

BY-LAWS

FOR

**NATIONAL ASSOCIATION OF PIPE
COATING APPLICATORS**

REVISED APRIL 18, 2009

BY-LAWS
OF
NATIONAL ASSOCIATION OF PIPE COATING APPLICATORS
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ARTICLE I

NAME

The name of this corporation shall be the “National Association of Pipe Coating Applicators” (hereinafter called the “Association”).

ARTICLE II

GOVERNING LAW

The Association is incorporated under, governed by, and shall be operated in accordance with, the laws of the State of Ohio regarding corporations or the laws of any other state to which its charter may be transferred.

ARTICLE III

OBJECTIVES, BUSINESS STANDARDS AND ETHICS

The Association shall seek to promote in all lawful ways the general welfare of the plant pipe coating application industry; to stimulate the use of plant applied pipe coating and related materials; to standardize and improve specifications and materials; to aid consumers and manufacturers in their coating material research; to cooperate with other industries and organizations; to disseminate information to the members of the plant applied pipe coating application industry, its customers and the public; and to encourage high standards of workmanship and business ethics in the plant pipe coating industry and particularly among its members, such business standards and ethics to include, but not be limited to, the following:

- (a) To conduct business using good business practices so as not to commit any misrepresentation to a customer or anyone else;
- (b) To abide by the customer and/or NAPCA specifications applicable to each job;
- (c) To conduct one’s business with financial responsibility;

- (d) To not deviate from the standards of performance generally accepted in the plant pipe coating industry.

Statistical and financial data of individual companies shall not be received or disseminated by the Association, but such data may, with Association sponsorship, be accumulated in confidence by an independent professional person or firm and then circulated to members by the Association in such form as will not reveal, or permit the calculation of, individual company data.

ARTICLE IV

MEMBERSHIP

Section 1. Classes of Membership. There shall be seven (7) classes of membership, namely, Regular Members, Affiliate Members, International Members, Associate Members, International Associate Members, Industry Members and Honorary Members. The qualifications for membership in each class are as follows:

- (a) Regular Member – Any business entity located in the United States of America primarily engaged in the application of protective pipe coatings to steel pipe at permanently established facilities employing permanently located equipment, which pipe is used for the construction of distribution and/or transmission pipelines (as those terms are customarily defined in the oil and gas industry) for crude oil, natural gas and associated products and other hydrocarbons, including any business entity which applies concrete weight coatings or insulation coatings.
- (b) Affiliate Member – Any business entity located in the United States of America which would otherwise qualify for Regular Membership, in which at least a majority of the ownership thereof is held by or the same as a Regular Member. Companies qualifying for Affiliate Membership shall not be eligible for Regular Membership, except as provided for immediately below. Any company qualified to be an affiliate member may elect to be classed as a Regular Member, pay dues as such with all the rights and privileges thereof, except it shall have no vote in the affairs of the Association.
- (c) International Member – Any business entity located outside of the United States of America engaged in a substantial way in the application of protective pipe coatings to steel pipe at permanently established facilities employing permanently located equipment, which pipe is used for the construction of distribution and/or transmission pipelines (as those terms are customarily defined in the oil and gas industry) for crude oil, natural gas and associated products and other hydrocarbons, including any

business entity which applies concrete weight coatings or insulation coatings.

- (d) Associate Member – Any business entity located in the United States of America engaged in the manufacture or sale of materials, supplies, equipment or services utilized by applicators of protective pipe coatings, any steel line pipe manufacturer located in the United States of America which manufactures pipe coated by itself or by business entities qualified to be Regular or International Members and any distributor of new steel line pipe located in the United States of America which maintains a substantial inventory of such pipe in stock.
- (e) International Associate Member – Any business entity located outside the United States of America which otherwise meets the qualifications for Associate Membership set forth in Section 1 (d) of this Article and any registered agent of a international steel pipe manufacturer which meets the qualifications for International Associate Membership.
- (f) Industry Member - Any individual regularly employed as a consultant or as an employee, officer, director or elected official of any corporation, governmental unit, or other entity interested in the end use of coated pipe or any former employee of any member of the Association.
- (g) Honorary Member – Any employee or former employee of a Regular or Associate Member approved by the majority of the Board of Trustees for his contribution to the Association.

Section 2. Non-Eligibility. No person, partnership, association, corporation or other entity exclusively engaged in or exclusively associated with the line-travel or over-the-ditch pipe coating application process or significantly engaged in applying coatings to steel pipe to be utilized within the confines or refineries, pump stations and the like (plant piping) shall be eligible for membership in the Association.

Section 3. Admission. Any person, partnership, association, corporation or other entity which desires to become a member of the Association shall complete an application for membership sent to him, her or it by mail, facsimile or e-mail and shall return the application to the Association's office by either mail, facsimile or e-mail. The Board of Trustees shall determine whether the applicant is eligible for the class of membership requested and may approve such application by a majority vote at its meeting or by letter, facsimile or e-mail ballot, unless the Board of Trustees adopts more stringent requirements for approval of any such application. Membership shall not be granted until the applicant has paid for one year's dues to the Association. Such membership shall be transferable only by express approval of the Board of Trustees.

Section 4. Resignation. Any member may resign from the Association at any time by filing a letter of resignation with the Secretary of the Association. Members who resign from

the Association shall be liable, in addition to the payment of all prior financial obligations, for the payment of all dues and assessments incurred for the year of resignation. Any resignation complying with the foregoing requirements shall be accepted by the Board of Trustees, and no refund of dues shall be made.

Section 5. Termination. Membership in the Association shall terminate when (a) a member fails to pay its dues or assessments within the period prescribed herein, (b) a member is no longer eligible for membership under the terms of Article IV Section 1 hereof, or (c) the Board of Trustees terminates the membership of any member for any cause as determined by it upon a two-thirds (2/3) affirmative vote of the whole Board of Trustees.

ARTICLES V

MEETINGS OF REGULAR MEMBERS

Section 1. Annual Meeting. An annual meeting of the Regular Members of the Association shall be held in the months of either March or April of each year for the election of Trustees, the consideration of reports to be laid before such meeting and for the transaction of such other business as may properly come before the meeting. Such meeting may be held at such place and hour as the Board of Trustees may determine.

Section 2. Special Meetings. Special meetings may be called at the discretion of the President, a majority of the Board of Trustees, or upon petition of one-fourth (1/4) or more of the Regular Members. Such Meetings may be held at such place, day and hour as is specified in the call.

Section 3. Notification. Written notice of the place, day and hour of any annual or special meeting of the Regular Members, together with a brief statement of the matters to be considered at any special meeting, shall be given in writing or by facsimile or e-mail to all Regular Members not more than sixty (60) days and not less than ten (10) days prior to the meeting. Such notice shall be addressed to each Regular Member of the Association at its mailing address, facsimile number or e-mail address, as applicable, as it appears on the records of the Association. Neither the business to be transacted nor the purpose of any annual meeting of the Regular Members need be specified in the notice thereof.

Section 4. Voting Eligibility. At all meetings of the Regular Members each Regular Member not in arrears in the payment of its dues shall have one vote. Neither Affiliate, International, Associate, International Associate, Honorary nor Industry Members shall be entitled to vote. The act of a simple majority of the Regular Members at the meeting at which a quorum is present shall be the act of the Regular Members unless the concurrence of a different number is required or permitted by these by-laws.

Section 5. Membership Quorum. At each meeting of the Regular Members a quorum for the transaction of business shall consist of a simple majority of the Regular Members, but less than a quorum may adjourn the meeting to another time or place.

Section 6. Member Representation. Each Regular Member shall designate an official company representative who shall be deemed to have the authority to vote in its behalf at any meeting of the Association. The representative prior to any meeting may designate an alternate by giving written notice to the Secretary of the Association. Any voting Regular Member of the Association may vote by written proxy at any meeting of the Regular Members.

Section 7. Ballot. Whenever, in the discretion of the President, a question arises that should be submitted to the Regular Membership for a vote, but the calling of a meeting does not seem expedient or practical, the Regular Membership may be polled by ballot sent to each Regular Member either by mail, facsimile or e-mail. In such a case a ballot shall be sent to each Regular Member's designated official representative. For the vote to be binding on the Association, a majority of the Regular Members of the Association shall be in accord on the issue presented and shall register their accord by the return of their signed ballots to the Association's office by mail, facsimile or e-mail, which ballots shall thereafter be filed with the records of the Association.

ARTICLE VI

TRUSTEES

Section 1. Authority. Except as otherwise provided in these by-laws, all authority of the Association shall be exercised by the Board of Trustees.

Section 2. Number and Terms. The Board of Trustees shall consist of seven (7) members. The members shall elect six (6) trustees who shall serve for a period of two (2) years or until their respective successors are elected and duly qualified. The seventh member of the Board shall be the immediate past President.

Section 3. Length of Service. No member may be elected to more than two consecutive terms as Trustee and no Trustee may be elected to more than two (2) consecutive one (1) year terms as President.

Section 4. Qualifications. Every Trustee shall, at the time of his election and throughout his term of office as Trustee, be an officer, employee or owner of a Regular Member of the Association.

Section 5. Nominations. Prior to every annual meeting of the Association at which Trustees are to be elected, the President of the Association shall appoint a nominating committee which shall present to the presiding officer of such meeting, a slate of nominees for the office of Trustee. Two members of this nominating committee must not be presently on the Board of Trustees. In preparing such a slate of nominees, the nominating committee shall include among their selections individuals who, if elected to the Board of Trustees, would constitute a Board which would include representatives from a broad base of geographical locations and coatings applied. The presiding officer of such meeting shall accept additional nominations from the floor, and the Trustees shall be elected from among the total list of persons so nominated.

Section 6. Vacancy. In the case of any vacancy in the Board of Trustees regardless of the cause, the remaining members of the Board shall appoint a successor to serve the unexpired term.

Section 7. Meetings. An annual meeting of the Board of Trustees shall be held immediately following and at the same place as the annual meeting of Regular Members. Special meetings of the Board of Trustees may be held whenever called by the President or any two or more Trustees. The place, day and hour of the meeting shall be specified in the call.

Section 8. Notification of Meetings. The Secretary or the Managing Director shall give not less than five (5) days' notice of each special meeting of the Board of Trustees by telephone or by facsimile, mail or e-mail addressed to each Trustee at his business address, e-mail address or facsimile number, as applicable, shown on the Association's records. Notice of the annual meeting of Regular Members shall serve as notice of the annual meeting of the Trustees. Except as otherwise provided by these by-laws, neither the business to be transacted nor the purpose of any meeting of the Trustees need be specified in the notice thereof.

Section 9. Trustee Quorum. A simple majority of the Trustees in office at the date of any meeting shall constitute a quorum for the transaction of business, but less than a quorum may adjourn the meeting to another time or place.

Section 10. Action of Board. The act of a simple majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees unless the concurrence of a different number is specifically required or permitted by these by-laws.

Section 11. Expenses. All Trustees shall serve without compensation from the Association, but the Board of Trustees may authorize the reimbursement of any Trustee of expenses reasonably incurred by him in the performance of his duties as Trustee.

Section 12. Board Regulation. The Board of Trustees may establish by-laws governing its own conduct when not inconsistent with law or these by-laws.

Section 13. Written Action. Any action of the Board of Trustees which may be taken at a regularly convened meeting may be taken or authorized by action without a meeting. Such action without a meeting shall be taken in writing or by facsimile or e-mail by a majority of the Trustees, which writing or other evidence of the vote shall be filed with the corporate records.

Section 14. Committees. The Trustees may from time to time create from their membership an executive committee or from their membership and/or others any other committee to act in the intervals between meetings of the Trustees. Any such committee or committees shall be at all times subject to the direction and control of and shall be responsible to the Trustees. Any such committee may act by a majority of its members at a meeting, by written consent, by facsimile or by e-mail approved by a majority of its members. Any such committee shall prescribe its own rules for calling and holding meetings and its method of procedure, subject to any rules prescribed by the Trustees, and shall keep a written record of all actions

taken by it. The Trustees may appoint one or more Trustees as alternate members of any such committee, who may take the place of any absent member or members at any meeting of such committee.

The committee to select the Hall of Fame Award recipient shall consist of the following persons:

- (1) Members of the Board of Trustees of the Association;
- (2) Associate Member Chairman of the Association;
- (3) Managing Director of the Association;
- (4) All living past recipients of the award.

Nominations for the award shall close at least fifty (50) days before the opening of the annual meeting of the Regular Members. Immediately after the nominations close, the Managing Director shall submit copies of the nomination forms for all persons nominated with other pertinent information regarding them he may have readily available to a screening committee. This committee shall consist of the President, the Managing Director and three (3) members of the Board of Trustees appointed by the President, whose charge shall be to screen the nominees for their worthiness to receive the award. A simple majority vote of the screening committee shall be required to either reject or accept any nominee. The decision of this screening committee shall be final and shall be made within five (5) days of its members' receipt of the nomination forms. After the decision of the screening committee has been made, and it determines one or more of the nominees are worthy to receive the award (the "Finalist Nominees"), a ballot shall be prepared immediately and mailed to the Hall of Fame committee listing the names of all Finalist Nominees with choices to vote for, against or for none of the Finalist Nominees. Each committee member shall have two votes, if more than one person is nominated, however, no committee member shall be entitled to use both of his votes in favor of the same Finalist Nominee. If there is only one Finalist Nominee, each committee member shall have only one vote. Voting shall be by secret written ballot and forwarded to the Association's certified public accountant and only he shall divulge the results of the balloting.

To be elected, a Finalist Nominee must receive a two-thirds (2/3rds) majority vote of those voting. After the results of the balloting are made known to the Managing Director and the President and no one has received a two-thirds (2/3rds) majority, a second vote may be taken between the two (2) Finalist Nominees receiving the most votes.

Should no one receive a two-thirds (2/3rds) majority on the second balloting, no award shall be made for that year.

The award shall only be given to persons who have contributed greatly to the advancement of the Association and to the pipe coating industry. The persons may or may not be or have been members of the Association and may be living or deceased. The committee, in its discretion, may choose one award winner, two award winners or no award winner in any year.

ARTICLE VII

OFFICERS

Section 1. Titles. The Association shall have a President, Vice President, a Secretary/Treasurer and such other officers and assistant officers as the Trustees may deem necessary. Any two or more offices, other than the President and Vice President may be held by the same person.

Section 2. Term of Office. All officers and assistant officers shall be elected by the Trustees at the regular annual meeting of the Board of Trustees or at any meeting called for such purpose, and shall, unless otherwise provided by the Trustees, serve for a term of one year or until their respective successors have been elected and duly qualified. No officer may serve more than two (2) consecutive one (1) year terms.

Section 3. Rights and Powers. All officers of the Association shall be elected by the Board of Trustees from among their number and shall, after their election, continue to serve as members of the Board of Trustees with all the rights and powers granted to other members of the Board.

Section 4. President. The President shall preside at all meetings of the Board of Trustees and Regular Members. He is the chief executive officer with general management of the Association's business. He shall see that all orders and resolutions of the Board of Trustees are carried into effect and is to direct the other officers in the performance of their duties. He shall generally perform all acts incident to the office of President or which are authorized or required by law or which are incumbent upon him by the Articles of Incorporation or these by-laws. The President of the Association shall continue, by virtue of his former office, to serve on the Board of Trustees for the first full year following his term as President of the Association. Such former Presidents shall, during their terms of office as members of the Board of Trustees, enjoy all the rights and powers granted to other members of the Board.

Section 5. Vice President. The Vice President shall be the second officer in point of rank of the Association. He shall preside at all meetings of the Board of Trustees and Regular Members in the absence of the President and in such capacity shall see that all orders and resolutions of the Board of Trustees are carried into effect as directed by the Board of Trustees. He shall have such other authority as from time to time may be delegated to him by the President of the Association and any other duties and authority as directed by the Board of Trustees.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall keep all minutes of the meetings of the Board of Trustees and of the Association. He shall have charge and custody

and keep up to date the membership lists and all Association correspondence and records. He shall be responsible for making suitable arrangements for the meetings of the Association and Board of Trustees. He shall have the power to contract in the name of the Association for such services and supplies as are necessary for the operation of his office within the authority granted by the Board of Trustees. He shall be reimbursed for all expenses actually incurred by him in the transaction of the business of the Association, and such expenses shall be subject to audit by the Board of Trustees. The Secretary/Treasurer shall perform such other duties as may from time to time be delegated to him by the Board of Trustees. The Secretary/Treasurer shall receive and have charge of all monies, bills, notes, bonds, and other similar property belonging to the Association, and he shall deposit, retain, or otherwise do with the same as he may be ordered by the board of Trustees. He shall keep adequate and correct accounts of the business transactions including the accounts of the Association's assets, liabilities, receipts, disbursements, donations and expenses. He shall render an annual report and such special reports as may be called for by the Board of Trustees. He shall furnish such bond in such amount and with such security as shall be required by the Board of Trustees, and he shall sign all checks or notes or other evidence of indebtedness issued or authorized for the benefit of the Association, and he shall deposit them in a bank designated by the Board of Trustees to the credit of and for the benefit of the Association. Such accounts may be audited by independent auditors at the direction of the Board of Trustees.

Section 7. Authority. The officers shall have such authority and shall perform such duties as are customarily incident to their respective offices, or as may be specified from time to time by the Trustees regardless of whether such authority and duties are customarily incident to such office. Any officer may be removed at any time, with or without cause, by the Trustees at a meeting of the Trustees called for such purpose.

Section 8. Expenses and Compensation. The Secretary/Treasurer shall receive such compensation, if any, as may from time to time be determined by the Board of Trustees. Other officers of the Association shall serve without compensation, but the Board of Trustees may authorize the reimbursement to any officer of expenses reasonably incurred by him during the performance of his duties as an officer of the Association.

ARTICLE VIII

STAFF

Section 1. Personnel. The Board of Trustees may, in its discretion, appoint or authorize the President to retain a Managing Director and/or an Executive Secretary, and such additional staff personnel as it deems necessary to properly conduct the affairs of the Association.

Section 2. Duties of Managing Director. It is understood that the Managing Director may perform all of the duties of the Secretary/Treasurer. He shall perform such of those duties as the Board may direct.

Section 3. Paid Employees. Any staff personnel may, at the discretion of the Board, be paid employees of the Association.

Section 4. Termination of Personnel. Any staff personnel of the Association may be removed by the Trustees at any time, with or without cause. Such right of removal shall be without prejudice, however, to the rights of such personnel under their employment contracts, if any, with the Association.

ARTICLE IX

FINANCE

Section 1. Obligations. Only the assets of the Association shall be applied to the discharge of its obligations, and no Officer, Trustee, employee or member of any class shall be in any way liable for such obligations.

Section 2. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Trustees. Prior to the beginning of each fiscal year the Board shall adopt a budget therefor which may be altered by it prior to any fiscal quarter thereof.

Section 3. Dues and Fees. The Board of Trustees shall determine, from time to time, the initial membership fee, if any, which shall be paid by new members of the Association, and the annual dues payable by all classes of members.

Section 4. Payment. Dues or other assessments shall be payable in such installments and at such times as shall be determined from time to time by the Board of Trustees.

Section 5. Assessments. By the affirmative unanimous vote of the entire Board of Trustees, it may from time to time, and for such time as it may see fit, make such special assessments against Regular Members of the Association as it shall deem (1) proper on account of expenses and reserves, or (2) necessary to cover the actual cost of such special activities and projects of the Association as the Board may authorize.

Section 6. Indemnity. The Association shall indemnify and save harmless each Officer, Trustee and employee (and his heirs, executors and administrators) from all loss, damage, costs, and expenses, including attorneys' fees which such person may suffer or sustain or be threatened with liability for arising out of any claim, lawsuit, or proceeding of any nature, based in whole or in part, upon his serving or having served as an Officer, Trustee or employee of this Association, except in relation to matters as to which he shall be finally adjudged in any proceeding to be liable for gross negligence or willful misconduct in the performance of his duties. Such expense shall include the costs of reasonable settlement made with a view to the curtailment or avoidance of litigation.

ARTICLE X

CORPORATE SEAL

The Board of Trustees may adopt a seal, which shall bear the name of the Association and such other information as determined by the Board of Trustees.

ARTICLE XI

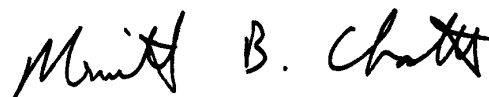
USE OF NAME

The use of the name or seal of the Association by any member, representative of a member, or other entity shall be subject to the control of the Board of Trustees.

ARTICLE XII

AMENDMENT BY-LAWS

These by-laws may be amended, repealed, or altered, in whole or in part, by a majority of the Regular Members of this Association voting on said question, provided that the proposed amendments shall have been approved by the Board of Trustees and provided that a copy thereof shall have been sent to each Regular Member either by mail, facsimile or e-mail at least thirty (30) days prior to the day on which the vote is to be taken. Voting on amendments may be at a meeting of the Regular Members or by mail, facsimile or e-mail but in any such case, must be by written ballot. In case of a vote by mail, facsimile or e-mail a blank ballot clearly marked with the date on which the poll shall be closed shall be attached to the copy of the proposed amendments sent to the Regular Members of this Association, and a favorable vote shall consist of a majority vote of the Regular Members received at the Association's office on or before the date on which the poll shall be closed. The completed ballots shall thereafter be filed with the records of the Association.



Merritt B. Chastain, III
Managing Director and General Counsel