

AIRCRAFT FLEET RECYCLING ASSOCIATION

BYLAWS

ARTICLE 1

NAME, PURPOSE AND OFFICES

SECTION 1. Name. This corporation shall be known as the Aircraft Fleet Recycling Association [hereinafter called the Association]. The Association is incorporated in the District of Columbia.

SECTION 2. Purpose. The purposes of this organization shall be to support and promote the common business interests of aerospace industry companies that are involved in the efficient and environmentally sound handling of the world's aging aircraft. This includes companies that are:

- Disassembling aircraft and engines;
- Handling the scrap from aerospace manufacturing and repair operations;
- Handling aircraft parts as they are removed and directed toward distribution;
- Engaged in the recovery and recycling of materials from stripped airframes and aircraft engines; and
- Supporting the efforts of the aerospace disassembly, recovery and reclamation industries.

Within the legal confines of its not-for-profit status, the Association may do anything necessary, suitable, or proper for the accomplishment, attainment or furtherance of any of this purpose.

SECTION 3. Office. The office of the Association shall be in the greater Washington, DC area.

SECTION 4. Other Offices. The Association may also have an office or offices at any such place or places, either within outside of the District of Columbia, as the Board of Directors may from time to time determine.

ARTICLE II GOALS AND DURATION

SECTION 1. The goals of this Association are:

- To promote the highest standards of ethics, reputation, and integrity within the industry;
- To assist the industry in compliance with all applicable laws and regulations;
- To promote industry practices that help enhance the safety and environmental stewardship of their operations, to the extent feasible and appropriate;
- To promote a strong investment in improved operations among its membership;
- To develop and publish “best practices” designed to increase safety and environmental compliance;
- To support industry initiatives which enhance safety in the reclamation of aircraft parts;
- To work with governments that are investigating enactment of laws and regulations governing the aircraft fleet recycling, and to promote reliance on industry standards where such standards are sufficient to meet safety and environmental goals;
- To promote closer relations with and cordial cooperation among the members and other industry associations and government entities globally;
- To promote aviation safety in general;
- To provide education and training to the industry.

SECTION 2. The period of duration of this Association is perpetual.

SECTION 3. AFRA is an organization dedicated to the development of an industry code of conduct and industry recommended best practices for the efficient and environmentally-sound management of retiring airframes and their components. The purpose of these standards is to set reasonable performance expectations within the industry. The standards are not intended to serve: (a) as substitutes for any applicable law or regulation that may apply to activities addressed in those standards or to any individuals or entities (including AFRA operational members) who may undertake to perform such services; (b) as a guide to compliance with legal requirements; (c) as grounds for determining that a duty of care exists on the part of the AFRA or any of its members in favor of any third parties; or (d) as grounds for creating any new legal rights or obligations, changing the nature or extent of any existing rights or obligations, or otherwise affecting the legal status or position of the AFRA or any of its members, whether in relationship to each other or to any third party.

SECTION 4. AFRA is an independent entity that does not endorse specific technologies or companies. Members of AFRA shall be solely and individually responsible for their own actions. AFRA intends that no member shall seek recourse or indemnity from any other in any claim brought against it by any third party solely by virtue of the other’s membership in AFRA.

SECTION 5. AFRA accepts no responsibility or liability for the activities of its members or of any other legal entity. All work, research, and trials will be done by the members using their own facilities, funds and personnel. Nothing in these Bylaws or in any standards or other documents the AFRA may create is intended to constitute the Association members as partners or participants in any joint venture under any laws or regulations applicable to the AFRA or any of its members.

ARTICLE III MEMBERSHIP

SECTION 1. Classes of Membership. There shall be two classes of Association membership: Regular Member, and Accredited Member.

SECTION 2. Regular Membership: General. Any person, firm, or corporation engaged in a business related to the purposes of AFRA may be eligible for regular membership in the Association, provided that the applicant adheres to such membership requirements as may be established by the Association, including but not limited to the payment of dues.

SECTION 3. Regular Membership: Application. To apply for membership in AFRA, the applicant must complete in English the version of the Membership Application Form that is located on the AFRA website at the time of application and present it to the Association.

SECTION 4. Regular Membership: Qualifications. The criteria for membership in AFRA are:

- a) The member must concur with the goals and objectives of AFRA as defined in the AFRA Articles of Incorporation and these By-Laws.
- b) The member must pay the initiation fee within 30 days of notification that their application for membership has been accepted.
- c) The member must remain in good standing.

SECTION 5. Regular Membership: Details and Limitations.

- a) Membership and participation in AFRA shall not be construed as an endorsement or recommendation of any specific technology or company by either AFRA or any AFRA member.
- b) Membership in AFRA is open to businesses and organizations in the following business segments:
 - 1. Companies and persons that remove parts and assemblies from end-of-service aircraft
 - 2. Companies and persons that recycle metals and other materials that are recovered from end-of-service aircraft, from aircraft maintenance, or from aircraft manufacturing
 - 3. Aircraft storage facilities actively engaged in monitoring and maintaining the condition of aircraft

4. Aircraft original equipment manufacturers (OEMs), aircraft owners, aircraft operators, aircraft maintenance and alteration facilities, and aircraft parts purchasers
 5. Organizations and persons that perform research into better ways to recycle materials from aircraft
- c) Members will notify the Executive Director when they desire to change the name of the individual representative designated to vote on behalf of the Member. This representative can be changed at any time by written notification to the Executive Director.
- d) No single individual may represent more than one AFRA member at a single point in time.
- e) It is the responsibility of the individual designated as the AFRA member's voting representative to ensure that the Executive Director and all members of the Board of Directors have current contact information for the representative.
- f) AFRA exercises no control over the activities of its members outside of the specific AFRA Governance as defined the AFRA Articles of Incorporation and these By-Laws.

SECTION 6. Educational and Research Membership.

The Board intends that researchers and departments of accredited universities focused solely on improving aircraft recyclability and sustainability be able to contribute to AFRA's initiatives with minimal cost to the member. As such, the Board retains the authority to waive or reduce joining fees, dues and other fees for such regular members whose primary reason for joining AFRA is because of their research/educational focus, at the discretion of the Board. The intent is that the Board shall have the discretion to benefit research/educational members whose focus is improving aircraft recyclability and sustainability, but it is not the intention that this subsidy be provided to for-profit companies that enter into research to support their business activities.

SECTION 7. Accredited Membership.

The Board intends that Regular Members who are determined by AFRA auditors to have successfully met the minimum standards of the Management of Used Aircraft Parts and Assemblies Best Management Practice (BMP) and thus attain AFRA BMP Accreditation will immediately qualify for Accredited Membership and be so designated. This level of membership provides additional benefits that may not be available to Regular Members, as such additional benefits may be defined by the Board and/or these Bylaws. The requirement to retain this membership category is that the company must continue to maintain their AFRA BMP Accreditation, and must also continue to meet the requirements specified in the BMP to maintain their AFRA BMP Accreditation. A member in good standing that loses its AFRA BMP accreditation will immediately be recharacterized as a to Regular Member.

SECTION 8. Regular Membership: Privileges.

- a) Regular and Accredited members in good standing shall have the right to participate in the activities of the Association.
- b) Subject to the Bylaws related to the Board of Directors, a member in good standing is eligible to be nominated for the Board of Directors, and if elected, to serve on the Board of Directors.
- c) The members shall nominate and elect a Board of Directors. Each member in good standing shall be entitled to one vote for each vacant Board of Directors position and one vote for each issue put forth to the membership for a vote.
- d) "Accredited" members shall be listed separately and ahead of all other members in all AFRA communications and media releases to highlight the distinction they achieved by maintaining AFRA BMP Accreditation.

SECTION 9. Membership in Good Standing. A "member in good standing," as of any date, means that the member

- 1) has paid initiation fees as directed by these Bylaws, and
 - 2) the member has paid all dues invoices issued more than 90 days prior to the date, and
 - 3) is currently in compliance with the other requirements of the bylaws.
- Dues invoices issued less than 91 days prior that remain unpaid shall not have an adverse effect on a member's good standing.

SECTION 10. AFRA Logo. Membership does not automatically confer the right to use the AFRA logo. A license agreement must be signed and accepted by AFRA before our logo can be used for any application. This agreement is revocable at the discretion of AFRA.

ARTICLE IV DUES

SECTION 1. Dues are payable annually, and shall be remitted to AFRA Headquarters.

SECTION 2. In addition to annual dues, all new members shall pay a \$2,000 one-time, non-refundable, initiation fee. This fee shall be submitted to AFRA Headquarters.

SECTION 3. Dues shall be set by the Board of Directors. At the time of the publication of these bylaws, membership dues were set based upon the number of total employees that are involved with or support the company's business activities that are related to AFRA's purposes, as follows:

<u>Annual Dues</u>	<u>Company Size</u> (full & part-time)
\$1,000/yr	(1-19 employees)
\$1,800/yr	(20-59 employees)
\$2,200/yr	(60-99 employees)
\$3,000/yr	(100 or more employees)

SECTION 4. The Board of Directors may adjust dues. Such changes may be accomplished by a Board resolution and do not require a change to these bylaws. Changes in dues shall go into effect after 30 days notice to the Members. For the purpose of setting dues, the Association's determination of a company's size and/or dues level shall be final.

ARTICLE V
ANNUAL OPERATING BUDGET

SECTION 1. The President shall submit, no later than the end of the first fiscal quarter of the year being budgeted, an annual operating budget to the Board of Directors for approval.

ARTICLE VI OFFICERS

SECTION 1. The officers of the Association shall include a President, a Secretary, a Treasurer and such other officers as the Board of Directors may elect. Any Officer, other than the President or Treasurer, may be either an employee of the Association, an elected member of the Board, or any other person chosen by the Board.

SECTION 2. The officers of the Association shall be elected by the Board of Directors. Elections shall take place annually at the first meeting of the Board of Directors to occur in the calendar year. Subject to election by the Board, any number of offices may be held by the same person.

SECTION 3. The President of the Association shall be known as the Executive Director. The Executive Director has day-to-day AFRA operational responsibility and authority. The Executive Director must be a member of the Board of Directors, and shall be elected by the Board to a 1-year term, which may be renewed. The Executive Director shall preside at all meetings of the Board or of the membership.

SECTION 4. The Secretary shall maintain minutes of each meeting of the Board and of the Association, and shall keep custody of the minutes and other corporate documents.

SECTION 5. The Treasurer shall cause to be kept, full and accurate accounts of the receipts and disbursements of the Association, and shall render to the Board of Directors at any regular meeting whenever so requested to do so, an account of the transactions and of the financial condition of the Association. The Treasurer must be a member of the Board of Directors, and shall be elected by the Board to a 1-year term, which may be renewed.

ARTICLE VII MEETINGS OF THE MEMBERS

SECTION 1. A meeting for all members shall be held at least once a year at a time and place determined by the Board of Directors.

SECTION 2. Notice of the membership meeting shall be published in a form calculated to reach the members. It shall be acceptable to publish notice of the membership meeting in an Association's newsletter, by email, or by other method calculated to reach the representative of each member.

SECTION 3. Election of Directors may take place at a time other than the membership meeting, at the discretion of the Board of Directors, so long as the election is conducted in a manner permitted by these Bylaws.

SECTION 4. The greater of ten percent of the members in good standing or ten members in good standing shall constitute a quorum at any membership meeting. In the event that the membership shall be less than ten members, a quorum of the membership shall be 100% of the members in good standing.

ARTICLE VIII THE BOARD OF DIRECTORS

SECTION 1. Eligibility Requirements: In the interest of ensuring AFRA independence from geographic or corporate bias, Board eligibility is restricted so that no more than $\frac{1}{4}$ of the Board members can come from any one country, and no two Board members can be affiliated with businesses where either has a controlling interest in the other (i.e., partnership, ownership, shared investment, etc.). The demographics of each newly elected member of the BofD must be considered in the eligibility determination of subsequent candidates (e.g., in the course of a ballot for multiple openings, the demographics of a newly elected candidate may make ensuing candidates on the same ballot ineligible). Any part of a term constitutes a full term. Determination of eligibility of a Board nominee shall be the responsibility of the Executive Director and shall be based on the demographics of the sitting Board. No candidate's eligibility shall be judged based on the possibility that another nominee will be elected in the future.

SECTION 2. Nomination: When there is a Board vacancy, the Executive Director shall call for nominations for members representatives interested in running for the Board of Directors.

SECTION 3. Election: When there is a Board vacancy, the Executive Director shall call for a vote of the membership. The Association will distribute to each member a ballot that lists all of the nominees, in alphabetical order by surname, as a single, multiple-choice question. Members will be allowed to vote for as many names on the list as there are open Board seats. A ballot choosing too many names from the list will be disqualified.

SECTION 4. Election Results Processing: The candidate with the most votes (no minimum percentage requirements) fills the first open Board position. Where some open Board positions have longer remaining terms, the one with the longest remaining term shall be considered the first open Board position. After an open Board position is filled, the eligibility requirements for the remaining vacant seats shall be re-assessed and the candidate with the next highest vote tally (if still eligible) fills the first remaining open Board position. This cycle repeats itself until all of the vacant Board positions are filled.

SECTION 5. Directors shall be elected for three year terms.

SECTION 6. Each Director must be an employee, officer, director, or owner of a company that is a regular member in good standing of the Association. In the event a Director resigns or otherwise leaves employment or affiliation with the member company, the Director shall forfeit his or her position as Director. This shall be true even if the Director immediately obtains employment or affiliation with another member

company. In the event the member company allows its membership to lapse, the Director shall forfeit his or her position as Director.

SECTION 7. In the event of a vacancy on the Board of Director, the Board shall appoint a replacement Director to complete the unexpired remainder of the term, to fill the vacancy.

SECTION 8. The Board of Directors shall meet four times a year. The meetings shall occur once in each fiscal quarter. These meetings may take place telephonically or using other similar technology that permits the directors to communicate. These meetings shall be considered regular meetings of the Board of Directors.

SECTION 9. The President may call a special meeting of the Board of Directors, subject to the discretion of the President.

SECTION 10. Notice for any meeting shall conform to the requirements of the governing law, and may be waived by written consent of all Directors.

SECTION 11. A majority of the Board of Directors shall constitute a quorum at any regular or special meeting of the Board. The Board shall act by the decision of a majority of the Directors present and voting.

SECTION 12. Directors shall serve without compensation.

SECTION 13. The Board may establish such committees of the Board as it may deem appropriate. Committees shall have the power to make recommendations but shall not have the power to pass resolutions on behalf of the Association. Committees shall meet as required and shall report on all committee activities to the President, who shall serve as the Board's liaison to each Committee.

SECTION 14. Exception for the Initial Board of Directors. The initial Board was elected from the Founding Members. This initial Board shall serve for staggered terms of three years (2 Directors), two years (2 Directors) and one year (3 Directors). Subsequent terms of elected Directors will be three years. Because of the limited pool of candidates no eligibility restrictions were imposed during this election.

SECTION 15. Supplementary Directors. The Board may create up to two Board-appointed Director positions, to be filled at the discretion of the Board; such Directors shall be known as Supplementary Directors. Supplementary Directors shall serve for a period of 1 year, and are in addition to the membership-elected Directors. Supplementary Directors would be subject to the same eligibility requirements, rights and limitations as other Directors with the following exceptions:

- (a) Supplementary Directors shall not be eligible to serve as Board Officers nor as the deputy managing director; and
- (b) The geographical location of any Supplementary Director shall not be considered in determining geographic eligibility of any other director.

ARTICLE IX SUSPENSION OR EXPULSION OF MEMBERS

SECTION 1. Membership in AFRA is continuous until a member notifies the Executive Director in writing of intent to withdraw, or until actions by the member are in violation of the AFRA membership criteria.

SECTION 2. The President shall have the authority to suspend or expel any member for non-payment of dues or other failure to meet Association membership requirements. Association membership requirements may be found in Article III of these bylaws.

ARTICLE X
INTERPRETATION AND AMENDMENT OF BYLAWS

SECTION 1. The decision of the Board of Directors shall be final upon all questions of construction and interpretation of these Bylaws.

SECTION 2. These Bylaws may be amended by a majority vote of the Directors present at a regular or special meeting of the Board of Directors.

ARTICLE XI FINANCIAL STANDARDS

SECTION 1. Association May Handle Funds. The Association will handle funds out of its own account for the administration of the organization.

SECTION 2. Responsibility for Member Expenses. Members shall be responsible for their own expenses to attend and participate in meetings. Further, Directors shall not be entitled to compensation or reimbursement of expenses.

SECTION 3. Expenses and Reports. From time to time, certain administrative expenses may be incurred by the organization. The Board of Directors may authorize the Executive Director to issue checks or make other payment of money on behalf of the organization. The Executive Director shall present a financial report at each meeting of the Board of Directors.

SECTION 4. Special Projects. Special projects can be proposed through the Executive Director and adopted by AFRA with approval of the Board of Directors. Such projects shall be approved with an accompanying financial plan that is agreeable to members participating in the special project.

SECTION 5. Schedule of Payments. The following is the schedule of payments:

- a) Once the Treasurer submits an invoice to a new or existing member that member will have 30 days from the date of distribution of the invoice to submit their required fees and dues (or have agreement established with the AFRA Treasurer for when those fees and dues will be received), after which their membership in AFRA will be considered not in good standing.
- b) A company that is not in good standing will be prohibited from voting on any AFRA General Membership or Board of Directors questions. A member who makes full payment of dues and fees any time prior to a vote being called will be allowed to cast a ballot.