

Air & Space Forces Association

Governance Manual



Approved by AFA Board of Directors, May 2024

CONTENTS

| | |
|------------------------------------------------------------------------|-----------|
| 1. AIR & SPACE FORCES ASSOCIATION MISSION | 4 |
| 2. CHARITABLE STATUS..... | 4 |
| 3. DUTIES OF NATIONAL ELECTED AND APPOINTED OFFICERS | 4 |
| A. OFFICER POSITIONS..... | 4 |
| B. DUTIES OF THE ELECTED AND APPOINTED OFFICERS..... | 5 |
| 1. <i>Chair of the Board</i> | 5 |
| 2. <i>Vice Chair of the Board for Field Operations (VCoB-FO)</i> | 7 |
| 3. <i>Vice Chair of the Board for Education (VCoB-ED)</i> | 8 |
| 4. <i>National Secretary</i> | 9 |
| 5. <i>National Treasurer</i> | 11 |
| 6. <i>President-CEO</i> | 12 |
| 4. BOARD OF DIRECTORS | 15 |
| A. ROLE OF THE BOARD OF DIRECTORS (“BOARD”)..... | 15 |
| B. AREA DIRECTORS | 16 |
| C. ASSOCIATION CHAPLAIN..... | 17 |
| D. BOARD COMPOSITION..... | 17 |
| 1. <i>Number of Directors</i> | 17 |
| 2. <i>Voting members of the Board</i> | 17 |
| 3. <i>Non-voting (ex-officio) members of the Board</i> | 18 |
| E. BOARD TERMS/VACANCIES | 18 |
| 1. <i>Terms and Term Limits</i> | 18 |
| 2. <i>Attendance Requirements</i> | 18 |
| 3. <i>Removal</i> | 18 |
| 4. <i>Resignation</i> | 18 |
| 5. <i>Replacement</i> | 18 |
| 5. BOARD MEETINGS..... | 19 |
| A. MEETING SCHEDULE..... | 19 |
| B. MEETING AGENDA..... | 19 |
| C. ADVANCE MATERIALS..... | 19 |
| D. MEETING ACTIVITIES | 19 |
| E. EXECUTIVE SESSIONS..... | 19 |
| F. OTHER ATTENDEES..... | 19 |
| G. ACTION BY WRITTEN CONSENT..... | 20 |
| H. ACTION BY E-MAIL..... | 20 |
| I. AUTHORITY OF THE EXECUTIVE COMMITTEE..... | 20 |
| J. MEETING MINUTES..... | 20 |
| 6. CODE OF ETHICS AND FIDUCIARY DUTIES | 20 |
| 7. ACCESS TO PERSONAL INFORMATION | 20 |

| | |
|---------------------------------------------------------------------|-----------|
| 8. GIFTS OR BUSINESS COURTESIES..... | 21 |
| 9. USE OF ASSOCIATION PROPERTY | 21 |
| 10. PUBLIC COMMUNICATION | 21 |
| 11. INDEMNIFICATION AND INSURANCE | 21 |
| 12. BOARD ORIENTATION/EVALUATION | 21 |
| A. ORIENTATION AND EDUCATION..... | 21 |
| B. PERIODIC SELF-EVALUATION | 22 |
| 13. COMMITTEES AND COUNCILS..... | 22 |
| A. CHARTERS AND COMPOSITION | 22 |
| B. MANAGEMENT OF COMMITTEES AND COUNCILS | 22 |
| 14. NATIONAL CONVENTION, ELECTION RULES AND PROCEDURES | 22 |
| 15. STAFF COMPENSATION AND EVALUATION..... | 23 |
| 16. DIRECTOR COMPENSATION AND REIMBURSEMENT | 23 |
| A. DIRECTOR COMPENSATION | 23 |
| B. EXPENSE REIMBURSEMENT | 23 |
| 17. ORGANIZATIONAL COMPLIANCE..... | 23 |
| A. LEGAL COMPLIANCE..... | 23 |
| B. COMPLIANCE PROGRAM..... | 23 |
| C. WHISTLEBLOWER POLICY..... | 23 |
| D. CONFLICT-OF-INTEREST POLICY | 24 |
| E. FUND RAISING/GIFT ACCEPTANCE..... | 24 |
| 18. RECORDS RETENTION POLICY | 24 |
| 19. COMPENSATION REVIEW POLICY | 25 |
| 20. FINANCIAL REPORTING/DISCLOSURE..... | 25 |
| A. FINANCIAL REPORTING | 25 |
| B. INTERNAL CONTROLS | 25 |
| C. ANNUAL AUDIT | 25 |
| D. FINANCIAL STATEMENTS..... | 25 |
| F. IRS FORM 990 PREPARATION, REVIEW, AND ACCESS..... | 26 |
| G. OPERATING RESERVE POLICY..... | 26 |
| H. INVESTMENT POLICY | 26 |
| 21. GOVERNANCE DOCUMENTS..... | 26 |
| 22. RELATIONSHIP TO OTHER DOCUMENTS..... | 26 |
| 23. REVIEW..... | 27 |
| APPENDICES TO THE AFA GOVERNANCE MANUAL | 29 |
| APPENDIX I EXECUTIVE COMMITTEE CHARTER..... | 30 |
| APPENDIX II EDUCATION COUNCIL CHARTER..... | 32 |
| APPENDIX III FIELD OPERATIONS COUNCIL CHARTER | 34 |
| APPENDIX IV FINANCE COMMITTEE CHARTER..... | 36 |
| APPENDIX V AUDIT COMMITTEE CHARTER | 41 |

| | |
|--------------------------------------------------------------------------|-----------|
| APPENDIX VI NOMINATING AND GOVERNANCE COMMITTEE CHARTER | 43 |
| APPENDIX VII DEVELOPMENT COMMITTEE CHARTER | 45 |
| APPENDIX VIII MEMBERSHIP COMMITTEE CHARTER | 47 |
| APPENDIX IX COMPENSATION AND WORKFORCE COMMITTEE CHARTER | 49 |
| APPENDIX X GOVERNANCE SUB-COMMITTEE CHARTER | 51 |
| APPENDIX XI DIRECTOR EMERITUS POLICY | 53 |
| APPENDIX XII INVESTMENT POLICY | 55 |
| APPENDIX XII OPERATING RESERVE POLICY..... | 60 |
| APPENDIX IX CODE OF ETHICS | 63 |
| APPENDIX XV TRAVEL REIMBURSEMENT POLICY | 67 |
| APPENDIX XVI CONFLICT OF INTEREST POLICY | 71 |
| APPENDIX XVII NATIONAL CONVENTION ELECTION PROCEDURES | 74 |
| APPENDIX XVIII NATIONAL GENERAL BUSINESS CONVENTION RULES | 78 |
| APPENDIX XIX OFFICER ELECTION PROCEDURES FOR 2024 CONVENTION..... | 82 |
| APPENDIX XX BOARD COMPOSITION AND NOMINATION POLICY..... | 84 |
| APPENDIX XXI BOARD OF DIRECTORS SKILLS MATRIX | 87 |

1. AIR & SPACE FORCES ASSOCIATION MISSION

Our mission is to promote dominant U.S. Air and Space Forces as the foundation of a strong National Defense; to honor and support our Airmen, Guardians, and their Families; and to remember and respect our enduring Heritage.

To accomplish this, we have three mission strategic pillars:

- EDUCATE the public on the critical need for unrivaled aerospace power and promote aerospace and STEM education for a technically superior and professional workforce to ensure national security
- ADVOCATE and promote aerospace power to favorably shape policy and resourcing decisions to guarantee the strongest aerospace forces in the world
- SUPPORT Airmen, Guardians and the families of the Total Air Force and Space Force, including Active Duty, National Guard, Reserve, civilians, families, and members of the Civil Air Patrol

2. CHARITABLE STATUS

The Air & Space Forces Association (Association) is organized and operated for charitable and educational purposes under section 501(c) (3) of the Internal Revenue Code of 1986, as amended (or corresponding provision of any subsequent federal tax laws).

As a tax-exempt charitable organization, it must operate for public benefit and not for the private benefit of our Directors, management, substantial donors, or other related or private persons or interests. Its assets are, and must be irrevocably dedicated to, charitable purposes; limited in its legislative activities; and non-partisan, unable to participate in campaign activities on behalf of any political candidate.

The policies and practices set out in this Governance Manual reflect these central principles.

3. DUTIES OF NATIONAL ELECTED AND APPOINTED OFFICERS

A. Officer positions

The elected officers of the Association are the Chair of the Board (Board), the Vice Chair of the Board for Field Operations, the Vice Chair of the Board for Education, the Secretary, and the Treasurer, each of whom shall be a member of the Board.

Non-voting officers include the President-CEO and other officers appointed by the Board.

B. Duties of the Elected and Appointed Officers

1. Chair of the Board

The Chair of the Board plays a crucial role in providing leadership and guidance to the Air & Space Forces Association (“AFA” or “Association”) to ensure the effective fulfillment of its mission and the advancement of its goals. The Chair guides the policy, philosophy, and overall direction of the Association. The Chair has multiple duties and responsibilities including:

1. Performing duties pursuant to the mandates of the Association Bylaws and the Board as enumerated in this manual, and other such duties as are usually incident to a Chair of the Board, including:
 - a. Providing overall leadership: Takes responsibility for providing leadership and guidance to the Board and the Association as a whole. This includes but is not limited to representing and advocating on behalf of the Association, overseeing the governance of AFA, engaging in Association fundraising initiatives, and developing the Association's strategic plan alongside other members of Association leadership.
 - b. Building and maintaining relationships: Build and maintain relationships with key stakeholders, including senior leadership within the Department of the Air Force, donors, community leaders, and other organizations, to support the Association’s mission and goals.
 - c. Ensuring compliance: Ensure that the Association complies with all relevant laws, regulations, and internal Bylaws and policies.
 - d. Recruiting and Developing Association Leadership: Participate in the process of hiring and evaluating the President-CEO of the Association. Ensure the Board comprises individuals committed to the organization's mission and willing to devote necessary resources. Participate in recruiting new Board members and provide ongoing training and support to existing members.
2. Setting the dates, time and agenda for Board meetings in consultation with the President-CEO. The Chair has the authority to call a special Board meeting as needed and approve requests for Board members to be absent from meetings. The Chair shall also act as the presiding officer during Board meetings, ensuring they are conducted in an orderly and efficient manner.
3. Making appointments and assignments:

- a. Serves as Chair of the EXCOM and may nominate up to two (2) voting members of the Board to the EXCOM, filling vacancies in those positions.
 - b. Serves as Chair of the governing body of any AFA subsidiaries.
 - c. With the approval of the Board, nominates additional voting members of the Board in numbers consistent with the Bylaws to enhance the overall effectiveness of the Board.
 - d. Recommends appointment of the Association Chaplain, an ordained clergyman and member of the Association.
 - e. Presides over the annual National Convention.
 - f. Nominates individuals to serve as Chairs (except for the Finance Committee, Field Council and Educations Council) and Committee members for approval by the Board, as specified by the Bylaws or other Board approved governing documents.
 - g. Approves the removal of a member from a committee or council, based on a recommendation from the Chair of the Committee or Council.
 - h. Recommends to the Board creation of ad hoc and/or special purpose committees or councils.
4. Coordinating and consulting regularly with the President-CEO in the management, operations and implementation of Association policies and activities:
- a. Ensures the best interest of the membership is faithfully reflected in the management and operation of Association affairs, within stated mandates.
 - b. Develops a strong relationship with the Department of the Air Force and represents the Association to Congress, as well as to industry, U.S government and allied air force leaders.
 - c. Consults with the President-CEO and/or EXCOM before the President employs senior staff members or consultants on salary or retainer status.
 - d. Reviews the proposed operating budgets, including all proposed long-term obligations of the Association with the President-CEO and Treasurer.
 - e. Annually reviews the performance of the President with the incumbent and the Executive Committee.
 - f. Submits unresolved conflicts with the President-CEO to the EXCOM.
5. Providing leadership, support, and participation in AFA Field and Volunteer Events and Activities.
- a. In coordination with President-CEO and Vice Chair, Field Operations, represent, or appoint others to represent, the AFA leadership and membership at events of significance.
 - b. Periodically meets with the Field and Education Councils, and Presidents of the Regions, States and Chapters to ensure the achievement of Association objectives. As possible, attends and speaks

at AFA Regional and State Conventions and Workshops, and Chapter functions.

2. Vice Chair of the Board for Field Operations (VCoB-FO)

The Vice Chair of the Board for Field Operations plays a critical role in ensuring the Association is effectively fulfilling its mission and advancing its goals, while supporting the Board and ensuring the Association is being managed effectively and responsibly. The VCoB-FO leads field operations and is Chair of the empowered Field Council. To ensure the Association is being managed effectively and responsibly, the VCoB-FO has multiple duties and responsibilities including:

1. Exercising the powers and performing the duties assigned the position by the Association Bylaws, this manual, and the Field Operations Guide, performing such other duties related to the mission of the Association and incident to the position including chairing meetings and providing leadership to the Board.
2. Serving as an officer of the Association and member of the Executive Committee (EXCOM).
3. Overseeing the work of assigned Board committees, ensuring they are functioning effectively and their work is aligned with the Association's goals.
4. Chairing the Field Council to guide the overall direction of the Association field activities; developing agendas for meetings; and specifying, after due notice to the members, the time and place of meetings.
 - a. Recommends Field Council (FC) and other committee members for approval by the Board.
 - b. Works closely with the Education Council, Development Committee, and other Board committees, as appropriate.
 - c. Creates ad hoc committees under the Field Council, defines their respective powers and duties, sets the size, assign members, designates the Chair and fills vacancies.
 - d. Recommends for approval by the Board the removal of any committee member over which he/she has authority.
5. Providing leadership and support to National, Region, State and Chapter organizations and events.
 - a. Establishes the agenda, organizes and oversees the business meetings at the annual National Convention.
 - b. Appoints a Credentials Committee and its Chair annually to certify Convention delegates.
 - c. Serves as the primary interface with, and manager of, the Association field activities in consultation with the Field Council.
 - d. Assigns the duties of the Presidents of the Regions
 - e. Meets with the Presidents of the Regions on a regular basis to ensure they and their respective Regions are accomplishing the Association objectives.

- f. Attends and speaks to AFA members at Region and State conventions, workshops, and chapter functions.
 - g. Schedules and conducts the Field Leaders' Orientation Program to ensure quality leadership training for AFA's field leaders.
 - h. Provides administrative support for all chartered organizations located in other countries.
 - i. Has final approval of Chapter mergers.
 - j. Issues charter suspension letters to a State or Chapter organization.
6. Confers and consults regularly with the Chair of the Board and President-CEO in implementation of Association policies.
 7. Consults with the Chair of the Board, President-CEO, and the Vice Chair of the Board for Education prior to the President employing senior staff members reporting directly to the President and consultants to be placed on salary or retainer status by the Association.
 8. In coordination with the President-CEO, approves, in writing prior to, any agreements, leases, commitments or involvements of any kind or nature whatsoever of subordinate field units whereby the direct or indirect effect shall legally obligate or constrain the Association nationally.
 9. May provide liaison to develop a strong relationship with, and represents the Association to the Congress, as well as to industry, government, USSF and USAF leadership.
 10. Performs the duties of the Chair of the Board in his/her absence, including chairing meetings and making decisions on behalf of the Board. If the Chair of the Board's position becomes vacant, the VCoB-FO will assume duties of the Chair until the next convention where a new chair will be elected.
 11. Assists with succession planning for the Board, including identifying potential candidates for Board membership and leadership positions.

3. Vice Chair of the Board for Education (VCoB-ED)

The Vice Chair of the Board for Education plays a critical role in ensuring the Association is effectively fulfilling its mission and advancing its goals, while supporting the Board and ensuring the Association is being managed effectively and responsibly. The VCoB-ED leads the education activities and serves as Chair of the empowered Education Field Council. The VCoB-ED has multiple duties and responsibilities including:

1. Exercising the powers and performing the duties assigned the position by the Association Bylaws and this manual and shall perform such other duties related to the mission of the Association as are incident to the position.
2. Serving as an officer of the Association and member of the Executive Committee ("EXCOM").
3. Assisting with Board management: may be responsible for assisting with the management of the Board, including scheduling meetings, preparing agenda and ensuring that all Board members are fully informed and engaged in decision-making. In the absence of the Chair and the VCoB-FO, performs

the duties of the Chair of the Board. These duties include chairing meetings and making decisions on behalf of the Board.

4. Consulting with the Education Council and serving as the primary interface with the President-CEO and staff leaders regarding the Association education mission, priorities, and activities.
5. Overseeing committees: May be responsible for overseeing the work of Board committees, ensuring they function effectively and their work is aligned with the Association's goals.
6. Chairing the Education Council to guide the overall direction of Association education mission and associated activities; developing agendas for meetings; and specifying after due notice to the members, the time and place of meetings.
7. Nominating members of the Education Council for Board approval. Filling all vacancies in the Council in a similar manner. Recommending for approval by the Board, the removal of any committee member over which he/she has the authority.
8. Consulting with the Chair of the Board, President-CEO and Vice Chair of the Board for Field Operations prior to the President employing senior staff members reporting directly to the President and consultants to be placed on salary or retainer status by the Association.
9. Reviewing with the President-CEO and Treasurer the proposed operating budgets of the Association, especially those segments associated with the education mission of the Association and consulting regularly with the Treasurer regarding all proposed long-term obligations of the Association.
10. May provide liaison to develop a strong relationship with and representing the Association to the Congress; educational, scientific, industrial, and business communities; military and government agencies; and related non-profit organizations.
11. Attending and speaking as possible, at National, Regional and State conventions, workshops, and Chapter functions.
12. Assisting with succession planning for the Board, including identifying potential candidates for Board membership and leadership positions.

4. National Secretary

The secretary plays a critical role in ensuring the Association is effectively fulfilling its mission and advancing its goals, while supporting the Board and ensuring that the Association is being managed effectively and responsibly. The Secretary has multiple duties and responsibilities including:

1. Performing duties pursuant to the mandates of the Association Bylaws and the Board as enumerated in this manual, and other such duties as are usually incident to an Association Secretary, including:
 - a. Providing overall leadership and guidance to the Board and the Association as a whole.
 - b. Ensuring accurate minutes are taken of Board meetings, including recording all decisions and actions taken by the Board.

- c. Maintaining oversight of organization's records, including meeting minutes, Bylaws, policies, and other important documents.
 - d. Managing and/or overseeing the organization's correspondence, including distributing information to Board members and other stakeholders.
 - e. Supporting the Board in its activities, including scheduling meetings, preparing agendas, and distributing materials.
 - f. Ensuring the organization complies with all relevant laws and regulations, as well as with the organization's own Bylaws and policies.
 - g. Communicating with Board members, ensuring that they are aware of upcoming meetings and important events, and providing them with necessary information.
 - h. Observing the management of the organization's membership, including maintaining a database of members, processing applications, and collecting dues.
2. Serving as an officer of the Association and member of the Executive Committee (EXCOM).
 3. Overseeing preparation for all Board meetings, including the agenda and read-ahead information, and ensuring material is compiled and provided to Board members in adequate time to prepare for the meeting.
 4. Verifying required quorum to conduct business at the start of the annual National Convention, Board and EXCOM meetings.
 5. Ensuring timely and accurate preparation, approval and release of the annual Association Report, Policy Papers, and Resolutions, consistent with an Association policy formulation process.
 6. Presenting resolutions for review and approval to the Board and EXCOM; the decisions and recommendations of the EXCOM to the Board; and the decisions and recommendations of the Board to the National Convention delegates ensuring that each level of review and approval is based upon the latest and most accurate revision.
 7. Notifying national officers, Directors, State and Chapter Presidents concerning the delegate voting strength allocation, selection, and certification procedures to be followed for the National Convention.
 8. Supervising national officer and director election process, validating, and announcing election results during the annual National Convention.
 9. Overseeing Board compliance with ethics, conflicts of interest and gift policy.
 10. Working closely with Association officers and Staff to ensure compliance with AFA corporate communications policies.
 11. Serving as the Secretary of any governing body of any AFA subsidiaries.
 12. Serving as "AFA Ombudsman" to provide both employees and members an independent channel of communication to resolve concerns or disputes (only after or if the concern or dispute cannot be resolved within the organizational line of supervision or authority.)

13. Serving as the AFA Parliamentarian when a certified parliamentarian is not present at meetings.
14. Performing other duties as requested by the Chair.

5. National Treasurer

The Treasurer plays a critical role in ensuring the Association is effectively fulfilling its mission and advancing its goals, while supporting the Board and ensuring the Association is being managed effectively and responsibly. The Treasurer ensures its financial resources are being used in the most effective and efficient manner possible. The Treasurer has multiple duties and responsibilities including:

1. Performing duties pursuant to the mandates of the Association Bylaws and the Board as enumerated in this Manual, and other such duties as are usually incident to a Treasurer, including:
 - a. In coordination with the President-CEO and CFO maintaining oversight of the organization's financial management, including reviewing budgets, cash flow, and ensuring the organization is financially stable.
 - b. Working with the CFO to provide regular financial reports to the Board, including income statements, balance sheets, and cash flow statements.
 - c. Ensuring the CFO maintains accurate financial records for the organization, including bank statements, receipts, invoices, and other financial documents.
 - d. Ensuring the organization has appropriate financial policies in place, including policies related to cash management, investments, and financial controls.
 - e. Ensuring financial reports are prepared in a timely and accurate manner, and the organization is complying with all relevant accounting standards.
 - f. Being acutely aware of the organization's fundraising efforts, including donor relationships and fundraising strategies.
 - g. Overseeing the development and implementation of financial plans for the organization, including identifying areas for growth, and reducing expenses.
2. Serving as an officer of the Association and member of the Executive Committee (EXCOM).
3. Serving as the Treasurer of the governing body of any AFA subsidiaries.
4. Conferring regularly with President, Chief Financial Officer, Executive Vice President, and other staff members concerned with financial affairs of the Association designated by the President-CEO.
5. Receiving and considering information concerning financial requirements for the Association's field and education activities and programs as provided by the Field and Education Councils.
6. Reviewing with the Chair and Vice Chairs of the Board, the President-CEO's proposed operating budgets of the Association and consulting regularly with the

Chair and Vice Chairs regarding all proposed long-term obligations of the Association.

7. Working closely with the Development Committee and Association staff to consider realistic estimates and projections of income resulting from the Association's fundraising programs.

8. Serving as Chair of the Finance Committee, keeping members of the committee informed on all important financial matters of the Association.

- a. After receipt and consideration of inputs, submitting the President-CEO's proposed operating budgets to the committee for review and recommendation(s); subsequently submitting committee report and recommendations to the Board.
- b. Providing interim reports to EXCOM as required or needed.
- c. Approving annual Financial Report to members and presenting a Financial Report to the National Convention.
- d. Forming subcommittee(s) of the Finance Committee.

9. Reviewing insurance policies annually to determine the adequacy of coverage and reasonableness of costs relative to the Association's property (real property, personal property, business income, and crime) and casualty (general liability, workers compensation, Directors' and officers' liability, and fiduciary liability) coverages.

10. Conferring, as needed, with outside investment advisors and managers.

11. Serving as a trustee on all Association Qualified Retirement Plans.

12. Performing other duties as requested by the Chair.

6. President-CEO

The President-CEO plays a critical role in ensuring the Association is effectively fulfilling its mission and advancing its goals, while supporting the Board and ensuring the Association is being managed effectively and responsibly. The President-CEO reports directly to the Chair of the Board who is the principal representative of the Association in all matters pertaining to its affairs. As set forth in the duties in the employment agreement, the President-CEO plays a critical role in ensuring AFA is being managed effectively and responsibly. The President-CEO has multiple duties and responsibilities including:

1. Performing duties pursuant to the mandates of the Association Bylaws and the Board as enumerated in the Governance Manual, and other such duties as are usually incident to a President-CEO, including:

- a. **Strategic Planning and Leadership:** In collaboration with the Board, implement the Association's strategic plan, provide visionary leadership to the Board and staff, and ensure the Association's mission and goals are achieved.
- b. **Fundraising and Resource Development:** In coordination with The Finance and Development Committees, develop and implement a comprehensive fundraising and resource development plan, including soliciting donations from corporations, foundations, and individual donors, managing major gift programs, and pursuing grants.

- c. **Financial Management:** In coordination with the Finance Committee, the CFO, the Development Committee, and the CDO, manage the national organization's finances, including budget development, fiscal control, and financial reporting, and ensure that the National staff operates within its budget.
 - d. **Board Relations:** Collaborate closely with the Board to provide leadership and support, facilitate communication, and ensure that the Board's policies and directives are implemented.
 - e. **Program Development and Implementation:** Oversee the development and implementation of programs and services that advance the Association's mission and ensure programs are executed effectively and efficiently.
 - f. **Advocacy and Outreach:** Represent the Association in public forums, build strategic partnerships and alliances, and in coordination with the Advocacy Committee, advocate for the Association's mission and goals with government policymakers, Department of Defense leaders, community leaders, and the media.
 - g. **Staff Management and Development:** Lead and manage the Association's staff, including hiring, supervision, performance evaluation, and professional development, and compensation and create a positive and supportive work environment.
 - h. **Compliance and Risk Management:** Ensure compliance with all applicable laws and regulations, manage risk effectively, and maintain appropriate insurance coverage.
 - i. **Membership Development and Engagement:** In coordination with the Membership Committee and appropriate staff, develop and implement strategies to recruit, retain, and engage members.
 - j. **Strategic Communications:** Develop and implement a comprehensive and Board approved communications plan to promote the Association's mission and goals, and ensure that the Association's message is clear, consistent, and effective.
2. Reporting to the Board and consulting regularly with the Chair in the implementation of Association policies.
 3. Serving as an officer of the Association and non-voting member of the Board and the Executive Committee (EXCOM).
 4. Serving as the Publisher of *AIR & SPACE FORCES Magazine*.
 5. Developing a strong relationship with the Department of the Air Force in coordination with the Chair of the Board, and representing the Association to Congress, as well as to industry, U.S. government, and allied Air Force leaders.
 6. In coordination with the Chair of the Board, testifying or appointing others to testify before congressional committees and appointed commissions regarding AFA's position on issues of concern to the Association.
 7. Meeting periodically with the Military Coalition to express AFA's position on matters affecting the membership or items of national concern.

8. Submitting unresolved conflicts with the Chair of the Board to the EXCOM.
9. Employing and discharging all employees within established guidelines. Determining the rate of compensation and allowances of all employees and consultants within approved budget totals for salaries and consultant fees.
10. Requesting and considering inputs on proposed budget matters from the Field and Education Councils and the Finance and Development Committees. Prepares and submits a proposed annual budget, itemizing and justifying estimated revenues and expenditures for the ensuing twelve-month period, through the Treasurer to the Finance Committee.
11. Reviewing with the Chair of the Board and Treasurer the proposed operating budgets of the Association and consulting regularly with the Treasurer regarding all proposed long-term obligations of the Association. The President-CEO shall provide a summary of all multiyear contracts and other long-term financial obligations semiannually to the Finance Committee in June and December.
12. Consulting with the Chair of the Board and EXCOM prior to employing senior staff members reporting directly to the President-CEO, and consultants to be placed on salary or retainer status by the Association.
13. Negotiating and signing agreements, leases, contract amendments, and other commitments on behalf of the Association.
 - a. Agreements, leases, commitments, or involvements with amounts up to \$300,000 or within the approved budget, including approved contingency funds, can be executed.
 - b. If negotiations or commitments exceed the mentioned amount or are unbudgeted, they require prior approval from the Executive Committee.
 - c. Multiyear contracts or multiyear contract extensions in support of ongoing programs or activities funded within the current-year budget and included in the semiannual summaries may be executed without specific approvals unless they extend the Association's obligation by over one year.
 - d. Specifically for U.S. government contracts, the President-CEO is authorized to enter into contracts of \$1.5 million or less with a period of performance of 24 months or less. The EXCOM should be notified of such contract actions within 30 days after award.
 - e. For U.S. government contracts greater than \$1.5 million or with a period of performance greater than 24 months, the President-CEO must consult with the EXCOM and gain its concurrence prior to signing a government contract.
14. In coordination with the Vice Chair of the Board for Field Operations, approving in writing any agreements, leases, commitments, or involvements of any kind or nature whatsoever of subordinate units that legally obligate or constrain the Association.
15. Making periodic reports to the Board regarding the nature and extent of staff activities in furthering the mission of the Association.

16. Providing support for, participating in AFA Field and Volunteer Events and Activities
 - a. In coordination and consultation with the Chair and Vice Chairs of the Board, provide leadership and staff support for volunteer led field and education activities.
 - b. Represent or appoint others to represent the AFA executive leadership and membership at national, state and local events of significance.
 - c. Periodically, meet with the Field and Education Councils, and Presidents of the Regions, States and Chapters to help ensure the achievement of Association objectives.
 - d. Attend and speak at AFA National, Regional and State Conventions and Workshops, and Chapter functions.

4. BOARD OF DIRECTORS

A. Role of the Board of Directors (“Board”)

The Board plays a critical role in ensuring the Association is fulfilling its mission and advancing its goals, while also ensuring it is being governed effectively and responsibly. The Board has multiple duties and responsibilities including:

1. Exercising authority and performing the duties assigned by the Association Bylaws and in accordance with this Manual. General duties and responsibilities of the Board include:
 - a. Governance: Ensure the Association is governed effectively, and that its Bylaws and policies are being followed.
 - b. Financial oversight: Ensure the Association’s finances are being managed responsibly, and that it has the resources necessary to achieve its mission.
 - c. Setting strategic direction and planning: Set the strategic direction of the Association, including establishing its mission, vision, and goals. The Board must play a leadership role with management in developing, approving, and supporting organizational strategy.
 - d. Hiring and evaluating the President-CEO: Responsible for hiring and evaluating the President-CEO and ensuring that he/she is effectively leading the Association.
 - e. Fundraising: Typically, involved in fundraising for the Association, and may be responsible for soliciting major gifts from donors.

- f. Legal and ethical oversight: Ensure the Association complies with all applicable laws and regulations, as well as with ethical standards.
 - g. Risk management: Identify and manage risks that may affect the Association, including financial, legal, and reputational risks.
 - h. Monitoring and evaluation: Monitor the Association's progress towards its goals and evaluate its performance.
 - i. Community engagement: Engage with the community and build relationships with key stakeholders, including senior leadership of the Department of the Air Force, donors, volunteers, and other organizations.
2. Meeting at least once per quarter during each year to carry out its responsibilities. Two meetings shall be face-to-face meetings. The remaining meetings may be conducted face-to-face, virtually via teleconference, or any other means as determined by the Chair. Records are kept of all meeting proceedings.
 3. Developing and enacting policy deemed appropriate for proper management of the Association.
 4. Creating standing, special, or ad hoc committees, designating their purpose, timeline, and completion date.
 5. Reviewing and approving a maximum of three (3) annual appointments to the Board by the Chair of the Board.
 6. Confirming members appointed to Board committees and empowered councils by the designated appointing authority.
 7. Ratifying or amending Executive Committee decisions.
 8. Designating nonvoting Directors to the Board.
 9. Structuring or forming the Regions of the Association and assigning regions to geographical areas for purposes of election of Directors on a geographical basis.
 10. Approving the time and place for the National Convention.
 11. Approving Certified Public Accounting firm for the annual audit.
 12. In accordance with Article XIII, Section 1 of the Bylaws, amending the Bylaws by a two-thirds (2/3) vote, subject to ratification at the following National Convention.
 13. Changing the amount of membership dues by a two-thirds (2/3) vote which shall be subject to ratification or amendment at the following National Convention.
 14. Supporting the mission of the Association with time, talent, and treasure.
 15. Conducting an annual Board Effectiveness Assessment.

B. Area Directors

An Area Director (AD) is first and foremost a National Director and will follow all duties and responsibilities outlined in Section 4.A. above. ADs have additional responsibilities to the geographical area they are assigned. There are three geographical areas East, Central and West, each of which shall consist of at least four Regions. (Regions shall consist of one to six states, as duly chartered by the VCOB-FO.) The ADs have multiple duties and responsibilities including:

1. Guiding and mentoring Region and State Presidents in the AD's Area, especially those new to the role; to understand the challenges, constraints, and opportunities associated with the chapter, state, and region organizations in the Area.
2. Representing AFA leadership and participating in person, in at least one chapter, state or region-level EXCOM or membership general meeting in each of the Regions for

- which the AD is responsible, at least once per year to the extent reasonably possible.
3. Attending the annual Field Leadership Summit, the in-person Region President meeting, and the National Convention. They are authorized travel expenses to a level appropriate to achieve this attendance. All travel shall conform to AFA volunteer travel reimbursement policy.
 4. Participating in Field Council and Region President meetings to the best of his/her ability.
 5. Considering, to the maximum extent possible, compliance with support requests from either the VCoB-FO or VCoB-ED.
 6. In the case of the resignation, death/illness, or other early departure of the incumbent Area Director, Region Presidents of the affected Area, along with the VCOB-FO, shall convene and make a recommendation to the Nominating and Governance Committee as to who in the Region is best qualified and available to be appointed as the replacement AD. Should a current Region President be selected to be the replacement AD, that person shall resign as Region President prior to assuming the duties of AD. The Board shall have the final responsibility for appointing the replacement AD.

C. Association Chaplain

The Association Chaplain is nominated by the Chair and approved by the Board to serves as counselor to the Chair and Board on matters involving morals, morale, and spiritual concerns of the Association, the United States Air Force and the United States Space Force. The responsibilities of the Chaplain include:

1. Providing invocations, memorial services, and other religious functions at national level events, i.e. Conferences, Symposia.
2. Providing invocations and counsel for Board meetings and other religious functions as requested by the Chair.
3. Providing liaison with the Chief of the Chaplains of the United States Air Force, the United States Space Force and the various civilian religious groups when directed by the Chair.
4. Serveing on committees or councils when appointed by the Board.

D. Board Composition

1. Number of Directors:

The Association Bylaws provide the number of authorized Directors on the Board will be not less than eleven (11) or no more than twenty-one (21). Regional Presidents cannot serve simultaneously as a Board member.

2. Voting members of the Board

National Officers

Chair

Vice Chair for Field Operations

Vice Chair for Education

Secretary

Treasurer
Directors-at-Large
Area Directors (East, Central, West)
Appointed Directors
Armed Forces Directors

3. Non-voting (ex-officio) members of the Board
 - President-CEO
 - Immediate Past Chair of the Board
 - Chaplain
 - Commander
 - Arnold Air Society
 - President, Silver Wings
 - Emeritus Directors
 - Other Advisors and Directors as appointed by the Board

E. Board Terms/Vacancies

1. **Terms and Term Limits:** Association Bylaws provide the term of office for elected officers and Directors shall begin on 1 October of the election year. Elected officers and Directors shall serve a term of three (3) years or until their successors are elected. The terms of office shall be staggered so that approximately one-third ($\frac{1}{3}$) of the elected officers and Directors are elected each year. A member may not serve more than two consecutive terms in the same position, nor may a member serve more than four (4) terms on the Board as an elected officer or director.
2. **Attendance Requirements:** Any voting director who shall miss two (2) consecutively scheduled Board meetings without prior excuse by the Chair of the Board shall be subject to removal from the Board. Board members so removed cannot be reappointed but may be reelected at subsequent conventions.
3. **Removal:** Any member of the Board may be removed from office by the Board by a two-thirds ($\frac{2}{3}$) vote for inability to carry out the duties of the office, for misconduct or any other action or behavior which reflects discredit on the Association. Any Board member may be removed with cause by a two-thirds ($\frac{2}{3}$) vote at a convention..
4. **Resignation:** Directors who believe they are unable to carry out their responsibilities as Directors are expected to discuss the situation with the Board Chair. Directors who wish to resign should provide notice in writing to the Board Chair.
5. **Replacement:** Vacant positions on the Board shall be referred to the Nomination and Governance Committee for recommendations for filling the vacancies, in accordance with the Board skills matrix and the current composition of the remaining Board members.

5. BOARD MEETINGS

A. Meeting schedule

The Board shall meet regularly, at least quarterly, at the call of the Chair of the Board, provided at least thirty (30) days of notice has been provided. The Board Chair or a quorum of the Board may call a special meeting of the Board upon at least seven (7) days of notice, but business shall be limited to the purposes listed in the notice of the special meeting. Meetings of the Board may be held in-person, in or outside of the District of Columbia, or electronically. Notice of Board meetings may be given in writing, orally, or by any electronic method.

B. Meeting Agenda

The Board Chair and President-CEO will collaborate to develop and prioritize agenda items for Board meetings, with the understanding certain items necessary for Board oversight will be brought to the Board periodically for review, discussion, and decision-making. Any Director may request that an item be included on the meeting agenda. Agenda items will be coordinated with and submitted in a timely manner to the Board Secretary, who has responsibility for oversight and preparation of the board agenda and read-ahead material, to ensure all board members have adequate time to read and prepare for the meeting.

C. Advance materials

Directors will be provided with the agenda, regular financial and performance updates, prior meeting minutes, and background materials important to the Board's understanding of the items to be discussed at Board and committee meetings. The materials should be provided sufficiently in advance of the meetings to allow time for review, no less than seven (7) days for efficient use of Directors' time. Materials are generally provided electronically [through shared files] with Directors' consent.

D. Meeting activities

Meetings generally involve management presentations, committee reports, and Board discussions. Board members are expected to actively participate in discussions, strive for consensus, and respect Board and management roles.

E. Executive sessions

The Board and each committee may meet at their discretion in executive session without any members of management or the public present. The President-CEO should be provided notice of the meetings even if excused due to an executive session.

F. Other attendees

The President-CEO attends all Board meetings, except as may be directed by the Board. The Board and each committee may request that any officer or employee, outside consultant, counsel, or other advisor, attend and participate in its meetings, subject as appropriate to customary confidentiality undertakings. The Board may invite additional attendees such as the Emerging Leaders or Air Force Reserve Officer Training Corps cadets.

G. Action by written consent

Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if each Director signs a consent in the form of a record describing the action to be taken and delivers it to the Association. A consent signed under this section has the effect of action taken at a meeting of the Board and may be described as such in any document. Consents may be transmitted electronically.

H. Action by e-mail

In circumstances in which it may be difficult to arrange a Board meeting or obtain unanimous written consent of Directors, and as deemed appropriate by both the Board Chair and CEO, the Board may approve corporate action through e-mail communications so long as:

- each Board member is provided with relevant data and an opportunity to respond;
- Board members are given at least three days to respond;
- the proposal receives explicit, affirmative approval through a specific response from all the voting Directors then in office; and
- decisions from email votes must be unanimous

I. Authority of the Executive Committee

The EXCOM may also act with full authority of the Board between Board meetings subject to statutory limitations, Bylaws limitations, or to any Board-imposed limitations on committee action

J. Meeting Minutes

The Board will keep a record of all its proceedings.

6. Code of Ethics and Fiduciary Duties

In the pursuit of this mission, members of the Association Board are charged with maintaining the highest ethical standards. The Code of Ethics is included as an appendix to this manual and provides guidance on how each Board member should discharge his or her individual responsibilities and implement Association policies designed to further ethical governance.

7. Access to Personal Information

In carrying out their duties, Directors are generally entitled to rely upon information, including financial data, provided by officers and employees, counsel, independent accountants and other experts, and Board committees, so long as they believe in good faith that such reliance is warranted. At all times Association leadership shall follow Association policy and applicable federal, state, or local law when accessing private, sensitive, or confidential information consistent with their statutory fiduciary duties.

8. Gifts or Business Courtesies

A business courtesy is a gift, favor, gratuity, or entertainment given to an individual Director from a person with whom the Association maintains or may establish a business relationship and for which fair market value is not paid by the recipient. A Director should limit giving or receiving a gift, favor, gratuity, or entertainment to only what is acceptable as being customary in a normal business context.

9. Use of Association Property

A Director may use Association property only in the furtherance of Association business. The use of resources negligible in value is exempted.

10. Public Communication

Directors are encouraged to be advocates for the Association with legislative activities, local civilian leadership, military leadership, the public and news media. However, a Director should speak on behalf of the Association only with authorization by the Board Chair as previously agreed on by the Board. Any other public statement by a Director should be identified as his or her personal opinion.

11. Indemnification and Insurance

District of Columbia law, under which the Association is incorporated, includes various protections for Directors of non-profit corporations who act in accordance with their fiduciary duties of care and loyalty. In addition, the law permits non-profits to indemnify Directors with respect to claims against them by reason of their status as Directors, and to procure Director and officer liability insurance. The Association Bylaws contain indemnification provisions reflecting these statutory powers and limitations.

12. BOARD ORIENTATION/EVALUATION

A. Orientation and education

The Board shall conduct an orientation for newly elected Directors to help them start contributing as soon as possible. The orientation sessions may include:

- an overview of the Association's history, organizational structure and strategic plan
- meetings with the Board Chair, other Directors and the President/CEO
- an overview of the Association's programs
- an overview of the Field structure, including responsibilities, operations, committees field-level program execution and communications.
- an overview of the key policies and metrics
- an introduction to the Association's financial statements and fundraising strategy
- pairing each new director with a current Board member to provide support and advice

B. Periodic self-evaluation

The Board shall conduct periodic self-evaluations. These are intended to facilitate examination and discussion by the Board of its effectiveness as a group. The Nomination and Governance Committee oversees the self-evaluation process.

13. COMMITTEES AND COUNCILS

The Association establishes and relies on committees, empowered councils, and advisory councils to help it effectively and efficiently meet its responsibilities. Other than those designated by the Bylaws, the Board formally creates all Board committees and councils.

A. Charters and Composition

Board committees, empowered councils, and advisory councils are established and maintained as follows:

- The Board approves charters for each committee and council, establishing its responsibilities, limitations, and administrative features.
- The Nominating and Governance Committee makes recommendations to the Chair and Board regarding assignments of Board members to committees and councils, except for those specified by the Bylaws or other appointments established by the Governance Manual.
- The Board approves members and a chair for each committee.

B. Management of Committees and Councils

The Board has sole discretion to change Board and advisory committee structure, responsibilities, and composition, in line with its authority and oversight role and subject to the Bylaws and applicable law. The Board and its committees may form ad hoc committees, task forces, or working groups from time to time.

14. NATIONAL CONVENTION, ELECTION RULES AND PROCEDURES

In accordance with the Association Bylaws, the Board shall set the date, time, place, and registration fee of the annual National Convention and publicize it to the general membership of the Association at least 60 days prior to the date of the convention. The Convention purpose is to share knowledge and make decisions to advance the Association. The business session will include confirmation of the newly elected Association Officers and Directors and other business which may be properly brought before the meeting. Voting will take place at the Convention on any issues that are required by the Bylaws or this Governance Manual to be decided by a vote of the Convention.

Rules for conduct of the Convention, to include the process of Officer and Director nomination, selection, and election, are included as appendices to this manual.

15. STAFF COMPENSATION AND EVALUATION

The Association Board seeks to attain excellence in its governance and its pursuit of mission. An essential element of achieving that goal is the attraction and retention of a President -CEO and professional staff who are highly skilled, experienced and effective in both management and leadership.

The Board recognizes that the market for senior executives in Washington, D.C., is highly competitive. In addition, since AFA is a non-profit organization, the President-CEO has no opportunity for an equity stake, profit-sharing or other incentives typical in the for-profit community. While realizing that individuals will be attracted to the position by their passion for and commitment to the mission of the organization, compensation, particularly the benefits package will play a large role in attracting and retaining top individuals to the position.

The starting and annual compensation for the President-CEO and professional staff members will be within a range established by the Board. Actual compensation adjustments to the salary and benefits will be based on merit performance alone.

16. DIRECTOR COMPENSATION AND REIMBURSEMENT

A. Director compensation

The Association does not compensate Directors for services as members of the Board or any Board or advisory committee.

B. Expense reimbursement

The Association may reimburse Directors and other region and state officers for reasonable expenses incurred during their Association activities in accordance with internal policy contained in the attached appendix.

17. ORGANIZATIONAL COMPLIANCE

A. Legal Compliance

The Association is committed to compliance with applicable federal, state and local laws, including laws relating to tax-exempt organizations and recipients of charitable contributions. The Association is committed to carrying out our contractual obligations.

B. Compliance program

The Association maintains a compliance program intended to help us ensure that we comply with applicable laws, including detecting potential criminal conduct by employees. The Audit Committee oversees our compliance program, including addressing allegations as appropriate under our Whistleblower Policy and receiving reports from management.

C. Whistleblower policy

The Association maintains a Whistleblower Policy intended to facilitate open and honest communications by employees, Directors, officers, and volunteers concerning our finances, governance and other practices, and compliance with law, and ethical principles. The Audit Committee addresses issues arising under the policy.

D. Conflict-of-interest policy

The Association maintains a Conflict-of-Interest Policy intended to facilitate compliance with federal and state laws relating to our interactions with Directors, officers, employees and other persons. It reflects IRS principles regarding private inurement and excess benefit transactions, and our Directors' duty of loyalty under state law. [Internal Revenue Code §§501(c)(3), 4958]

The policy sets out procedures for addressing situations that involve, or may appear to involve, conflicts of interest. It also addresses loans to Directors and officers, personal use of Association name and assets, receipt of gifts, transactions with organizations that have common Directors, and corporate opportunities.

The Association requires disclosure about these matters by our Directors, officers and key employees, including completion of annual disclosure questionnaires signed by those individuals. [IRS Form 990 Part VI.B, Lines 12a, b, c; Internal Revenue Code §§501(c)(3), 4958;

E. Fund Raising/Gift Acceptance

1). Fundraising: The Association is committed to carrying out responsible fundraising activities, including ensuring solicitation materials are accurate, contributions and grants are used in accordance with donor intent, donors are provided appropriate acknowledgments, disclosures about our organization and use of funds, and other documentation, our donors' privacy is respected, and the fund-raising practices comply with related laws. [IRS Publication 1771]

2). Gift acceptance: The Association will not accept any gift that may violate our policies, risk our tax-exempt status, be difficult to administer, or create undue expense or liability. It will also not accept a gift given for a purpose inconsistent with our mission or values, or could damage our reputation. Acceptance of unrestricted gifts of cash and public company securities may occur after review by the Board. It being understood, for significant gifts, management has first reviewed the identity of the donor for reputational, policy, and related concerns.

The staff will review proposed restricted gifts of cash, public company securities or other assets and consult with the Board as appropriate before accepting such gifts. It will also review proposed contributions of other assets, such as tangible personal property, real estate, private company securities, and trust interests, and to consult with the Board as appropriate before accepting such gifts.

Detailed policies on fundraising and gift acceptance are contained in an attached appendix.

18. RECORDS RETENTION POLICY

The Association maintains a Records Retention Policy designed to help us manage our records efficiently, report our performance accurately, comply with applicable laws relating to

preservation and confidentiality of such records, and take appropriate actions, including litigation holds, in situations involving legal proceedings. [IRS Form 990 Part VI.B, Line 14]

19. COMPENSATION REVIEW POLICY

The Association maintains a Compensation Review Policy intended to facilitate compliance with DC law and federal law and best practices relating to compensation of senior management. The policy sets out how our Board reviews and approves senior management compensation, including the use of external benchmarking information. [IRS Form 990 Part VI.B, Lines 15a, b; Internal Revenue Code §§501(c)(3), 4958

20. FINANCIAL REPORTING/DISCLOSURE

A. Financial reporting

The Association is committed to recording transactions and reporting on our financial position and results of operations accurately and in accordance with generally accepted accounting principles and applicable legal requirements.

B. Internal controls

The Association is committed to maintaining a system of internal controls designed to provide reasonable assurances that we efficiently carry out our operations, safeguard our assets, produce reliable financial statements, and comply with applicable legal and contractual requirements.

C. Annual Audit

The charter for the AFA Audit Committee reflects the requirements of the DC Non-Profit Law and the IRS including its requirements relating to appointment, performance review, and termination of the independent accounting firm, review of financial statements and audit, and approval of the performance of non-audit services by the accounting firm. [IRS Form 990 Part XII, Line 2c]. To implement these requirements, the Association engages an independent accounting firm to conduct an annual examination of our financial statements. The auditors examine our financial statements and internal controls, report on their examination, and make recommendations for changes in the financial statements, reporting practices, and controls. The auditor provides its report directly to our Audit Committee and Board. [IRS Form 990 Part XII, Lines 2a, b]

D. Financial statements

The annual financial statements and audit report of the Association are available to the public on request. We also make financial and other information available to the public as described on our Form 990 filing. [IRS Form 990 Part VI.C, Line 19]

Within 120 days after the close of each fiscal year, the Association provides each director with an annual report. The report includes financial information for the fiscal year, as reflected in the balance sheet and income statement, and information about any transactions with officers or Directors exceeding \$50,000 and any indemnification payments exceeding \$10,000. The Association is required to report the number of independent Directors on our Form 990 return filed with the IRS. [IRS Form 990 Part VI.A, Line 1b]

Each year, Directors are asked for relevant information to meet this reporting requirement.

F. IRS Form 990 preparation, review, and access

The Association finance team leads our Form 990 preparation and review process. Steps generally include interactions between staff and the independent accounting firm that prepares our return, and review and discussion of a draft of the filing among our President-CEO, CFO, Finance Committee and Audit Committee Chair.

G. Operating Reserve Policy

The purpose of the Operating Reserve Policy for the Association is to ensure the long-term financial stability of the organization. This policy will enable the organization to respond to varying economic conditions and changes in its financial position, ensuring the continuity of its mission. The Operating Reserve is intended to provide an internal source of funds for permitted uses as defined herein. Operating reserves are not intended to replace a permanent loss of funds or to eliminate an ongoing budget deficit. The Operating Reserve is intended to serve a dynamic role and is available, as needed, rather than being static or devoted to generating long-term income. The complete Operating Reserve Policy is in Appendix XII.

H. Investment Policy

The investment policy of the AFA and AFTHC Board, Executive Committee, Finance Committee, and Treasurer is to prudently manage the investments of all organizations. The investment portfolio should strive for preservation of principal and total return within the bounds of this policy. Specifics of the investment policy are contained in Appendix 19.

21. GOVERNANCE DOCUMENTS

Governance documents, including our articles of incorporation, this manual, Bylaws, committee charters, and governance policies are available to the public upon request.

,

22. RELATIONSHIP TO OTHER DOCUMENTS

This document states guiding principles for the governance arrangements and practices of the Association in accordance with its Articles of Incorporation and the attendant Bylaws. The Bylaws do levy on the Board, Association officers, and Directors certain roles and responsibilities – this Governance Manual is the repository of the ways and means the Board has to implement them – while designating some roles to individual officers. Nothing here limits, qualifies, or otherwise affects those materials; if there is any conflict between this Governance Manual and those documents, the documents will control.

This Governance Manual summarizes statutory provisions and provisions of our Bylaws, Board committee charters, and specifies policies regarding several topics.

23. REVIEW

The Board will review the Governance Manual periodically, and no less than annually. Proposed changes during or outside the review process may be submitted by any member of the Board. The new content will be amended in this Manual and published after Board approval.

Approved by the Board of Directors on _____

APPENDICES TO THE AFA GOVERNANCE MANUAL

APPENDIX I EXECUTIVE COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION EXECUTIVE COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Executive Committee (“Committee”) is established by Article IX. Section 1. of the Air and Space Forces Association (“AFA”) Bylaws (“AFA Bylaws”) to support the Board (“Board”) in its management and oversight of the Association. The Committee acts on behalf of the Board in between Board meetings, subject to the Board’s authority to rescind or amend any action of the Committee at a subsequent Board meeting. The Committee shall continue in existence until changed or dissolved in accordance with the Bylaws.

II. MEMBERSHIP

A. In accordance with the Bylaws, the Committee shall consist of the elected officers and up to two voting members of the Board, appointed by the Board Chair and approved by the Board. The President-Chief Executive Officer (“President-CEO”) shall be a nonvoting member of the Committee. The Committee members will serve at the discretion of the Board, and are subject to removal at any time by a simple majority of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board.

B. The Chair of the Committee (“Committee Chair”) shall be the Board Chair.

III. OPERATIONS

A. The Committee will meet with such frequency as it may determine as appropriate to fulfill its responsibilities as described in the Bylaws and this charter. Special meetings may be held as called by the Committee Chair, President-CEO or, at minimum, three members of the Committee. The Chair of the Committee will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.

B. Meetings by telephone or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.

C. The Committee may delegate its authority to subcommittees, which will consist of one or more members of the Committee (i.e., Strategic Planning, President Search, Awards, etc.)

D. The Committee will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA records retention policies.

E. The Committee may invite any non-Committee member to attend meetings or meet with Committee members.

F. The Committee will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- A. Exercise such powers and perform such responsibilities as are incidental to the purposes, duties, and responsibilities specified in Article IX. Section 1. of the AFA Bylaws and as may, from time to time, be delegated to the Committee by the Board.
- B. Take necessary actions for, and on behalf of, the Board in urgent and/or time sensitive situations where the matter requires Board approval or strategic direction, but where a quorum of the Board cannot be assembled for a special meeting of the Board in time to take such actions.
- C. Undertake such studies and analyses as shall, from time to time, be deemed necessary in the Association governance role of the Board, and to make appropriate recommendations to the Board on such matters.

Approved by the Board: May 3, 2023. This Charter updates and replaces the previous Charter dated Jan 17, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Executive Committee until such times as modified by the Board.

APPENDIX II EDUCATION COUNCIL CHARTER

AIR & SPACE FORCES ASSOCIATION EDUCATION COUNCIL CHARTER

I. SCOPE AND PURPOSE:

The AFA Education Council (“AEC” or “Council”), is an empowered Council established by Article X. Section 2 of the Air & Space Forces Association (“AFA” or “Association”) Bylaws to support the Board (“Board”) in its oversight and development of AFA’s educational programs, policies, and goals. The Council shall continue in existence until changed or dissolved in accordance with the Bylaws.

II. MEMBERSHIP:

- A. The AEC will consist of at least six (6) persons, two (2) of whom must be voting Directors of the Association and appointed by the Chair of the Council (“Council Chair”) and approved by the Board. The Board Chair shall be a non- voting member of the AEC. The Council members will serve at the discretion of the Board, and are subject to removal at any time by a majority vote of the Board. Any vacancy resulting from removal may be filled by the Council Chair, and subsequently approved by the Board.
- B. The Council Chair shall be the duly elected and current serving Vice Chair of the Board for Education (“VC/ED”) of AFA. In the event the Council Chair resigns or the Board votes to remove the Council Chair by majority vote, Board Chair will appoint an acting Council Chair until a new VC/ED is elected in accordance with the Bylaws.

III. OPERATIONS

- A. The Council will meet regularly, not less frequently than monthly, and at such times
- B. as appropriate to fulfill its responsibilities as described in this charter. Special meetings may be held as called by the Council Chair. The Chair of the Council will preside over Council meetings. A majority of Council members will constitute a quorum. Council approvals will require a vote of a majority of the Council members present at a meeting at which a quorum is present. The Council may also act by unanimous written consent.
- C. Meetings by telephone or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.
- D. The Council may delegate its authority to subcommittees, which will consist of one or more members of the Council.
- E. The Council will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.
- F. Unless the Council Chair otherwise directs, the President-CEO may attend all Council meetings.
- G. The Council Chair may invite any non-Committee member to attend meetings or meet with Council members.

- H. The Vice President, Member and Field Relations will serve as the Council's staff liaison.
- I. The Council will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Council shall have the following responsibilities:

- A. Oversee and guide the development and growth of new and existing educational and advocacy programs in alignment with the AFA Strategic Plan;
- B. Govern the expenditure and allocation of Association funds for education within the approved Education Council budget.
- C. Recognize outstanding contributions to aerospace education and support the educational efforts of Regions, States, and Chapters;
- D. Promote professional development opportunities, scholarships, financial assistance, symposia, special studies, and programs in collaboration with relevant educational institutions, scientific organizations, and government agencies;
- E. Support other councils and committees in the promotion and implementation of their applicable educational goals and programs;
- F. Collaborate with the Nominating and Governance Committee in selecting candidates for VC/ED in anticipation of each election cycle;
- G. Establish fund raising objectives to support the Association's educational programs;
- H. Recommend appropriate budget allocations to support the Association's educational mission to the President-CEO;
- I. At least annually, review and assess the performance of the Association's educational programs and the performance of the Council; and
- J. Perform other such duties as may be delegated to it from time to time by the Board.

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Education Council until such times as modified by the Board.

APPENDIX III FIELD OPERATIONS COUNCIL CHARTER

AIR & SPACE FORCES ASSOCIATION FIELD COUNCIL CHARTER

I. SCOPE AND PURPOSE

The Field Council (“Council”) is an Empowered Council established by Article X, Section 2 of the Air & Space Forces Association (“AFA” or “Association”) Bylaws to support the Board (“Board”) in its oversight of AFA’s vast field operations and programs led by dedicated volunteers throughout the United States and overseas. The Council shall continue in existence until changed or dissolved in accordance with the Bylaws.

II. MEMBERSHIP

- A. The Council will consist of at least seven (7) and not more than fifteen (15) senior AFA leaders selected by the Chair of the Council (“Council Chair”) and approved by the Board. The Council members will serve at the discretion of the Board, and are subject to removal at any time by a majority vote of the Board. Any vacancy resulting from removal may be filled by the Council Chair, and subsequently approved by the Board.
- B. The Council Chair shall be the Vice Chair of Field Operations (“VC/FO”) of AFA. In the event the Council Chair resigns or the Board votes to remove the Council Chair by majority vote, the Board Chair will appoint an acting Council Chair until a new VC/FO is elected in accordance with the Bylaws.

III. OPERATIONS

- A. The Council will meet regularly, not less frequently than monthly, and at such times as appropriate to fulfill its responsibilities as described in this charter. Special meetings may be held as called by the Council Chair. The Chair of the Committee will preside over Committee meetings. A majority of Council members will constitute a quorum. Council approvals will require a vote of a majority of the Council members present at a meeting at which a quorum is present. The Council may also act by unanimous written consent.
- B. Meetings by telephone or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.
- C. The Council may delegate its authority to subcommittees, which will consist of one or more members of the Council.
- D. The Council will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.
- E. Unless the Council otherwise directs, the President-CEO may attend all Council meetings.
- F. The Council may invite any non-Council member to attend meetings or meet with

Committee members.

- G. The Vice President, Member and Field Relations will serve as the Council's staff liaison.
- H. The Council will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Council shall have the following responsibilities:

- A. Establish, monitor, and guide the creation and administration of all field programs, policies, and operations in alignment with the AFA Strategic Plan.
- B. Oversee and guide the Emerging Leaders Program (ELP) and the development of field leadership at all levels of the Association.
- C. Establish, administer and guide the AFA Field Awards program to recognize high performing AFA Field units and leaders according to established criteria as specified in the program guidance.
- D. Provide AFA Field Awards Program guidance and award evaluation criteria to all field organizations not later than 1 January each year.
- E. At least annually, review and approve the Field Operations Guide (FOG) to provide guidance to Field Units.
- F. Recommend appropriate budget allocations to support the Association's field operations to the President-CEO.
- G. Support other Councils, Committees, and Region Presidents implement their applicable field operations.
- H. At least annually and in collaboration with Region Presidents, assess the performance of the Association's field operations, plans and unit reports.
- I. At least annually, review and assess the performance of the Council and submit an action-oriented summary to the Board and field leaders, including, but not limited to, successes, best practices, and positive and negative trends; and
- J. Perform other such duties as may be delegated to it from time to time by the Board.

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Field Council until such times as modified by the Board.

APPENDIX IV FINANCE COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION FINANCE COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Finance Committee (“Committee”) is established by the Board (“Board”) of the Air Force Association (“AFA”) to support the Board in its oversight of AFA’s (i) capital adequacy including reserve levels and budget planning, (ii) Association investment portfolios, (iii) corporate financial performance (iv) liquidity adequacy, (v) the balance sheet, (vi) proposed strategic and other material transactions within the limits that may be established by the Board from time to time (“Special Transactions”). Special Transactions may include acquisitions, mergers, dispositions, divestitures, real estate transactions, major software purchases, and similar corporate opportunities for AFA.

Notwithstanding anything otherwise contained in this Charter, responsibility for oversight of the Association’s enterprise risk management framework, which includes financial risks, and the mechanism that is used to report this to the Board, shall remain with the Audit Committee. Tracking, reporting on, and managing financial risks, including the insurance to mitigate those risks, is the responsibility of the Finance Committee.

As a standing Committee, the Finance Committee does not approve policy changes or proposals. The Committee makes recommendations to the Executive Committee or to the Board. These bodies have approval authority that the Finance Committee does not.

II. RESPONSIBILITIES

The Committee shall have the following responsibilities:

A. Ensure Accurate and Complete Financial Records are Maintained.

- a. Monitor income and expenditures against budget projections.
- b. Review and recommend financial policies to the Board.
- c. Ensure adequate internal controls by reviewing independent audit findings, variances on financial statements, requesting periodic tests by staff, and considering staffing levels in key positions.
- d. Ensure financial records are maintained in accordance with standard practices and in accordance with generally accepted accounting principles.

B. Ensure Accurate, Timely, Meaningful Financial Statements for the Board

- a. Present timely quarterly financial statements to the Executive Committee and Board and identify and explain variances in understandable terms.
- a. Anticipate and identify potential financial problem areas and report on actions taken when appropriate.

B. Safeguard the Association’s Assets

- a. Assist the Board to meet its legal and fiduciary obligations for accountability and disclosure.
 - b. Maintain oversight of internal controls, best practices, and transparency.
- C. Help the Board to Understand the Financial Affairs of AFA**
- a. Translate financial information into meaningful and understandable terms.
 - b. Explain the implications of the financial information that is presented.
 - c. Educate new Board members on how to read and interpret AFA financial statements and reports.
- D. Ensure Compliance with Federal, State, and Other Requirements**
- a. Ensure the adequacy of insurance coverage (Workers Compensation, Business Insurance, D&O) using professional oversight, when appropriate.
 - b. Oversee the timely preparation of the IRS Form 990 and ensure Board review prior to submission. Answer follow-on questions from volunteer leaders.
 - c. Comply with requirements of other regulatory and jurisdictional authorities such as VA Form 990T.
- E. Capital Adequacy and Budget Planning**
- a. Annually review and approve the Association's Reserve Policy, Investment Policy, and Endowment Spending Plan.
 - b. Review and assess the sufficiency of access to capital to adequately fund necessary appropriations and operating reserves considering AFA's overall size, complexity, and risk profile.
 - c. Within the strategic framework of the Association, evaluate and recommend approval of the President's draft annual capital and operating budgets to the Board for consideration. Ensure that these budgets accurately and explicitly reflect the organization's strategic goals, needs, and revenues.
 - d. Review financial statements at least quarterly, including current capital levels and risks, with consideration of planned capital contributions and distributions.
 - e. Oversee efforts to maintain or restore reserves to within the target range established through the Association's Reserve Policy.
 - f. Review and make recommendations resulting from financial risk assessments.
- F. Association Investment Portfolio Oversight**
- a. Maintain oversight of investment portfolio by reviewing reports on portfolio performance vs benchmarks and the established investment policy.
 - b. Meet with AFA's investment advisor as needed.
 - c. Review the investment policy at least annually and make recommendations to revise, when appropriate.
 - d. Report status of investment performance to the Executive Committee and Board on at least a semi-annual basis.
 - e. When appropriate, implement a competitive process to interview and select a new investment advisor.
- G. Association Financial Performance**

- a. Review financial statements and reports pertaining to AFA's financial performance including its consolidated statement of financial position and statement of activities.
- b. Review significant budget variances, and all significant strategic project expenditures, for alignment with Association's strategic priorities and its capital and operating budgets.
- c. Review AFA's statement of financial position and consider AFA's management of asset and liabilities including the status of the AFA Defined Benefit Plan on at least a quarterly basis.
- d. Review status of investments, lines of credit, level of debt including bank restrictions and covenants, and AFA assets to assess the adequacy of liquidity.

A. Special Transactions

The Committee shall give all due consideration to the express interest of any program or activity of AFA that would be materially impacted by any Special Transaction Proposal. The Committee shall invite consultation with the Board or other AFA Committees about the appropriateness of proposed Special Transactions.

The Board in its discretion retains final authority to: accept or reject Special Transaction Proposals or indications of interest; to make (or direct Association Development /management to make) any counter proposal or offer to a third party regarding the terms on which the Board would consider a Special Transaction; and to determine whether to undertake a broader process to solicit potential proposals for Special Transactions.

Notwithstanding the foregoing, nothing in this charter or any Board-adopted resolution or policy regarding Special Transactions shall modify any duty expressly reserved for the Board under AFA's Bylaws or under applicable law.

1. Periodically review and recommend to the Board approval authorities for Special Transactions that occur outside of the capital and operating budgets. These transactions are outside of the ordinary course of business and would typically require the use of reserves or contract terms exceeding one year.
2. Review, evaluate and provide oversight for proposals or indications of interest for Special Transactions that might arise from sources such as Association management, other Committees, other organizations, or AFA volunteers.
3. Consult with subject matter experts as needed (e.g., AFA's CFO, tax and accounting specialist or legal counsel) to review Special Transaction Proposals.
4. Confer with management through the Chief Financial Officer (CFO) or other Operational Leadership Team members as the Committee deems appropriate when the Committee determines that management's views on a Special Transaction proposal would assist the Committee in its oversight function.
5. Review with management the material details or negotiations of any Special Transaction Proposal, including how such transaction fits with the Associations strategic plan, long-term strategy, timing, financing, risks and opportunities.

6. Update and report to the Board regularly regarding material developments relating to the review of, or discussions or negotiations regarding, Special Transactions.
7. Make recommendations to the Board as to whether the final proposed terms and associated materials of Special Transaction Proposals, with respect to which the Committee has reached majority approval, should be considered by the Board.
8. Maintain oversight of the execution of Special Transactions and post-closing fulfillment and sustainment of those transactions.
9. Take appropriate actions, which the Committee in its discretion, may deem necessary or advisable to carry out the purpose and intent of the foregoing Special Transaction responsibilities.

B. Other

1. The Committee shall perform such other duties as may be delegated to it from time to time by the Board.
2. The Committee shall coordinate its work with other committees as it deems appropriate.
3. The Committee may delegate its authority to subcommittees, which shall report regularly to the Committee.

C. Finance Committee Performance

1. Annually review and assess the Committee's performance and report results to the Board.
2. Annually review the Committee's charter and recommend any changes as needed for approval by the Board.
3. Provide an appropriate orientation and training program for Committee members.

III. DURATION

The Committee shall continue in existence until dissolved by a resolution of the Board.

IV. CHAIR

The Chair of the Committee ("Committee Chair") shall be the duly elected and current serving Treasurer of AFA. In the event of an incapacity that prevents the Treasurer from properly performing his or her duties, the Board will appoint an acting Chair until a new Treasurer / Committee Chair is elected as provided by the Association Bylaws.

V. COMMITTEE MEMBERSHIP

The Committee shall consist of at least three members of the Board. The membership of the Committee shall be through appointment of the Board on consideration of nominee(s) presented by the Nomination Committee of the Board. The Board shall have the authority to fill any vacancies and to remove any Committee members for any reason. Members of the Committee should have the requisite experience and business acumen to evaluate matters pertaining to

AFA's mission and strategic plan, capital management, financial strategy and operations, liquidity management, capital market activities, internal controls, insurance, and risk management as presented.

VI. MEETINGS

The Committee will meet not less than quarterly, and at such times as appropriate to fulfill its responsibilities as described in this Charter. Agendas and meeting materials will be provided to Committee members, typically, in advance of any meetings. Special meetings may be held as called by the Committee Chair. A majority of the members of the Committee shall constitute a quorum and the affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the approval of any Committee business, except where a requirement for unanimity has been established in this charter. The Committee may also act by unanimous written consent. Meetings by telephone or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face. Meetings are to be attended only by members of the Committee, the appointed recorder, designated management including the staff liaison, and guests approved by the Committee Chair.

VIII. MINUTES AND REPORTS

The Board Chair, in collaboration with the Committee Chair, shall designate a person to record the proceedings of the Committee's meetings. The records of the Committee meetings shall be confidential and retained in accordance with AFA's records retention schedule. The Committee Chair may authorize the creation and distribution of reports or position papers as appropriate. The Committee shall make regular reports to the Executive Committee and the Board regarding its deliberations. Recommendations for actions will typically be added to the consent agenda item of the next Board meeting or may be sent to the Executive Committee for consideration of approval.

IX. EFFECTIVE DATE

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Field Council until such times as modified by the Board.

APPENDIX V AUDIT COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION AUDIT COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Audit Committee (“Committee”) is established by Article X, Section 2. of the Air & Space Forces Association (“AFA” or “Association”) Bylaws to support the Board (“Board”) in its oversight of the integrity of the Association’s financial statements, the compliance with legal and regulatory requirements, and the retention of and relationship with independent auditors. The Committee shall continue in existence until changed or dissolved in accordance with the Bylaws.

II. MEMBERSHIP

The Committee will consist of three or more members of the Board appointed by the Board Chair and approved by the Board. The Committee members will serve at the discretion of the Board and are subject to removal at any time by a majority of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board. At least one member of the Committee shall have proven professional banking, investment, or other financial experience and accompanying expertise.

The Chair of the Committee (“Committee Chair”) shall be appointed by the Board Chair, and approved by the Board annually, or as required, unless the Board determines to elect a different Chair by a majority vote of the Board.

III. OPERATIONS

The Committee will meet with such frequency as it may determine, not less frequently than annually as appropriate to fulfill its responsibilities as described in this charter. The Chair of the Committee will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.

Meetings by telephonic or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.

The Committee will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.

Unless the Committee otherwise directs, the President-CEO may attend all Committee meetings. The Committee may invite any non-Committee member to attend meetings or meet with Committee members.

The Chief Finance Officer will serve as the Committee’s staff liaison.

The Committee will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- Be responsible for the retention, oversight, and termination of the independent auditors, who will report directly to the Audit Committee;
- Approve the services (i.e., audit, audit-related, and non-audit) to be provided by the Association's independent auditors, and the related fees;
- Identify, analyze, and assess financial risks of the Association; review management's internal controls to mitigate risks and direct the independent auditor to assess those internal controls.
- Ensure that the independent auditors submit to the Committee, on a periodic basis (but at least annually), a report or reports describing any material issues raised by the most recent audit of the Association's books and records;
- Take appropriate action in response to the independent auditors' report, to assess and satisfy itself of the independent auditors' independence;
- Ensure that the independent auditors, upon completion of their audit of the Association financial books and records, report their final audit results and findings to the Board during its next regular scheduled Board meeting; and
- Perform other such duties as may be delegated to it from time to time by the Board.

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Audit Committee until such times as modified by the Board.

APPENDIX VI NOMINATING AND GOVERNANCE COMMITTEE CHARTER

AIR AND SPACE FORCES ASSOCIATION NOMINATING AND GOVERNANCE COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Nominating and Governance Committee (“Committee”) is established by Article X, Section 2. of the Air & Space Forces Association (“AFA” or “Association”) Bylaws to support the Board (“Board”) in its oversight of the Association’s leadership and governance. The Committee shall continue in existence until changed or dissolved in accordance with the Bylaws.

II. MEMBERSHIP

Excluding the Chair and Vice Chair of the Committee, the Committee will consist of at least three actively serving AFA Directors. The Committee members will serve at the discretion of the Board and are subject to removal at any time by a majority vote of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board.

The Chair and the Vice Chair of the Committee (“Committee Chair” and “Committee Vice Chair”) shall be the two most recent past serving Chairs of the Board, unless the Board determines to elect a different Chair or Vice Chair by a majority vote of the Board.

III. OPERATIONS

The Committee will meet with such frequency as it may determine, not less frequently than quarterly as appropriate, to fulfill its responsibilities as described in this charter. The Committee Chair will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.

Meetings by telephonic or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.

The Committee may delegate its authority to subcommittees, which will consist of one or more members of the Committee.

The Committee will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.

Unless the Committee otherwise directs, the President-CEO may attend all Committee meetings.

The Committee may invite any non-Committee member to attend meetings or meet with Committee members.

The Director, Volunteer Services will serve as the Committee's staff liaison.

The Committee will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- Recommend the criteria for selecting nominees for election to the Board;
- Identify and recommend nominees for election to the Board, including nominations to fill vacancies in the Board created by a size increase in the Board, and oversee the evaluation of the background and qualifications of any such candidate;
- Review and oversee the implementation of an orientation and training program for new Board members and maintain an on-going training program for Board members;
- Perform an annual assessment of the Board to evaluate its effectiveness, structure, procedures, and management reporting;
- Recommend to the Board, Board members completing their full term on the Board to be considered for Director Emeritus status, and continuation of emeritus status in accordance with Director Emeritus policy.
- Ensure compliance with and annually review the Association's governance documents, including but not limited to the Bylaws, Director's Code of Conduct and Ethics, policies, and procedures.
- Review the Board's leadership structure, including officers, Directors, committees, and councils, and recommend changes to the Board as appropriate;
- Annually review the Board Succession Plan for all positions of the Board, including the Chair and President-CEO Regular and Emergency Succession Plan; and
- Perform other such duties as may be delegated to it from time to time by the Board.

Approved by the Board: May 3, 2023 This Charter updates and replaces previous Charter dated December 13, 2022. This Charter is effective on approval of the AFA Board, and shall govern the operation of the Nominating and Governance Committee until such times as modified by the Board.

APPENDIX VII DEVELOPMENT COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION DEVELOPMENT COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Development Committee (“Committee”) is established by the Board (“Board”) of the Air & Space Forces Association (“AFA” or “Association”) to support the Board in its oversight, development, and planning of fundraising strategies. The Committee shall continue in existence until changed or dissolved by the Board.

II. MEMBERSHIP

- A. The Committee will consist of Board members, plus members representative of the Field and Education Councils, appointed as by the Board Chair and approved by the Board. The Committee members will serve at the discretion of the Board, and are subject to removal at any time by a majority of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board.
- B. The Chair of the Committee (“Chair”) shall be a member of the Board, appointed by the Board Chair, and approved by the Board annually, or as required, unless the Board determines to elect different Chair by a majority vote of the Board.

III. OPERATIONS

- A. The Committee will meet regularly, not less frequently than quarterly before regularly scheduled Board meetings, and at such times as appropriate to fulfill its responsibilities as described in this charter. The Chair of the Committee will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.
- B. Meetings by telephonic or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.
- C. The Committee will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.
- D. Unless the Committee otherwise directs, the President-CEO may attend all Committee meetings.
- E. The Committee may invite any non-Committee member to attend meetings or meet with Committee members.

- F. The Chief Development Officer (“CDO”) will serve as the Committee’s staff liaison.
- G. The Committee will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

III. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- A. Act as a conduit to raise funds to support the Association’s mission and strategy;
- B. Oversee, develop, and plan development strategies in collaboration with the CDO;
- C. Review the Association’s Development Strategy and support its execution;
- D. Monitor metrics, goals and objectives established in the Development Strategy, by the AFA budget, or by the Board through other means, and frequently report to the Board on those metrics, goals and objectives;
- E. Propose, develop, and assess proposals for major Association fund raising efforts, for example, capital campaigns, etc., to the Board;
- F. Monitor and provide personal follow-up and coaching with Board members and volunteers to support their participation and achievement of their specific development assignments and targets;
- G. Perform other such duties as may be delegated to it from time to time by the Board.

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Development Committee until such times as modified by the Board.

APPENDIX VIII MEMBERSHIP COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION MEMBERSHIP COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Membership Committee (“Committee”) is established by the Board (“Board”) of the Air & Space Forces Association (“AFA” or “Association”) to support the Board in its oversight, development, and planning of membership management and growth. The Committee shall continue in existence until changed or dissolved by the Board.

II. MEMBERSHIP

- A. The Committee will consist of Board members, plus other members representative of the Field and Education Councils, staff and volunteers, appointed as needed by the Board Chair and approved by the Board. The Committee members will serve at the discretion of the Board, and are subject to removal at any time by a majority vote of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board.
- B. The Chair of the Committee (“Committee Chair”) shall be appointed by the Board Chair, and approved by the Board annually, or as required, unless the Board determines to elect a different Committee Chair by a majority vote of the Board.

III. OPERATIONS

- A. The Committee will meet with such frequency as it may determine, not less frequently than quarterly, as appropriate to fulfill its responsibilities as described in this charter. The Chair of the Committee will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.
- B. Meetings by telephonic or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.
- C. The Committee will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.
- D. Unless the Committee otherwise directs, the President-CEO may attend all Committee meetings.
- E. The Committee may invite any non-Committee member to attend meetings or meet with Committee members.
- F. The Vice President, Membership and Field Relations will serve as the Committee’s staff liaison.

G. The Committee will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- A. Collaborate with the Vice President, Membership and Field Relations to create the Membership Development Plan, and monitors and supports the execution of the Plan;
- B. Through review of current industry best practices and other analysis, develop and recommend mid- and long-range strategies for recruiting, retaining and educating Association members;
- C. Align the Association's member development strategies with the AFA Strategic Plan and the AFA budget;
- D. Assess and make recommendations to the Board regarding membership growth and revenue resulting from the Association's membership programs;
- E. Recommend and evaluate results of membership drives or campaigns, direct mail campaigns and membership surveys, etc.
- F. Annually review and assess the adequacy of this charter, and recommend any proposed changes to the Board for approval, and;
- G. Perform other such duties as may be assigned to it from time to time by the Board Chair.

Approved by the Board: May 3, 2023. This Charter was initially adopted by the Air & Space Forces Board, and shall govern the operation of the Membership Committee until such times as modified by the Board.

APPENDIX IX COMPENSATION AND WORKFORCE COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION COMPENSATION & WORKFORCE COMMITTEE CHARTER

I. SCOPE AND PURPOSE:

The Compensation and Workforce Committee (“Committee”) is established by the Board (“Board”) of the Air & Space Forces Association (“AFA”) to assist the Board in its oversight of the President-CEO’s performance, compensation and management of employee policies, practices, and programs. The Committee will establish and recommend to the Board the performance evaluation criteria for the President-CEO; administer the Board annual evaluation of the President/Chief Executive Officer (“President-CEO”), and recommend to the Board the President-CEO’s compensation based on the evaluation. The Committee is also responsible for reviewing and approving the compensation of the IRS Form 990 reportable executives. Coordinating closely with the President-CEO, the Committee will annually review AFA’s overall compensation philosophy and strategy.

II. COMMITTEE MEMBERSHIP:

- A. The Committee will consist of at least three members of the Board appointed as needed by the Board Chair and approved by the Board. The Committee members will serve at the discretion of the Board and are subject to removal at any time by a simple quorum of the current members of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board.
- B. The Committee Chair shall be appointed by the Board Chair, and approved by the Board annually, or as required, unless the Board determines to elect a different Chair by a majority vote of the Board.

III. OPERATIONS

- A. The Committee will meet regularly, not less than quarterly in advance of the Board meetings, and at such times as appropriate to fulfill its responsibilities as described in this charter. Special meetings may be held as called by the Committee Chair. The Chair of the Committee will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.
- B. Meetings by telephonic or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.
- C. The Committee will report its activities to the Board on a regular basis and will keep minutes of its meetings. The records of the meetings shall be retained in accordance with AFA’s records retention policies.
- D. Unless the Committee otherwise directs, the President-CEO may attend all Committee meetings.

E. The Committee may invite any non-Committee member to attend meetings or meet with Committee members.

F. The Senior Director of Human Resources will serve as the Committee's staff liaison. The Committee will review this charter annually and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- A. Annually review and recommend to the Board the President-CEO's performance objectives, evaluate the President-CEO's performance against the approved objectives and, based on the President-CEO's evaluation, recommend to the Board the President-CEO's compensation, bonus, benefits, and perquisites. (The President-CEO may not be present during voting or deliberations on the President-CEO's compensation.)
- B. Jointly, with the Finance Committee, review the annual budget salary plan for the ensuing fiscal year for the Association's professional staff.
- C. Bi-annually conduct a comparability analysis of the salaries of the President-CEO and those key employees as reported on the Form 990. Retain and terminate any compensation consultant, firm, or other advisor to assist the Committee in comparability analysis.
- D. Review the disclosure of executive compensation on AFA's 990 and notify the Board of any issues raised by the disclosure.
- E. Review the President-CEO Regular and Emergency Succession Plans for Board approval. Review such plans at least annually.
- F. Review diversity and inclusion reports at least annually. Review diversity related AFA policies, procedures, measures and progress against goals.
- G. The Committee will review personnel policies, practices, and programs that have substantial effects on the recruiting, retention, and well-being of employees, as well as the reputation of the Association.
- H. Recommend to the Board the selection criteria for the President-CEO position. Periodically review the selection criteria and recommend changes to the Board.

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Audit Committee until such times as modified by the Board.

APPENDIX X GOVERNANCE SUB-COMMITTEE CHARTER

AIR & SPACE FORCES ASSOCIATION

GOVERNANCE SUB-COMMITTEE CHARTER

I. SCOPE AND PURPOSE

The Governance Sub-Committee (“Committee”) is a Special Actions Committee established under the authority of the Nominating and Governance Committee to assist the Board (“Board”) of the Air & Space Forces Association (“AFA” or “Association”) in completing the work performed by previous Bylaws and Governance Committees. The sub-committee is charged with updating and adapting governing policies and procedures in alignment with the Associations Bylaws approved by Convention in September 2022. The Committee shall continue in existence until completion of its work according to this Charter, or changed or dissolved in accordance with the Bylaws.

II. MEMBERSHIP

- A. The Committee will consist of Board Directors, staff and other volunteer members appointed as needed by the Board Chair and approved by the Board. The Committee members will serve at the discretion of the Board, and are subject to removal at any time by a majority vote of the Board. Any vacancy resulting from removal may be filled by the Board Chair, and subsequently approved by the Board.
- B. The Chair of the Committee (“Committee Chair”) shall be the Chair of the Nominating and Governance Committee, unless the Board determines to elect a different Chair by a majority vote of the Board.

III. OPERATIONS

- A. The Committee will meet with such frequency as it may determine, and as appropriate to fulfill its responsibilities as described in this charter. The Committee Chair will preside over Committee meetings. A majority of Committee members will constitute a quorum. Committee approvals will require a vote of a majority of the Committee members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent.
- B. Meetings by telephonic or video conference call are authorized, and actions taken during such meetings shall have the same force and effect as actions concluded face to face.
- C. The Committee will report its activities to the Board on a regular basis.
- D. Unless the Committee otherwise directs, the President-CEO may attend all Committee meetings.
- E. The Committee may invite any non-Committee member to attend meetings or

meet with Committee members.

- F. The Director, Volunteer Services will serve as the Committee's staff liaison.
- G. The Committee will periodically review this charter and recommend any proposed changes to the Board for review. The Board may amend this charter at any time.

IV. RESPONSIBILITIES

The Committee shall have the following responsibilities:

- A. Analyze and assess past AFA Constitution and Operations and Procedures Manual (OPM), insuring all are appropriated considered for adaption to supporting governance policies and procedures under the new AFA Bylaws.
- B. Perform research and analysis of non-profit governance best-practices and incorporate into governing documents, including but not limited to the Bylaws, Director's Code of Conduct and Ethics, policies, and procedures.
- C. Perform other such duties as may be delegated to it from time to time by the Board.

Approved by the Board: May 3, 2023. This Charter is effective on approval by the AFA Board and shall govern the operation of the Governance Sub-Committee until such times as modified by the Board.

APPENDIX XI DIRECTOR EMERITUS POLICY

AIR & SPACE FORCES ASSOCIATION EMERITUS BOARD MEMBER POLICY

Definition: The term “director emeritus” refers to Air & Space Forces Association (“AFA”) Board members who no longer hold voting positions as full Board members and are deemed worthy of the designation following completion of an honorable period of service. This is an honorific title bestowed in recognition of the member’s active participation, financial contributions to, or continuing strong interest in the organization. Hence, there shall be a category of Board member known as a Board Director Emeritus who is nominated and elected by the Board (“Board”). Director emeritus shall be selected from those Board members who have served on the Board with distinction and excellence.

Tenure: Directors Emeritus shall be elected to an initial six-year term. At the end of their 6-year term emeritus members shall be reconsidered for subsequent 3-year renewable terms so long as they continue participation in, support of and interest(s) in AFA as outlined above. They may, at their discretion, choose to end their term at any time.

Entitlement: A director emeritus shall be entitled to receive all notices and information which are provided to the Board, to attend all Board meetings (at their own expense), to participate in meetings of the committees in which they serve, and be encouraged to attend all other events conducted by AFA which other Board members attend. A director emeritus shall not be subject to any attendance policy, counted in determining if a quorum is present at a meeting, entitled to hold office, or entitled to vote at any Board meeting.

Expectations: Within the reasonable constraints of their circumstances and resources, emeritus Directors are expected to:

- 1. Continue to support the mission and objectives of AFA throughout their tenure through active participation in meetings, symposia, etc.
- 2. Be articulate advocates of the Association and its purposes in their communities and nationally
- 3. Recruit new members to AFA
- 4. Contribute financially to AFA at some level, however modestly
- 5. Serve as mentors to less experienced AFA members

Eligibility: In order to be considered for designation as a director emeritus, a person must be a current or former member of the AFA Board who:

- 1. Has served the AFA Board with distinction
- 2. Held an important leadership role, and made or continues to make significant contributions
- 3. Engaged in major volunteer or advocacy activities in his or her service on the Board
- 4. Completed the term(s) for which he or she was appointed

- 5. Participates in one (1) or more AFA activities (e.g., annual convention, national level events, field volunteerism, fund-raising, government relations, networking, etc.)
- 6. Agrees in general to no longer seek an elected full Board position in the future.

(NOTE: If a Director Emeritus decides to seek or is offered an appointed full Board position in the future, they shall immediately resign their emeritus position in order to pursue or hold the full Board position with no expectation of automatic reinstatement as an emeritus member.)

Election: Annually, with the recommendation of the Board Nominating and Governance (“Nom and Gov”) Committee, the Executive Committee (“EXCOM”) of the Board will consider potential candidates and may nominate one or more individuals for a Board emeritus director position. The EXCOM will present the nomination(s) along with supporting statements to the Board for its consideration. A simple majority vote of Directors at a meeting at which a quorum is present is sufficient to approve an appointment.

Re-election: Annually, the Board Nom and Gov committee will review the service of each emeritus director prior to completion of their 6-year term (or 3-year term for those continued after initial term) and recommend to the EXCOM continuation or termination of their emeritus director position on the Board. Recommendations of termination will require a statement of justification. Prior to a vote by the EXCOM and Board, the Board chair should consider contacting the emeritus director recommended for termination of their position. The EXCOM will in-turn present their recommendation to the Board for its consideration. A simple majority vote of Directors present at a meeting at which a quorum is present is sufficient to approve an appointment or termination.

Candidate Request: A Board director who is completing his or her elected or appointed term on the Board can let the Chair of the Board (“Board Chair”) know they would like to be considered for emeritus status, and/or the Board chair can discuss it with the director as part of the completion of their Board term conversation. Discussion at a formal Board meeting is not required. Requests can be considered either before or after full completion of the director’s term on the Board; requests should not be put forward more than six months prior to or after completion of a director’s term. The outgoing director should provide the Board chair with 1) a letter requesting emeritus status including the date of completed term on the Board, with a statement of commitment to continuing service when his or her term expires, and 2) justification of service in AFA using the eligibility criteria listed above.

Approved by the Board: May 3, 2023. This Policy is effective on approval by the AFA Board and shall remain in effect until such times as modified by the Board.

APPENDIX XII INVESTMENT POLICY

INVESTMENT POLICY FOR THE AIR & SPACE FORCES ASSOCIATION

References contained herein shall be designated as follows: The Air & Space Forces Association will be referred to as AFA; the Finance Committee of the Air & Space Forces Association (AFA), will be referred to as COMMITTEE.

The definition of Investment Advisor as used in this policy is an independent registered investment advisor who accepts fiduciary level responsibility and who is hired by AFA to meet the goals outlined in this policy.

The definition of Investment Manager as used in this policy is the individual or group of individuals, registered with the SEC and acting as a fiduciary, who trade stocks, bonds, or other investments that are part of an asset class, mutual fund, or other category or financial investment product.

The purpose of the investment policy of the AFA is to prudently manage the investments of the organization. The investment portfolio should strive for preservation of principal and total return within the bounds of this policy.

The COMMITTEE and the Investment Advisor jointly agree that their fiduciary duties require that this policy be administered solely in the interest of AFA. At least annually, the Investment Advisor and the COMMITTEE will meet and review this policy and the status of the collective investment portfolio. These meetings will also serve to measure portfolio performance as well as provide the Investment Advisor an opportunity to outline investment strategy and market outlook for the ensuing six months, or for shorter terms if deemed appropriate in his/her opinion. The Investment Advisor will also provide monthly portfolio performance data with return on investment defined by individual asset and asset class (bonds, equities, individual mutual funds, money market, etc.), and for the portfolio as a whole. Portfolio performance will be compared to appropriate benchmarks such as the S&P 500 and other widely used benchmarks for other asset classes.

Minutes will be prepared for each meeting and permanently retained by the AFA.

Objectives for the investment strategy include:

- Preservation of Principal
- Growth of Capital
- Liquidity to meet cash flow needs as they arise

Investment Policy Statement/Asset Allocation:

| Asset Class | Target % | Range |
|--------------------------------|-----------------|--------------|
| US Equity | 50% | 45% - 55% |
| International Equity | 10% | 0% - 15% |
| Fixed Income & Cash | 40% | 20% - 55% |

US Equity & International Equity Allocation

Investment Advisor Guidelines

- The Investment Advisor shall adhere to the CFA Institute Code of Ethics and the Standards of Professional Conduct, as presented in the Standards of Practice Handbook.
- Where mutual or commingled funds are used, the prospectus or guidelines of the mutual or comingled fund will take precedence. It will be the responsibility of the Investment Advisor to present funds that generally meet the specific style requirements of the Plan(s) and to monitor for any material changes. The assets are to be diversified to minimize the risk of large losses in the portfolio that might be caused by any one or more individual investments.
- The assets are to be diversified to minimize the risk of large losses by any one or more individual investments.
- The use of Exchange-Traded Funds (ETFs) is allowed up to a maximum of 10 percent of the market value at purchase.
- No transactions in commodity contracts.
- No transactions in options, futures, derivatives, or structured notes.
- No investment activities forbidden by the U.S. Securities and Exchange Commission or other applicable governing bodies.

Any exception from these US Equity & International Equity Allocation Investment Advisor guidelines requires prior written approval from the COMMITTEE.

Fixed Income Allocation

Investment Manager Guidelines

- The manager(s) shall adhere to the CFA Institute Code of Ethics and the Standards of Professional Conduct, as presented in the Standards of Practice Handbook.
- Where mutual or commingled funds are used, the prospectus or guidelines of the mutual or comingled fund supersedes those of the Investment Fund(s). It will be the responsibility of the Investment Advisor to present funds that generally meet the specific style requirements of the Plan(s) and to monitor for any material changes.
- The assets are to be diversified to minimize the risk of large losses by any one or more individual investments.
- The manager is expected to initiate written communication to AFA and the Investment Advisor whenever the Investment Manager believes the guidelines should be changed.

Risk Guidelines

- Sector and security selection, portfolio structure, and timing of purchase and sales are delegated to the manager. The assets are to be diversified to minimize the risk of large losses to it by any one or more individual investments.
- The minimum average credit quality of each manager’s portfolio will be A2 or better as represented by Moody’s, or A as rated by Standard and Poor’s.
- The manager is expected to initiate written communication to AFA and the Investment Advisor whenever the investment manager believes the guidelines should be changed.

Portfolio Guidelines

- The minimum and maximum effective duration of each manager’s portfolio are 50 percent and 125 percent, respectively, of the Barclays Capital Intermediate Aggregate Index.
- There is no investment limitation on U.S. government or U.S. agency securities.
- The use of Exchange-Traded Funds (ETFs) is allowed up to a maximum of 10 percent of the market value at purchase.
- No more than 15 percent of corporate bond issues shall carry a rating below “BBB-” by Standard & Poor’s or Baa3 by Moody’s. Additionally, the investment manager’s bond segment shall maintain a minimum average quality rating of “A” or better. Initial investments in noninvestment grade securities with a senior debt rating from Standard and Poor’s less than “BBB-” or a rating from Moody’s Investors Service less than “Baa3” are prohibited.
- Individual securities with the exception of obligations backed by the U.S. government are subject to the following maximum exposure limits, at purchase (does not apply to inherited securities which may have been purchased by another firm):

| Bond Sector Quality Rating | Exposure Limit per Bond |
|----------------------------|-------------------------|
| Government | Unlimited |
| Aaa / AAA | 5% |
| Aa / AA | 4% |
| A / A | 3% |
| Baa / BBB | 2% |

- In the event the portfolio manager decides to hold a security that is downgraded below investment grade, the manager will have 30 days to send a notification to AFA and to AFA’s investment advisor, which identifies any violation(s) of the above limitations along with a recommendation for retention or sale. A recommendation for retention must also include an explanation of the basis for keeping the security in the

- portfolio and a timeline for regular review. A recommendation for sale must include the timeframe during which the security will be sold.
- Securities under Rule 144A, exemption from registration requirements, are limited to no more than 10 percent of the portfolio market value.
 - Investment in Investment-grade U.S. dollar denominated indebtedness of non-U.S. sovereign issuers, with a minimum rating of “A” or better is limited to 15% of the portfolio. The manager may not invest in securities issued by non-U.S. entities denominated in a currency other than U.S. dollars.
 - Investment in perpetual or sinking fund preferred issues are limited to 5 percent of the portfolio market value.
 - The portfolio is expected to be fully invested at all times, allowing for reasonable cash positions as are consistent with maintaining the duration requirements of the portfolio.
 - The use of leverage is not allowed.
 - The manager must notify AFA and the Investment Advisor if a transaction results in this portfolio owning more than 10 percent of any class of the voting securities of a single company, unless subject to more stringent state or other regulations or laws.
 - Securities that are convertible to common stock on either a mandatory or optional basis are prohibited.
 - No purchase on margin or transactions in short sales.
 - No transactions in Interest-Only or Principal-Only Securities (IOs or POs), Inverse Floaters, or any tranche that has a leveraged component embedded in the structure.
 - No transactions in commodity contracts.
 - No transactions in options, futures, derivatives, or structured notes.
 - No purchase of tax-exempt securities.
 - Securities may not be loaned or used as security or collateral unless authorized in writing by the COMMITTEE.
 - No transactions where the broker is also the Investment Manager who is making the transaction or acting as a principal.
 - No investment activities forbidden by the U.S. Securities and Exchange Commission or other applicable governing bodies.

Any exception from these fixed-income manager guidelines requires prior written approval from the COMMITTEE.

Fund Deposit/Withdrawal/Rebalance Procedures

The portfolio's actual asset allocation will vary from its target asset allocation as a result of varying periodic returns over time.

The portfolio will be rebalanced at least annually to its target normal asset allocation range. The Investment Advisor may provide a rebalancing recommendation as part of recommending specific funds for a substantial deposit or withdrawal.

Portfolio deposits, rebalancing actions and withdrawals for previously approved spending will be coordinated by the President, Finance staff and the Investment Advisor. Once approved, the Investment Advisor will provide an execution letter to the Finance staff.

Reporting

The Investment Advisor will provide quarterly portfolio performance reports showing trend data, bench marking comparisons, percentile ratios, and admin fees.

Finance staff will provide the committee with monthly Flash Reports updating performance and asset allocation.

APPENDIX XII OPERATING RESERVE POLICY

Air & Space Forces Association Operating Reserve Policy

I. Statement of Purpose:

The purpose of the Operating Reserve Policy for the Air Force Association is to ensure the long-term financial stability of the organization. This policy will enable the organization to respond to varying economic conditions and changes in its financial position, ensuring the continuity of its mission. The Operating Reserve is intended to provide an internal source of funds for permitted uses as defined herein. Operating reserves are not intended to replace a permanent loss of funds or to eliminate an ongoing budget deficit. The Operating Reserve is intended to serve a dynamic role and is available, as needed, rather than being strict or devoted to generating long-term income.

2. Definitions

Board Designated Operating Reserve: The designated fund, established by the Board, will be reported in the Unrestricted Net Assets section of the Balance Sheet as the Board-Designated Operating Reserve. The amount to be ultimately designated will be established at a level sufficient to maintain ongoing operations for a set period of time, measured in months.

Temporarily Restricted Reserve: Net asset balance in temporarily restricted funds that remains after the completion of the appropriate fiscal period for the contribution.

Investment Account: Funds held by our trustee in AFA investment accounts will consist partly of the operating reserve. The investments are pooled, with investment earnings allocated based on each fund's share of the total investment account.

Average Monthly Operating Costs: One-twelfth of the current year annual budgeted operating expenses as defined herein.

Annual Budgeted Operating Expenses: Total budgeted expenses include permanently restricted and temporarily restricted expenses that are planned to be paid with releases from restriction.

Investment losses and donated services are both excluded. Expenses that are related to the defined benefit pension plan and that have historically been excluded from operating expenses on the financial statements and budget will continue to be excluded. Net Periodic Benefit Costs are not currently part of the operating budget. However, they represent an obligation that must be paid by the Association each year. Therefore, for the purposes of this policy, they should be included in the Annual Budgeted Operating Expenses.

Operating Reserve Ratio: the ratio of the Operating Reserve Fund balance to the Average Monthly Operating Costs, showing the number of months of average expenses held in reserve in the fund.

Target Minimum Operating Reserve Ratio: The goal is to maintain 6 to 12 months of average monthly operating costs, after adjusting for known long-term capital needs.

III. Funding of Reserves

A. Timeline for initial achievement of Target Balance

The Targeted Minimum Operating Reserve Ratio is 6 to 12 months. If the Operating Reserve is below this level, this policy sets the goal to reach six months of Average Monthly Operating Costs within the next three budget cycles. Until the target is reached, the budgetary process for the coming year shall take into account the cash flow implications of making a deposit to the Operating Reserve at the end of the current year.

B. Sources of funding for the Operating Reserve Follow:

Annual cash surpluses from fiscal operations. The President and accounting staff shall determine when sufficient cash is available to make transfers to the Operating Reserve, based on current cash levels and projections of future cash flow needs. Transfers to the Operating Reserve do not require approval by the Treasurer, Finance Committee or Board, but shall be reported as part of the next quarterly financial report.

1. Portions of unbudgeted individual large unrestricted gifts, as determined by the Finance Committee on a case-by-case basis.
2. Investment income from the Operating Reserve funds, until the maximum target balance is reached (per Section D – Use of Surplus Funds)

IV. Use of Reserves

A. Permitted Uses of Operating Reserve Funds

The Operating Reserve is intended to provide an internal line of credit for use in managing cash flow and ensuring ongoing operations in the face of unexpected events. Examples of these situations are: sudden increases in expenses, one-time unbudgeted expenses, unanticipated decreases in revenue, short-term cash flow interruptions, and uninsured losses. In considering whether to appropriate Operating Reserve funds for use, the following should be taken into account: consistency of use with this policy, other potential sources of funds before using reserves, and expected time period for replenishment of funds.

B. Replenishment of Shortfalls

If the Operating Reserve falls below targeted levels, the deficit must be eliminated within the next three budget cycles. To accomplish this, the Board will adopt operational budgets with projected surpluses to rebuild operating reserves back to the targeted level within the required timeframe (in the absence of extraordinary circumstances).

C. Authorization of Draw-Down from Board Designated Operating Reserve Fund

A draw-down from the fund that is either not intended to be replaced or cannot reasonably be expected to be replaced with operating funds in the timeframe established in (B), above, must be approved by the Board. A record of such action will be maintained in the Board Minutes.

D. Use of Surplus Funds

At any time while the Operating Reserve Fund meets the maximum target balance, investment earnings on the Fund will be classified as unrestricted revenue.

E. Uses of Temporarily Restricted Reserves are permitted as indicated in the AFA spending policy.

V. **Governance**

A. Authority to Access Operating Reserve Fund

The President may access up to 10% of the Operating Reserve Fund for purposes outlined in IV A. above, as long as sufficient funds will be available to repay the amount in twelve months' time. The President will notify the Treasurer in writing within three business days. Any use of funds in excess of the dollar or time replenishment thresholds must be approved in advance by the Board.

Before Board action, the Finance Committee's review and recommendation must be obtained using the following procedures:

1. Management submits a withdrawal request to the Finance Committee, including an analysis of the need and payback timeline
2. Review by Finance Committee, with recommendation to the Executive committee
3. Board review and decision

B. Supervision of the Operating Reserve Ratio and Balance Management

Staff shall monitor the balance on a regular basis and report the Reserve Fund balance and ratio, as well as any significant variances, as part of regular financial reporting to the Finance Committee. The Treasurer will be notified of any significant variances that occur between financial reports. The Treasurer will report the balance to the Board. The Board is responsible for using the information provided by management to determine if/when changes to the organization's operations are necessary to conform to policy provisions.

C. Relationship to Investment Policy

The purpose of the Operating Reserve Fund is to provide assets that are not committed to specific obligations or restrictions, and not to create long-term investment returns. However, the fund is held in the Investment Account to allow for growth, efficiency, and maintenance of the balance through investment earnings. In this capacity, the Association's Investment Policy's goals of preservation of capital, growth of capital, and liquidity are applicable to the Operating Reserve Fund. Therefore, the Investment Policy also governs the prudent investment of the Operating Reserve assets.

D. Review of Operating Reserve Policy

The Finance Committee will review this policy annually as part of the budgetary process. The Finance Committee will consider recommendations from management and others during its review. Recommended changes will be forwarded to the Executive Committee and Board for deliberation/action. Revisions to this policy will be approved by the Board.

APPENDIX IX CODE OF ETHICS

INTRODUCTION

The Air & Space Forces Association's mission is to: Educate the public about the critical role of aerospace power in the defense of our nation, advocate aerospace power and a strong national defense, and support Airmen, Guardians, and their families. In the pursuit of this mission, members of the AFA Board are charged with maintaining the highest ethical standards. This Code of Ethics provides guidance on how each Board member should discharge his or her individual responsibilities and implements Association policies designed to further ethical governance.

A code of ethics or statement of policy cannot define appropriate moral conduct for every situation that a Director might confront. In every case, each Director is charged with a very special trust by the Air Force Association to make carefully considered moral and ethical decisions. Directors will be supplied annually with a list of industrial sponsors and advertisers with whom the Association does business. It remains the Directors' responsibility to be aware of their own involvement in business relationships and recuse themselves on decisions involving any entities that could impact their personal or financial interests.

RESPONSIBILITIES

Each Director has a fiduciary obligation on behalf of the Air & Space Forces Association that encompasses two distinct duties – Duty of Care and Duty of Loyalty.

- a. **Duty of Care.** To comply with the Duty of Care, each Director should be informed and participate in Board decisions in good faith. The Duty of Care presumes that each Director will attend meetings on a regular basis, be informed about the workings of AFA and the matters to be discussed, and exercise independent judgment. Directors must always act on behalf of the whole Association and not any particular constituency group.
- b. **Duty of Loyalty.** The Duty of Loyalty requires Directors to exercise their authority in the interest of AFA, rather than in their own interest or the interest of another entity or person. This Duty relates to three areas: (a) conflict of interest, (b) financial conflict, and (c) confidentiality.
 - a. **Conflict of Interest.** In the event that a Director has interests, other than financial interests, that are in conflict with the interests of AFA, the Duty of Loyalty requires that the Director be conscious of the potential for such conflicts and act with candor and care in dealing with such situations. The Director must disclose such conflicts and then abide by such directive as the Board may specify in response to the disclosure. Should the Board determine that a conflict exists, the affected Director shall recuse himself or herself regarding any and all AFA matters affecting the conflict.
 - b. **Financial Conflict.** Before a Director engages in a financial transaction which he or she reasonably should know may be of interest to AFA, the Director should disclose the transaction to the Board to evaluate the propriety of the transaction. A

conflict of interest arises when a person is in a position of authority over an organization, such as an officer, director or manager, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. For this purpose, a conflict of interest does not include questions involving a person's competing or respective duties to the organization and to another organization, such as by serving on the Boards of both organizations, that do not involve a material financial interest of, or benefit to, such person (this type of conflict is discussed in paragraph 2. b. 1) above). Officers and Directors shall disclose any known financial conflicts annually within three months of assuming office and also when such conflict shall arise in the performance of their duties.

- c. Confidentiality. A Director should not disclose AFA proprietary or privileged information to third parties, including members of the Air Force Association. Matters discussed during Board or Committee Meetings should also be considered confidential and should only be shared with individuals on that Committee or the Board. What constitutes AFA proprietary or privileged information for this purpose is a question of fact to be determined in each case, largely on the basis of the nature of the information, its confidential status pursuant to applicable law or contract, and whether applicable law or contract recognizes or does not prohibit such exception, or it is already known to the public.
- b. Gifts or Business Courtesies. A business courtesy is a gift, favor, gratuity, or entertainment given to an individual Director from a person with whom AFA maintains or may establish a business relationship and for which fair market value is not paid by the recipient. A Director should limit giving or receiving a gift, favor, gratuity, or entertainment to only what is acceptable as being customary in a normal business context.
- c. Use of Association Property. A Director may use AFA property only in the furtherance of AFA business. The use of resources negligible in value is exempted.
- d. Public Statements. A Director should speak on behalf of AFA only to the extent that he or she is confident that the statement reflects established AFA policy. Any other public statement by a Director should be identified as his or her personal opinion.
- e. Harassing or discriminatory behavior. AFA rejects discrimination and harassment by any means, based on factors such as ethnic or national origin, race, religion, citizenship, language, political or other opinion, sex, gender identity, sexual orientation, disability, physical appearance, age, or economic class. In addition, AFA opposes all forms of bullying including threatening, humiliating, coercive, or intimidating conduct that causes harm to, interferes with, or sabotages scientific activity and careers. Discrimination, harassment (in any form), and bullying create a hostile environment that reduces the quality, integrity, and pace of the Association's mission. AFA Directors, Officers, and Committee members are all expected to hold themselves to the highest standard of professional and ethical behavior.

- f. Other Governance Policies. The AFA Employee Handbook contains additional Association policies concerning conflict of interest, hiring, whistle blower protection, and document retention. Copies of these policies shall be provided to Directors annually who, in turn, agree to comply with those policies to the extent they are also applicable to their uncompensated volunteer service.

ENFORCEMENT

- a) Handling a Conflict of Interest that Arises at a Meeting.

A Director should be sensitive to any interest he or she may have in a decision to be made by the Board and, insofar as possible, recognize that such interest exists prior to the discussion or presentation of such a matter before the Board. When a Director has an interest in a transaction being considered by the Board, he or she should disclose the conflict before the Board takes action on the matter. The Director shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way. The Director's presence may not be counted in determining the quorum for any AFA business transaction in which he or she has a possible interest.

If the Director recognizes that the conflict is ongoing and that the information discussed at the Board meeting will bear on that conflict, the Director should not participate in that portion of the discussion and leave the room. In this case, the appropriate material should be deleted from the minutes provided to that Director.

If the Director in good faith detects that he or she has failed to recognize a conflict, the Director, when it is recognized, shall report that failure to the Chair of the Board, who shall take appropriate action to prevent continuation of the conflict and mitigate past action to the extent reasonable. The matter shall be referred to the Executive Committee for review and recommendation.

- b) Infringement of the Code of Ethics

1. A Director who is unsure about the applicability of this Code of Ethics in a particular situation or has questions concerning it is encouraged to consult with the Association's Counsel after obtaining the permission of the President to do so. In such event, the Director must recognize that the Counsel's responsibility is to AFA, not to the Director.
2. Any member of AFA may submit a Code of Ethics violation Complaint to the Association Counsel. The complaint shall state the name and any other identifying information of the respondent, describe the date and circumstances of the misconduct, and state how the alleged misconduct violates the Association's Code of Ethics. The Complaint may also include additional supporting documentation or other evidence speaking to the misconduct.
3. Upon receipt of information regarding a possible infringement of the Code of Ethics, the Counsel shall promptly notify the President as well as the Respondent. Upon receiving notice of the Complaint, the Respondent shall have ten days to respond to the complaint, and provide any other evidence he or she has retained to assist in his or her response.

4. Upon receiving all relevant documentation, the Counsel shall then investigate the matter with due diligence and the utmost discretion and shall provide ample opportunity for due process for all parties concerned.
5. The investigation shall be complete within thirty days following the Respondent's response. Upon the conclusion of the investigation, the Counsel shall make recommendations to the President for appropriate action. These recommendations may include, but are not limited to, dismissal of the allegation, remedial action, or removal from office pursuant to the Bylaws of the Air Force Association.

A copy of this Code of Ethics and supplementary information as necessary will be presented to each Board member and the Officers of the Air Force Association prior to 1 December of each operating year. The Board members should review the Code prior to all Board and Executive Committee meetings. Full compliance with the Code of Ethics is of fundamental importance to the integrity of the Air Force Association.

APPENDIX XV TRAVEL REIMBURSEMENT POLICY

AFA Travel — Expense Reimbursement Policy Reimbursement policy for members of the Board, committees, councils, and other volunteers

Approved by the Executive Committee 5 December 2019

Purpose:

The following travel policy is in effect for the reimbursement of expenditures for official Air & Space Forces Association travel. The purpose of these reimbursements is to defray a portion of the expenses of members of the Board, Committees, Councils, Heads of State Delegations to the National Convention, and Other Volunteers.

Timing Requirements:

AFA's reimbursement policy falls under what the IRS refers to as an accountable plan. Under normal circumstances money paid to individuals is considered taxable income. The AFA accountable plan allows AFA to make reimbursements of expenses that are not taxable to the recipient as long as certain conditions are met. For example, Internal Revenue Service regulations require reimbursement of valid business expenses within a reasonable amount of time or AFA is required to report the reimbursement to the IRS as taxable income to the recipient. In addition, the auditors will test to find out if AFA is adhering to its policies. Therefore, exceptions such as delays in turning in requests for reimbursements could result in audit findings, and they could result in the delayed reimbursement being taxable to the traveler.

Policy:

AFA reimburses travel expenses based on the principal of lowest reasonable cost.

AFA is the payer of last resort. If you are eligible for reimbursement by another entity, such as your employer or an AFA chapter, state or region, this policy requires you to submit your expenses for reimbursement to that entity first. Only amounts that remain unreimbursed by another entity may be eligible for reimbursement under this policy.

To be eligible for reimbursement, Internal Revenue Service requires receipts for all expenditures that are over \$25. However, all costs must be itemized on the reimbursement form and a detailed receipt showing items purchased must be attached. IRS also requires the date of the expenditure, the business purpose, and the signature of the traveler. Proper use of the AFA Travel Reimbursement Form satisfies these requirements. AFA suggests that all receipts, regardless of amount, be saved and attached to support expenditures. As part of its system of checks and

balances, AFA requires a second signature or electronic approval before it will reimburse expenses. This is usually the AFA staff member who is responsible for the meeting or event, who has direct knowledge of the business purpose of the trip, that the trip was pre-approved, and that the traveler participated in the intended AFA activities.

Reimbursement for Meeting Days:

A "meeting day" is one in which attendance is required at a scheduled meeting as an official member of a Board, committee, council, or attendee at an official function authorized by AFA. Expenses will be paid for a non-meeting day when it is cost effective for the Association to do so. However, an exception must be requested in advance of the trip along with the explanation of the reason for the additional costs.

- a. For example: if a committee member has a meeting on Friday but stays overnight until Saturday, a non-meeting day, to take advantage of the special airline discount. In this case additional expenses will be reimbursed by AFA if the net expense is less than it would have been without the additional night in a hotel.
- b. If an individual has meetings on non-consecutive days, expenses will be reimbursable for the day(s) between meetings unless transportation costs home and back would cost less.
- c. An additional day of expense is authorized if a meeting is scheduled to begin and end so that it is not practical for the individual to travel to the meeting site or return home on the day of the meeting. An example: if a committee member lives in California and the meeting is scheduled from 8:30 a.m. to 5:00 p.m. in Washington, DC, another day would be authorized.

Maximum Travel Reimbursement per Trip for Volunteers:

For official pre-approved travel by volunteers such as, Board, Committees, Councils, Heads of State Delegations to the National Convention; actual transportation costs will be reimbursed to a maximum as set in current policy. The National Convention business session is considered an official meeting for the Head of the State Delegation. Auto mileage will be computed at the IRS Standard Rate and is part of the set maximum. Mileage reimbursements for attendees who choose to drive instead of fly will be limited to the lowest cost coach airfare, with one stop, that can be booked six weeks in advance of the trip, plus baggage fees if they would apply, parking at the departure airport, and shuttle service to and from the destination airport. It is the responsibility of the traveler to provide a copy of an airfare comparison six weeks prior to the proposed travel date with your request for reimbursement. (See "Airfare" below.) Reimbursed local transportation (home to airport, airport to meeting location, etc.) via taxi, bus or private auto is considered part of the transportation costs for purposes of the maximum as are air-fare, train-fare, parking, tolls, and shuttles.

Exceptions and In-Kind Contributions:

Exceptions to this policy must be documented in advance in writing, such as by email, by appropriate AFA personnel. In order to reduce costs, Board members, Committee members, and Delegates are encouraged to pay for some or all of their travel to AFA events. Part or all of the amount of the reimbursement that is due to volunteers can be designated as an in-kind contribution to AFA as long as the travel policy is strictly followed. Travel forms will be

reviewed for compliance with this policy. Donors will receive thank-you letters from AFA documenting their contributions for tax purposes. AFA cannot allow in-kind contributions for expenses that are not reimbursable under its travel reimbursement policy. For example: first class airfare when coach is authorized, meals more than what is reasonable, expenses that have been reimbursed by another entity, or amounts over the expense policy amount or other allowable charges are not allowed as in-kind contributions. Examples that illustrate how this works in practice are available from staff.

Airfare:

AFA reimburses coach airfare at the lower of the rate that can be obtained by booking six weeks in advance of the trip, when this is possible, or the actual amount of the cost of a coach ticket, whichever is lower. The traveler is welcome to upgrade to business class or first class at their own additional expense if they include a print-out showing what the cost of a coach ticket booked six weeks in advance of the flight would have been. If this information is not included by the traveler, the cost of a coach ticket will be assumed to be \$200. Trip cancellation insurance is reimbursable as is one checked bag in each direction. Seat upgrades, optional fees paid in addition to the base fare to reserve specific seats, and overweight baggage charges will not be reimbursed. Personnel are expected to book the lowest cost airfare that is practical. AFA considers flights with one connection to be reasonable in most circumstances, thus the reimbursement of the cost of direct flights is not guaranteed and will be treated as an exception. Flights that are not booked far enough in advance, and are therefore not in line with the lowest reasonable costs of other tickets booked in the same time-frame, will be reimbursed only up to the amount that is reasonable based on other similar flights. Travelers are expected to plan accordingly to take advantage of these savings when practical. Exceptions to these requirements will only be made in the event accommodation is required due to a documented medical need. As with other expenses, airline flight information, and proof of payment are required for the reimbursement of airfares. On the rare occasions that AFA authorizes international travel, the option of business class will be offered if the same day flight time exceeds 12 hours.

Shuttles & Taxis:

AFA staff may provide the names and arrival times of others who will be traveling on the same dates and times. In order to minimize the cost of local transportation, please coordinate the use of shuttle service, taxis, or rental cars if authorized with other travelers in the destination city.

Rental Cars:

Generally, AFA does not reimburse travelers for rental cars. AFA believes that shuttles, taxis, uber, or other public transportation are a reasonable lower cost alternative to rental cars.

Exceptions include:

Staying with relatives or friends in the destination city, thus saving AFA the cost of a hotel, resulting in the total cost being lower than it would have been without the rental car and with the hotel.

A business requirement for multiple short trips during the course of a day would make alternatives to a rental car more expensive than the rental.

Multiple AFA travelers share a rental car, the total cost of which is lower than if each person purchased a ticket on a shuttle or shared another option such as uber.

If the proximity of the final destination to an airport is such that a rental car would cost less than a taxi or uber.

Room Charges:

Generally, AFA pays for all room charges and the related taxes for the specific number of days that travelers will be on duty for the meeting. For group meetings, where a contract has been signed with the hotel, these expenses may be charged to a master account. If AFA has not made arrangements for hotel rooms in advance, please use the per diem rate for hotels only in the city in question from the GSA website as a guide. Government regulations require the cost of hotel rooms and other expenses paid on a master hotel account to be listed on the travelers expense reimbursement request form. This is so that the total cost of the trip is shown on a single form. Please request a copy of room charges at the time of check-out and review the charges for potential errors. The traveler is the best person to know if a charge is legitimate or not and can quickly have erroneous charges removed from the bill before leaving the hotel. **Important:** The costs of the trip that are paid for by AFA on a master hotel account or by way of an AFA corporate credit card account should be deducted from the total cost of the trip to arrive at the amount that is reimbursable to the traveler in the row of the travel form entitled “advances”.

Please do not hesitate to contact finance staff with questions about this. Expenses for additional days stayed beyond those needed and approved to conduct AFA business are the responsibility of the traveler. If the traveler resides within 20 miles of the meeting location, AFA expects them to utilize their home instead of staying in a hotel at AFA’s expense. However, volunteers in this situation who elect to stay at the event venue instead of at home are expected to pay for the cost of the hotel.

Meals:

Meals are generally not reimbursed to volunteers with an exemption for national officers who are traveling within their travel budget on non-committee, but official AFA business. All exceptions for volunteers must be approved in advance. While traveling, meals are not reimbursed on a per diem rate. Reimbursement for meals are based on the actual expense incurred. AFA does not reimburse for the cost of room service meals.

Alcohol: AFA does not reimburse the cost of alcoholic beverages.

APPENDIX XVI CONFLICT OF INTEREST POLICY

AIR & SPACE FORCES ASSOCIATION CONFLICT OF INTEREST POLICY

Adopted January 25, 2023

The Air & Space Forces Association (“AFA”) recognizes the need to protect the organization’s interest when entering into any agreement that might benefit or appear to benefit the private interest of any member of its Board (“Board”).

Every member of the Board must disclose promptly in writing to the Chair of the Board, the existence of his or her financial interest, including ownership, investment, compensation, or other indirect benefit, in any company or organization with which the Association has a material contract, transaction or arrangement that could result in benefit to the Board member. Members must also be vigilant for any “appearance” of conflict of interest, and are required to disclose such information to the Chair as well.

All such disclosures will be reviewed by the Executive Committee to determine if the transaction would result in a real or perceived conflict of interest. The Executive Committee will make a final determination as to the appropriateness of the transaction and direct the necessary action to preclude any conflict of interest. The results of all such reviews will be documented, reported to the full Board at the next regularly scheduled meeting and included in the official Board minutes.

Board members who have an approved legitimate interest in any organization that has a material contract, transaction or arrangement with AFA will refrain from any votes involving such transaction.

Full compliance with this policy is necessary to protect the Association’s tax- exempt status and to fulfill its mission. All Board members will review this policy and acknowledge in writing annually that they understand the policy and agree to comply fully with its intent.

**AIR & SPACE FORCES ASSOCIATION
BOARD**

CONFLICT OF INTEREST POLICY COMMITMENT

In order to assure the highest ethical and fiduciary standards are maintained by the Air & Space Forces Association,

I _____ (print full name), a Member of the Board of Trustees and/or officer (circle one or both) of the Foundation, affirm that I:

- a. Have received a copy of the Conflict of Interest policy;
- b. Have read and understand this policy;
- c. Acknowledge the purpose of the Association as a not-for-profit organization created to support the Air and Space Forces;
- d. Agree to comply with this policy; and
- e. Have disclosed all known actual and possible conflicts of interest, including such conflicts involving family members and business associates regarding the Association.

My residence and contact information is as follows:

Address: _____
City, State, Zip: _____
Telephone: _____
Fax: _____
Email Address: _____
Employer Name (if self-employed/retired, so state):

Address: _____
City, State, Zip: _____
Telephone: _____
Fax: _____
Email Address: _____

I am in a leadership position; am a board member, committee member, member or employee of the following additional organizations, affiliated with, or having a business interest in, the Association:

Org. Name/Position: _____
Org. Name/Position: _____
Org. Name/Position: _____

(Please continue with additional positions on separate paper if necessary.)

I affirm that, except as described herein, to the best of my knowledge, neither I nor any of my family members* or business associates** are now:

1. A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the Association which has resulted or could result in personal benefit to me/him/her;
2. A recipient, directly or indirectly, of any payments, loans, significant gifts, free services or discounts, compensation, or other fees from or on behalf of any person or organization engaged in any transactions with the Association;

I affirm that, except as described herein, to the best of my knowledge, neither any of my family members* or business associates** are now:

Members of the Air &Space Forces Association Board or a key employee of the Air &Space Forces Association. If so, please identify the person(s) and describe the relationship (e.g. family or business). Note: this information must be provided on the Form 990 submission.

* Family members include but are not limited to: spouse; children, whether dependent or not; parents; grandparents; grandchildren; brothers and sisters; or any person related by blood or marriage and residing in the same household.

** Business Associates include, but are not limited to: a person(s); corporation; Association; or any other business entity that shares a definite and direct pecuniary or fiduciary interest with the Board member.

In the interest of full and complete disclosure, please list any other relationships that might possibly be a concern, and of which the Association Board should be made aware:

Signature

Printed Name

Date

APPENDIX XVII NATIONAL CONVENTION ELECTION PROCEDURES

AIR & SPACE FORCES ASSOCIATION NATIONAL CONVENTION ELECTION PROCEDURES

AFA's Bylaws approved by the 2022 National Convention delegates serve as the overarching authority. The following Rules and Procedures are aligned with the Bylaws and approved by AFA's Executive Committee for execution. These Rules and Procedures follow the direction of the AFA Board in January 2024 to execute the 2024 National Convention in-person with a plan to move to hybrid participation in 2025. The following rules are for the 2024 National Convention and allow for flexibility for the Executive Committee to determine the National Officer and Director Election processes for 2024. Once approved, those will be provided in detail as an addendum for 2024.

A. NATIONAL CONVENTION

1. Delegates

- a. The delegates to the Convention shall be those persons who have been duly selected or appointed as delegates in accordance with the Bylaws, have registered for the Convention, and have been duly certified as delegates by the Credentials Committee. No person may participate in the business sessions of the Convention who is not a delegate as defined in the Rule, is not a national officer or director of the Association, or has not been expressly invited to do so by the Presiding Officer.
- b. The total voting memberships and the number of active chartered Chapters in each State Organization and the Voting Board members have been computed in accordance with the Bylaws with the results set forth in the schedule attached to these Rules, except as the same may be revised by the Elections Committee, the voting strength of each State Organization and the AFA Board will be set forth therein.
- c. Not later than two (2) hours before the opening of the First Business Session, the Head of each delegation shall furnish the Credentials Committee with the names of its official delegates, shall certify that each delegate is registered for the Convention, and shall report the number of vacancies which exist in its delegation to the Convention. Also within said time period, any person who claims the right to be a delegate to the Convention but who has not been designated as such in the list of official delegates of his delegation furnished to the Credentials Committee as foresaid, shall file with said

committee a written statement to such effect, setting forth the reasons why the claim is deemed to be valid.

2. Credentials Committee Thereafter, the Credentials Committee shall hold such hearings as it deems necessary to determine all disputes as to the qualifications of delegates and the voting strength of the respective delegations and shall submit its report at the first business session for approval. In addition, the said committee shall notify the Chair of each delegation (who, for the purpose of this Rule, as it applies to chartered State Organizations shall be the State President or the National Secretary for the Board of Directors delegation, or his/her designee, and, as it applies to un-chartered states, shall be the person elected as Chair by a majority of the duly selected delegates from such delegation) as to the number of vacancies which exist in his or her delegation. As soon thereafter as it is practicable, said Chair shall notify the Credentials Committee as to the names of the delegates whom they have appointed to fill such vacancies. Upon such notifications and the approval of the report of the Credentials Committee, such appointees shall be deemed to be official delegates to the Convention. In the case of un-chartered states, the appointees shall be those persons who have been appointed as delegates under the Bylaws. All disputes concerning the report of the Credentials Committee, if any, shall be resolved by the Presiding Officer.

B. GENERAL CONVENTION RULES

1. Except as otherwise provided in these Rules, the Presiding Officer of the business sessions of the Convention, shall be the Chair of the Board or such other person or persons as he or she may appoint, from time to time, to act in his or her place.
2. No delegate shall speak more than twice upon the same question, or longer than five (5) minutes at one time, without the permission of the Presiding Officer.
3. Except as otherwise specifically provided in these Rules, the order of business at the Convention shall be as directed by the Presiding Officer.
4. Except to present a parliamentary inquiry, a question of privilege, or a point of order, no delegate shall address the chair while any other delegate has the floor.
5. Motions to table any resolution, motion or other matter which is then being considered by the delegates shall be declared out of order if: (a) the party making the motion to table shall preface or support his motion by any statement against the pending resolution, motion or other matter, or (b) if the motion to table is made at a time when, in the opinion of the Presiding Officer, the opposing parties to the pending question shall not have had a reasonable opportunity to present their respective views.
6. After receiving advice from the Parliamentarian on any questions of procedure, the ruling thereon by the Presiding Officer shall be final, except that any delegate may appeal the ruling of the chair for decision by the delegates; provided, however, that no such ruling

by the Presiding Officer may be overruled except by a two-thirds (2/3) vote of the delegates on the floor of the Convention at the time of the vote.

7. This Rule may neither be suspended, amended or rescinded, nor may any business that is out of order under this Rule be considered by the Convention, except by a two-thirds (2/3) vote of the delegates on the floor of the Convention at the time of the vote.
8. Except as otherwise provided in the Bylaws and the Governance Manual or in these Rules, Robert's Rules of Order Newly Revised will prevail during all business sessions of the Convention.

C. GENERAL VOTING RULES.

1. On the roll call pertaining to any question, the Head of each delegation, or designee, shall act as the official spokesman thereof, and shall in each instance announce the vote of his or her delegation. No designation made under this Rule shall be recognized unless it is in writing and is presented to the Chair of the Credentials Committee prior to the commencement of the roll call upon which the designee shall act as Chair. Designations once made, shall continue in effect unless and until delegation Chair shall otherwise notify the Credentials Committee in writing.
2. No State Organization, chapter or member may delegate votes to any other delegation, chapter or member, by proxy or otherwise.
3. Except as otherwise provided in the Bylaws or elsewhere in these Rules, all motions, and resolutions considered by the delegates shall be determined by a majority vote of the delegates on the floor of the Convention at the time of the vote.
4. In the case of a voice vote when the result is unclear, the vote may be retaken by a rising vote or a counted rising vote as necessary. If the result of the vote remains unclear, the Presiding Officer shall call for a roll call vote of the delegations.

D. EXECUTION AND/OR CONFIRMATION OF THE ELECTION OF NATIONAL OFFICERS AND DIRECTORS

1. The Bylaws allow the Board to direct electronic voting procedures if designated by April 30 or at least 90 days prior to the Annual Convention, whichever occurs first.
2. Should the election occur by electronic means outside of the National Convention, the Elections Committee will present the results to the Presiding Officer for announcement during the Official Business Session of Convention. The vote will be executed by an annual voting process approved by the AFA Board and published no later than 30 April.

3. Should the Board direct the election to be conducted solely by the National Convention delegates in attendance without a virtual voting capability, the vote will be executed by an annual process approved by the AFA Board and provided to all Convention Delegates no later than 30 April.

Approved by the EXCOM February 13, 2024 This charter is effective on **approval by and shall govern the National Convention until such time as it is modified by the Board.**

APPENDIX XVIII NATIONAL GENERAL BUSINESS CONVENTION RULES

AIR & SPACE FORCES ASSOCIATION

NATIONAL GENERAL BUSINESS CONVENTION RULES

1. **DELEGATE SELECTION** The membership of the Association is represented through delegates drawn from the chapters and states and voting members of the Board. Each active chartered state is entitled to one delegate, plus one delegate for each active chartered chapter within the state and one additional delegate for each 500 members or major fraction thereof. States without an active chartered State organization shall be entitled to one delegate for each active chartered Chapter located within their respective boundaries, and one additional delegate for each 500 of its members. Each voting member of the Board will be considered a delegate if they are present and registered as a delegate for the National Convention. There is no block or weighted voting, and each registered delegate will vote individually.
2. **HEAD OF DELEGATION ROLE:** The state president or appointed Head of Delegation is responsible for selection of delegates and for submission of forms certifying those delegates to the Election Committee prior to the National Convention. Where no chartered state organization exists, chapter presidents are responsible for selection of delegates and a majority of the duly selected delegates from such a state shall elect a Chair of the state delegation (the Region President should facilitate this process). The Head of Delegation should include all members in good standing who wish to attend as there is no limit to alternates. However, alternates will not be granted voting rights but can participate. The Board Secretary will act as the Head of Delegation for the delegate members of the Board.
3. **RULES ADOPTION:** Delegates will formally adopt the National Convention rules as one of their first items of business.
4. **RULES AND PROCEDURES**
 - a. No person may participate in the business sessions of the Convention who is not a delegate or alternate, as defined in the Rule, is not a national officer or director of the Association or has not been expressly invited to do so by the Presiding Officer.
 - b. The total voting memberships and the number of active chartered Chapters in each State Organization have been computed in accordance with the Bylaws with the results set forth in the schedule attached to these Rules, except as the same may be revised by the Elections Committee, the voting strength of each State Organization will be set forth therein.
5. **RESOLUTIONS, POLICY AND POSITION PAPERS**
 - a. The Convention will only consider resolutions and/or recommendations for inclusion in policy and position papers (hereafter referred to collectively as resolutions) which have been reduced to writing and personally delivered, by mail

(as evidenced by postmark), or electronic mail to the Secretary by active State Organizations or Chapters, by standing or ad hoc committees or councils, or by voting members of the Association, no later than forty-five (45) days prior to the official opening of the Convention.

- b. Upon receipt of all proposed resolutions within the time prescribed in subparagraph 2.a. above, the Secretary, with the approval of the Chair of the Board, shall promptly refer the same to the AFA committee or council which, in his or her opinion, is most closely concerned with the subject matter of each resolution, for its comments and/or recommendations. As soon thereafter as is practicable, said committee or council shall advise the Secretary as to its findings respecting each resolution considered by it. In case of the failure of any committee or council to advise the Secretary as to its findings concerning the resolutions referred to it, as foresaid, within the time period specified above, the Chair of the Board and the Executive Committee shall take action on such resolutions without said committee or council comments. The procedure provided for in this subparagraph shall not apply to the resolutions recommended for consideration under subparagraph 2.c. below. Resolutions shall be reviewed by the Board and submitted to the Convention together with Board recommendations.
- c. For the purpose of these Rules, all motions proposing that the Convention take certain action or that it expresses itself as holding certain views shall be deemed to be resolutions.
- d. The report of the Executive Committee shall exclude any proposed resolution duly submitted to it if in the opinion of said committee such proposed resolution: (a) is repetitious of another resolution submitted to it or of any matter included in the Statement of Policy; or (b) in a proper case, is not accompanied by the requisite constitutional amendment occasioned by such resolution; or (c) is too vague and indefinite for proper consideration by the Convention; or (d) is patently unnecessary; or (e) is frivolous; or (f) proposes that this Association act unlawfully. All proposed resolutions excluded shall be returned by the Executive Committee to the State Organization, Chapter, Committee, Council, or individual who submitted the same, together with a statement as to the reason for such exclusion.
- e. So long as the intent of an otherwise unobjectionable resolution is preserved, the Executive Committee shall have the power to revise the form thereof prior to reporting upon said resolution to the delegates.
- f. Prior to making its report to the delegates, the Executive Committee shall title each resolution which it intends to include in said report.
- g. At such time as shall be specified by the Presiding Officer of the Convention, the Secretary or his appointee shall present the Committee's report to the delegates by reading the title and text of each proposed resolution, together with such explanatory remarks as he may desire to make. After the reading of each resolution, the Secretary shall move for the adoption of the recommendation of the Board. If the resolution is duly seconded, the Presiding Officer shall then declare the resolution to be before the Convention for its consideration and decision.

- h. Notwithstanding the provisions of Rule 2.g., which requires that the text of resolutions shall be read to the delegates, said reading may be dispensed with, provided copies of said resolutions are distributed among the delegates, in writing, prior to the time when they are to be considered.

6. GENERAL VOTING RULES

- a. On the roll call pertaining to any question or election, the Head of each delegation, or designee, shall act as the official spokesman thereof, and shall in each instance announce the vote of his delegates. No designation made under this Rule shall be recognized unless it is in writing and is presented to the Chair of the Elections Committee prior to the commencement of the roll call upon which the designee shall act for the State President. Designations once made, shall continue in effect unless and until State Organization President shall otherwise notify the Elections Committee in writing.
- b. Except as otherwise provided in the Bylaws or in these Rules, relating to unit voting on the election of national officers or Directors, no State Organization, Chapter or member may delegate votes to any other State Organization, Chapter or member, by proxy or otherwise.
- c. Except as otherwise provided in the Bylaws or elsewhere in these Rules, all motions, and resolutions considered by the delegates shall be determined by a majority vote of the delegates on the floor of the Convention at the time of the vote.
- d. In the case of a voice vote when the result is unclear, the vote may be re-taken by a rising vote or a counted rising vote as necessary. If the result of the vote remains unclear, the Presiding Officer shall call for a roll call vote of the delegates.
- e. (1). Except as otherwise provided in these Rules, the Presiding Officer of the business sessions of the Convention, shall be the Chair of the Board or such other person or persons as he or she may appoint, from time to time, to act in his or her place.
- f. (2). No delegate shall speak more than twice upon the same question, or longer than five (5) minutes at one time, without the permission of the Presiding Officer.
- g. (3). Except as otherwise specifically provided in these Rules, the order of business at the Convention shall be as directed by the Presiding Officer.
- h. (4). Except to present a parliamentary inquiry, a question of privilege, or a point of order, no delegate shall address the chair, while any other delegate has the floor.
- i. (5). Motions to table any resolution, motion or other matter which is then being considered by the delegates shall be declared out of order if: (a) the party making the motion to table shall preface or support his motion by any statement against the pending resolution, motion or other matter, or (b) if the motion to table is made at a time when, in the opinion of the Presiding Officer, the opposing parties to the pending question shall not have had a reasonable opportunity to present their respective views.
- j. After receiving advice from the Parliamentarian on any questions of procedure, the ruling thereon by the Presiding Officer shall be final, except that any delegate may appeal the ruling of the chair for decision by the delegates; provided, however, that no such ruling by the Presiding Officer may be overruled except by

a two- thirds (2/3) vote of the delegates on the floor of the Convention at the time of the vote.

- k. This Rule may neither be suspended, amended or rescinded, nor may any business that is out of order under this Rule be considered by the Convention, except by a two-thirds (2/3) vote of the delegates on the floor of the Convention at the time of the vote.

Approved by the EXCOM February 13, 2024 This charter is effective on **approval by and shall govern the National Convention until such time as it is modified by the Board.**

- l. business sessions of the Convention.

APPENDIX XIX OFFICER ELECTION PROCEDURES FOR 2024 CONVENTION

The following procedures will be executed for voting in the 2024 elections of National Officers and Directors. As allowed by AFA's Bylaws, with intent directed by the AFA Board of Directors in January 2024, the 2024 Election will include a virtual election component where all voters in a delegation will be able to cast a ballot regardless of their participation in the in-person Convention. The election timing overlaps with the National Convention but is not an official function of the Convention. The 2024 National Convention will only offer in-person participation but hybrid participation is targeted for the 2025 National Convention which would allow full participation virtually or in-person. 2024 will be a transitional year for AFA to utilize new technologies and allow AFA members to vote in AFA elections from around the world. These processes for the 2024 election went to the Executive Committee for approval in February 2024 as directed with the January Board intent.

2024 Sequence of Events

Jan 2024 – By recommendation from the Nominating and Governance Committee, the AFA Board sets the intention to execute a fully hybrid convention by the 2025 National Convention, and, in support of this intent, to authorize electronic voting in 2024 for officer/director elections with balloting dates and procedure approved by the Executive Committee in conformance with Article VII of the AFA Bylaws.

Feb 27, 2024 – Candidate Letter of Intent Suspense

Feb 2024 – AFA Executive Committee to approve the Balloting Dates and Procedures for the 2024 Elections of National Officers and Directors.

Mar 15, 2024 – Candidate Application Suspense

Mar 31, 2024 – AFA Staff to secure election vendor, develop FAQs/training videos, and Detailed Operational Plans

March 2024 – Elections Committee appointed by AFA Chair of the Board

Apr 20, 2024 – Candidate Interviews

Apr 2024 – Chair, Elections Committee to begin Communications to AFA Field & Councils

May 1, 2024 – Preliminary Voting Strength Distributed based on EOQ1 numbers for delegate selection to begin

NLT May 31, 2024 – List of Nominees Announced

June 1, 2024 (or immediately following the Nominee Announcement) – Self Nomination period opens

June 15, 2024 (or 15 days following the Nominee Announcement) – Final date for Self Nominations

June 20, 2024 – Self Nominee Candidate Interviews

June 28, 2024 – Final List of Candidates provided to Board via EXCOM and Email

NLT July 19, 2024 – Official/Final Voting Strength Distributed

August 9, 2024 – Official Lists of Delegation Voters Due from Heads of Delegation

August 23, 2024 – Final date for all 2024 Election Voters to be submitted. Voters are credentialed and finalized by Elections Committee with staff support.

NLT August 23 – Candidate Speeches Recorded and Posted on Election Website

September 1-14 – Voting Period Opens; Ballots Distributed Electronically to Delegate Voters; Elections Committee oversees election via third party platform. Polls will close at 11:59 EST on Saturday, September 14.

September 14 – Voting Assistance Available on-site at AFA National Convention with ability to vote on tablets

September 15 – Elections committee validates election results and presents to AFA Chair

September 15 – Election Results Announced at National Convention by Presiding Officer

September 17-24 – Run Off Elections if Needed

NLT September 30 – Election Results Posted on Election Website and publicized via AFA channels

APPENDIX XX BOARD COMPOSITION AND NOMINATION POLICY

Air & Space Forces Association

Board Composition and Nomination Policy

This Board Composition and Nomination Policy provides guidance about composition goals and processes for nominating new and existing directors to the Air & Space Forces Association (AFA) Board of Directors.

1. Composition

Alignment with mission: We seek directors who have a good general knowledge of our association and are passionate about AFA's mission.

Diverse backgrounds and experience: We seek directors who bring a diversity of experiences, ability, skill sets, gender, race, ethnicity, age, and geography to the Board.

Open-minded and inclusive: We seek directors who are open-minded, who listen well, and who are committed to an inclusive Board.

Relevant expertise: We seek directors who have expertise that will contribute to the Board's skill portfolio. We look for individuals who possess exemplary Leadership and other relevant skills such as Strategic planning, senior management and Board experience, Volunteer service, Military or Defense Industry service and insight, Financial expertise, Fundraising, Marketing, and Information Technology. (Reference AFA Skills Matrix for complete list of desired Skills)

Relevant experiences: We look for individuals with relevant leadership and community experiences, such as active and veteran uniformed or civilian service in or in support of Air and Space Forces, defense industry, as an AFA volunteer Field leader at the Chapter, State and Region levels, and/or service on one or more of our AFA councils and advisory committees.

Willingness to devote time and treasure: A willingness to give freely of their time, talent, and treasure and to personally support the fundraising and development objectives of the Association. Every board member will be assigned to and be expected to actively serve on a committee.

2. Nomination Process

Leadership: The Nominating and Governance Committee ("Committee") will lead the nomination process. The Committee shall be responsible for nominating the best qualified AFA members to serve as national officers and directors.

Composition assessment: The Committee will discuss with the Board its assessment of the Board's current and future composition to identify any skills or background that should be prioritized in searching for new Officers and Directors. It will seek the Board Chair's, President-CEO's and Board's input in identifying potential candidates. The Committee may also seek guidance and seek candidates from regional leaders, key partners, and other stakeholders, and

individuals outside of traditional networks in order to create a stronger pipeline of diverse candidates.

Outreach and Candidate Nominations: In accordance with AFA Bylaws, Article V. Section 7. The Committee will reach out to and solicit candidates, both nominated and self-nominated, to determine their interest.

Regarding Area Director positions, the Committee will first seek nominees through the currently serving outgoing Area Director. The outgoing Area Director for the geographic area they represent will coordinate with the Region and/or State Presidents and other AFA leaders in that area to identify, encourage and recommend potential candidates for his/her replacement, and forward the recommendation(s) to the Nominating and Governance Committee. This is to ensure that the field leaders who likely have direct knowledge/contact with potential Directors with "field leadership experience" are involved in the process.

Recruitment: Once the Committee identifies potential nominees, the Committee will engage in recruiting activities. It may invite a nominee to meet with Board members and Staff executives to discuss the organization, director responsibilities, and fundraising or other outreach expectations. The Committee may also provide written materials or recommend (to the Board Chair) a candidate to attend a Board or committee meeting, visit an organization program site or event, or meet with program/event participants.

Candidate Application and Consent to Serve: All candidates will be required to submit to the Committee an application to serve, including qualifications, background information, reason they desire to serve and the skills and contributions they may bring to the Board. Each candidate will also be required to sign a "consent to serve" stating they are ready to accept given responsibilities, willing to submit to a background investigation, and acknowledge that their nomination does not guarantee their name will be submitted to the Association delegates for election.

Vetting and Interviews: The Committee will carefully consider each candidates application in determination of their qualifications, skills and desire to serve. Subsequently, the Committee will interview candidates who appear to the Committee to have relevant experience and interest, contact references, and conduct background checks as it determines. In vetting interested candidates, the Committee may consider skills, experience, motivations, giving capacity, and other factors. Following completion of the review process, the Committee will vote on each candidate and prepare its recommendation to the Board.

Recommendation: Once the Committee has completed all requirements as stipulated in the Bylaws and this policy, the Committee Chair will present the Committee's recommended candidates to the Board for consideration.

3. Re-nomination Process

The Committee will consult with the Board Chair regarding directors nearing the end of a term and eligible for re-election to the Board.

Board terms are for three years and may be extended to no more than two consecutive terms or six consecutive years, total. A board member may serve a total of no more than four 3-year terms, but must

sit out at least one year after the initial consecutive six years before reapplying for a third (or fourth) 3-year term.

The Board Chair and Committee may consider factors such as: (a) the director's attendance and participation at Board meetings, committee meetings, and events; (b) changes in the director's occupation, service on other nonprofit or corporate boards, or reputation; (c) the director's record of giving, outreach, consultation, and other activities on behalf of the organization; and (d) the Committee's assessment of the Board's overall composition and expertise or other needs. The Board Chair will also meet with each director to discuss the director's continued membership on the Board. At the Board Chair's request, the Committee will advise the Board regarding reelection of individual directors.

This Policy is effective on approval by the AFA Board and shall remain in effect until such times as modified by the Board.

Approved by the EXCOM: February 13, 2024

APPENDIX XXI BOARD OF DIRECTORS SKILLS MATRIX

Air & Space Forces Association

Board of Directors Skill Matrix

Skills Matrix Categories

- Leadership
- Strategic Planning
- C-suite (Government, Industry)
- Board Experience (Non-profit or Corporate)
- Volunteer (Organizational leader – Social, Education, Advocacy)
 - AFA Field Leadership Experience
- Military Service
- Military Insight (Air, Space, Cyber)
- Organization Member Insight
 - AFA Member Experience and Insight
- Governance (Decision making, accountability, control and behavior)
- Financial Expertise (Accounting, Finance/Audit Committee, Investments, Regulatory Compliance)
- Fundraising (Developing and executing strategies, planning, research, cultivating Donors)
- Human Resources (Talent management, compensation, succession planning and/or leadership)
- Innovation / Organizational Development / Marketing
- Risk (Financial, Complex, Reputational)
- Information Technology / Cybersecurity
- Diversity of personal and professional background (with respect to race, ethnicity, and gender)

Approved by the EXCOM: February 13, 2024

