

**BYLAWS OF ADVANCED BIOFUELS USA, INC.**  
**Revised 7/7/09 and 8/15/17**

**1. Name and purposes:**

The name and purposes of the corporation are set forth in the articles of incorporation.

**2. Principle office of the corporation:**

The principal office of the corporation shall be designated by the board of directors.

**3. Membership:**

(a) The directors of the corporation shall constitute the members of the corporation.

(b) Voting: All members shall have one vote. Members may cast their votes in person, or by their designated member voting as their proxy, or by written proxy. Votes cast by written proxy shall be cast in conformance with Maryland law regarding proxy voting.

(c) Termination of membership: A member may terminate a membership if the member sends written notice to the board of directors or the president.

**4. Directors:**

(a) Classes: There shall be only one class of directors.

(b) Role/number/composition: The management of the corporation shall be vested in a board of directors which shall be composed of no more than 9 persons and no less than 3 persons, and the board shall have an uneven number of members at all times. The board shall determine the specific number of directors from time to time.

(c) Election/vacancies: At each annual meeting, the directors for the ensuing year shall be elected by the existing directors. Vacancies occurring between annual meetings may be filled for the balance of the term by election by the remaining members of the board of directors.

(d) Term: Each director shall hold office for a term of three years or until a successor is duly elected. The initial board shall be divided into three approximately equal groups: one-third of the members to serve for an initial term of one year, one third to serve for an initial term of two years, and one third for an initial term of three years.

(e) Voting: Except as otherwise provided in these bylaws, decisions of the board of directors shall be by vote of a majority of those present (or participating by proxy) and voting, but not less than one-half of the directors then serving. Each director shall have one vote.

(f) Removal: Any member of the board of directors may be removed by a majority vote of the other members of directors for a substantial cause. Substantial cause shall include but is not limited to failure to participate in the activities of the board of directors as evidenced by, among other things, the failure to attend at least three consecutive meetings of the board of directors.

(g) Resignation: A director may resign only by submitting a written resignation to the president or to the other directors, if the resigning director is the president.

## **5. Officers:**

(a) Election/vacancies: The officers shall consist of president, secretary, and treasurer, and such additional officers as the board may from time to time appoint. The officers shall be elected annually by the directors at the first meeting of the directors following the annual meeting of the corporation. The board of directors shall fill any vacancy occurring in any office, for whatever reason, and any director so elected shall fulfill the term of his/her predecessor.

(b) Term: Officers shall serve a term of one year and until their successors are elected, or unless or until they are removed.

(c) Removal: An officer may be removed as determined by a two-thirds vote of the Board.

(d) Resignation: An officer may resign only by submitting a written resignation to the president or secretary or to the other directors, if the resigning officer is the president.

(e) Authority and duties: The officers shall have the authority and responsibility delegated by the board and as follows:

(1) The president shall preside at and conduct all meetings of the board of directors and of the executive committee when and if such committee has been established. The president may sign all contracts and agreements in the name of the corporation after the board has approved them, serve as the representative of the corporation in meetings and discussions with other organizations and agencies, and otherwise perform all of the duties which are ordinarily the function of the office or which are assigned by the directors.

(2) The secretary shall keep accurate records and minutes of all meetings of the corporation; make available copies of the minutes of the previous meeting and distribute them in advance of each meeting; cause to be delivered all notices of meetings to those persons entitled to vote at such meeting; and maintain the minutes book of the corporation and a current listing, with phone numbers and addresses, of the directors at the office of the corporation.

(3) The treasurer shall oversee the deposit of funds of the corporation into the proper accounts of the corporation; the recordation of all receipts and disbursements from such account or accounts; the preparation of the books and records of the finances of the corporation; the preparation of financial reports of the accounts for each board meeting; and the preparation and filing of all end of year financial reports and federal and state tax reports.

(4) Other officers appointed by the board shall perform such duties as may be specified by the board or by officers given authority over them.

**6. Executive Director:**

- a) The board of directors shall appoint an Executive Director who shall have responsibility for activities of the corporation, including monitoring of expenditures and resources, and the direction of tasks to accomplish the purposes of and policies of the corporation.
- b) The Executive Director shall be a voting member of the board of directors.
- c) Board approval is required for expenditures over \$10,000.

**7. Meetings:**

- a) Annual meeting: The annual meeting of the corporation shall be held in January of each year; or at such time as soon as practical thereafter as determined by the board of directors.
- b) Regular board meetings: Regular meetings of the board shall be held on a schedule and in a manner to be determined by the board of directors with at least 1 meeting per year. Any meeting of the board (including annual meetings, regular meetings, or special meetings) may be held by telephone conference call if so desired and determined by the board.
- c) Special meetings: Special meetings of the board may be held on a schedule and in a manner to be determined by the board.
- d) Notice of meetings: Notice of regular board meetings, including the annual meeting, and special meetings shall be given in a manner and timeframe to be determined by the board of directors.
- e) Quorum: At any meeting, a quorum shall consist of at least fifty-one percent of the directors then serving present in person or via telephone conference call. A majority vote shall consist of at least fifty-one percent of those present or participating by conference call and entitled to vote at the meeting, except as otherwise provided by law or in these bylaws.
- f) Waiver of Notice: Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

**8. Committees:**

The board of directors may create such committees with such powers and organization as it determines.

## **9. Conflict of Interest:**

### **Article I**

#### **Purpose**

The purpose of the conflict of interest policy is to protect Advanced Biofuels USA's (the Organization's) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Article II**

#### **Definitions**

##### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

##### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b.** A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **Article III**

#### **Procedures**

##### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

##### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or

committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **4. Violations of the Conflicts of Interest Policy**

- a.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article IV**

### **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a.** The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

- b.** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **Article V**

### **Compensation**

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **Article VI**

### **Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy,
- b.** Has read and understands the policy,
- c.** Has agreed to comply with the policy, and
- d.** Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Article VII**

### **Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a.** Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b.** Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **Article VIII**

### **Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

### **10. Indemnification:**

The corporation may indemnify directors, officers, employees, and agents of the corporation to the fullest extent required or permitted by the General Laws of Maryland.

### **11. Compensation:**

The members of the board of directors and the elected officers of the corporation shall serve without compensation for their services as board members or officers, but may receive pay at reasonable rates for other services performed and provided on behalf of the corporation. Directors and officers may be reimbursed for all expenses reasonably incurred on behalf of the corporation.

### **12. Fiscal year:**

The fiscal year of the corporation shall be January 1 to December 31.

### **11. Action without meeting:**

Any action which may be properly taken by the board of directors assembled in a meeting may also be taken without a meeting, as provided by procedures determined by the board of directors.

### **12. Execution of Instruments, Deposits and Funds**

- a) Execution of Instruments: The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.
- b) Checks and Notes: Except as otherwise determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.
- c) Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.
- d) Gifts: The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

**13. Amendments:**

These bylaws may be amended by a two thirds vote of the board of directors provided the proposed amendment(s) has (have) been submitted to the directors in writing with written notice of the meeting to decide on the proposed amendment(s) at least ten (10) days prior to the meeting date.

**14. Nondiscrimination:**

The organizations, officers, directors, employees and persons served by this corporation shall be selected in a nondiscriminatory manner with respect to age, sex, race, color, national origin, sexual orientation and political or religious opinion or affiliation.

Adopted by the board of directors the 7th day of July, 2009.

Signatures: (signed original available at the corporate office)

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

I, the undersigned, being secretary of the corporation, hereby certify that the above is a true, complete and accurate copy of the bylaws adopted by the board of directors.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date