachment C – 2013 04 19 – APPIH Certificate of Formation - Executed

Part II – Line 5

Refer to Page 2 of the following attachment for the date of Bylaws adoption:

Attachment AB – 2014 08 23 – Governance and Bylaws of APPIH V2b & Amendments

Part IV – Narrative Description of Our Activities

Refer to the following attachments as supporting documents for the description of our activities:

Attachment D1 – Invitation to APPIH Inauguration 2013 09 29

Attachment D2 – APPIH Inauguration 2013 09 29 – Selected Slides

Attachment D3 – Invitation Letter to 2nd Annual Meeting 2014 08 23

Attachment D4 – APPIH Flyer for 2nd Annual Meeting Aug 24 2014

Attachment D5 – APPIH President's letter and Membership Invitation

Attachment D6 – APPIH 2014 Scholarship Application

Attachment D7 – Membership Application

The Organization held its inauguration event on Sunday, September 29, 2013 at the Hilton Riverside Hotel, in New Orleans, coinciding with the 2013 Society of Petroleum Engineers (SPE) annual conference (Attachment D1). About 60 professionals attended this event where the President introduced the Organization, its purpose, mission, and the Founding members. And that the Organization is to provide a social, educational, professional, and networking environment for the members to promote their values, to advance their professional interests in the U.S., and to contribute to the petroleum industry. In this regard, a presentation was delivered discussing “Industry Issues and Iranians” and the importance of skill gaps in the work force and our growing industry (Attachment D2).

The Organization proudly held its 2nd annual meeting in conjunction with the Unconventional Resource Technology Conference (URTeC) on August 24, 2014 at the Denver Convention Center (Attachment D3). Keynote speaker was Mr. Ali Moshiri, President of Chevron Africa and Latin America Exploration and Production Company who talked about the “Future of the Oil and Gas Industry and Opportunities for Professionals of Iranian Heritage”. As a part of this annual gathering a panel discussion was organized with four distinguished speakers from academic and industry leaders to cover different topics on “Pore-Physics of Flow in Petroleum Reservoirs” (Attachment D4).

The President honored and awarded two distinguished scientists, Professor Hossein Kazemi and Prof. Iraj Ershaghi for their exemplary achievements, who were recently admitted to the National Academy of Engineering, the highest level of professional achievement. APPIH established two



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scholarships in their honors and a third as APPIH President's Award (\$2000 each), which were awarded to three Ph.D. students from Stanford University, Colorado School of Mines, and Texas A&M University. There were 18 applicants for the 2014 scholarship program which was designed for outstanding students of Iranian heritage working on advanced degrees in Petroleum related fields (Attachment D6).

The President just recently sent out a letter to current and potential members, providing them with a summary of our recent events (Attachment D5) and inviting them to become members (Attachment D7) and to participate in the conduct of the programs, nomination, and election of candidates for the 2015/2016 Board of Directors and to contribute ideas for the advancement of this critical organization. In this letter, he iterated the fact that the Organization belongs to its members and is empowered by them and exists because of them. Organization's income is produced by membership fee, admission fees to special events, and member contributions. This income allows the extent of services that APPIH can provide, such as providing scholarships to outstanding students, organizing panel discussions, showcasing talents and expertise in our community of Petroleum Professionals, and arranging for events honoring scholars and professional successes in our field. Professionals were invited to become members and to consider sponsoring the membership of 5 or 10 students and/or to contribute to the scholarship fund.

The President also announced Organization's 3rd annual meeting to be held on Sept. 27, 2015 in conjunction with the 2015 SPE Conference in Houston, Texas. The first elections of the Organization may take place at or about the time of this event.

Part V – Line 1a

Part V – Line 3a

Refer to the following attachment:

Attachment E – BOD Members Data

Part V – Line 4

Refer to the following attachment:

Attachment F – Compensation Guidelines – 2014 11 15 v1

Part V – Line 5a

Refer to the following attachment:

Attachment G – Conflict of Interest Policy – 2014 11 15 v1

Part VI – Line 1a



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The Organization plans to award cash scholarships every year to outstanding students of Iranian heritage working on advanced degrees in Petroleum related fields. This year, \$2000 scholarship was awarded to each three PhD students selected amongst the 18 applicants.

The Organization also often honors and provides awards to distinguished scientists and scholars of Iranian heritage. During the second annual event this year, the President awarded two professors for their exemplary achievements who were recently admitted to the National Academy of Engineering, the highest level of professional achievement.

Part VI – Line 2

The Organization plans to award cash scholarships every year to outstanding students of Iranian heritage working on advanced degrees in Petroleum related fields in the US schools. The number and the amount of each scholarship are decided by the Board of Directors.

Scholarship recipients are selected by a committee of at least three members chaired by a member of the Board of Directors. Scholarship selection is based on multiple requirements and criterias (Attachment D6 – APPIH 2014 Scholarship Application). Also refer to Schedule H attached.

Part VIII – Line 2b

The Organization does not make attempts to influence legislation in any way.

Part VIII – Line 4a & 4d

Fund-Raising program includes the following elements:

- Solicitations take place by mail, by email, by phone, or by personal contacts.
- Donations and contributions will be accepted on Organization's website, by wire transfer, by direct deposit, or by credit card.
- Solicitations and fundraising may be conducted in any State, but more heavily in States with oil and gas operations and petroleum related activities.
- Contributions will be accepted from donors from any country.
- The fundraising efforts are done by our own organization.
- Contributions from organizations that contradict with our mission and values, will not be accepted.

Attachment H – Fund-Raising Program – 2014 11 15 v1

Part VIII – Line 22

Refer to the following attachment and Schedule H also attached:
Attachment J – Scholarship Program – 2014 11 15 v1

Part IX – Line 24

Attachment I - APPIH 2013 and 2014 YE Financial Summary