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|  | <p style="text-align: center;">American Watchmakers-Clockmakers Institute Board of Directors</p> <hr/> <p style="text-align: center;">MEETING MINUTES</p> |  |
| <p style="text-align: center;">June 7th, 2016</p> | | |

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Call to order: 8:00 p.m. ET - AWCI President Fred White presiding

Location: GotoWebinar

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Directors Present: Fred White, Drew Zimmerman, Henry Kessler, Aaron Recksiek, Joe Cerullo, Wesley Grau, Dave Kurdzionak, Josh Kroman, Craig Stone, Peter Whittle

Directors Absent: None

AWCI staff present: Jordan Ficklin

Also present: Paul Wadsworth as Parliamentarian

1. Committee Reports

a. Convention Committee - Terry Kurdzionak

- i. There was a report sent to the Board before the conference call, the items were already discussed and it will be printed in the Horological Times.

b. Ethics Committee - Joseph M. Jabbour, M.D.

- i. There was a report sent to the Board before the conference call.

c. Special BOD committee for membership structure/marketing - Josh Kroman

- i. The committee has worked on developing a motion and submit the initial text of the motion to the Board for review before the meeting.

| Motion | Made by | Result |
|---------------------------------|--|--|
| Motion appears below as amended | Special BOD committee for membership structure/marketing | Drew Zimmerman - Yes Henry Kessler - Yes Aaron Recksiek - Yes Joe Cerullo - Yes Wesley Grau - No Dave Kurdzionak - Yes Josh Kroman - Yes Craig Stone - Yes Peter Whittle - Yes |

Start of motion:

The committee has finalized the proposed membership structure and moves that the BOD approve and adopt the structure into the bylaws.

To summarize; The final sticking point was the inclusion of older certifications into the AWCI Certified program. This committee is recommending that all AWCI certifications be allowed into the AWCI Certified program, including the older certs. Everyone in the AWCI Certified program, including those with older certs, must complete CEU's to remain in the program.

We feel allowing the older certs into the program would have several benefits; First, it broadens the usage base of the trademark and marketing materials, making our efforts more effective. Second, it compels older certified members who want to be in the program to complete CEU's, returning them to education. Lastly it goes a long way towards unifying all our certified members under one common purpose; setting standards and educating the horological community. The AWCI Certified program firmly establishes us as the one truly PROFESSIONAL horological organization in the country.

I understand that some 21 level members will feel upset that they have to share benefits with those who did not earn 21 level certs. The older members will only be a part of the program for a relatively short time until they retire. In my opinion the benefits outweigh the negative. I look forward to discussing this important program and urge the BOD to adopt the proposed membership structure tonight.

Again, "AWCI Certified" does not supersede or replace any of our certifications. It is a membership level and marketing term. See examples below of how a member might list their name:

Barney Gumble, CC

Membership: AWCI CERTIFIED

"Senior Member"

Frank G Grimes, CW21

Membership: AWCI CERTIFIED

"Life Member"

Lurleen Lumpkin

Membership: ASSOCIATE

"Honorary Life Member"

Marge Bouvier, CMW

Membership: AWCI CERTIFIED

The text of the proposed membership structure is below:

*****BEGIN TEXT*****

Article 1 Membership

Sec. 1 Membership in the Institute has associated benefits which are subject to change at any time and at AWCI's discretion, and shall be limited to the following classifications:

- A. Individual
 - 1.AWCI Certified
 - 2.Associate
 - 3.Student
- B. Corporate
 - 1.Affiliate Chapter
 - 2.Industry Advisory Board
 - 3.Research and Education Council

Sec. 2 Individual members shall have voting rights unless otherwise specified.

Sec. 3 AWCI Certified Members

1. Will require the individual to have successfully earned a certification awarded by this institute.

1a. Members holding non 21 level certifications must earn 6 CEUs to be eligible for AWCI Certified membership. CEUs must not be more than 5 years old

2. Is required to keep their certification in good standing through the accumulation of CEUs as determined by the AWCI Policy Manual.

3. Is permitted to participate in the AWCI Certified Marketing Package, defined below:

3a. May display the AWCI Certified logo and other marketing materials indicating their membership and certification.

3b. May choose to be listed in an online "Find an AWCI Certified Professional" Directory.

Sec. 4 Associate Members

1. Are not permitted to participate in the AWCI Certified Marketing Package, including usage of the AWCI Certified logo.

Sec. 5 Student membership

1. Shall be reserved for those actively engaged in a recognized school of horology or apprenticeship program.

2. Is limited to a three (3) year period.

3. Shall not have voting rights.

Sec. 6 Individual Membership Qualifications

1. Senior membership

1a. Shall be available to those members over the age of 70 who have been regular members of the Institute for at least five (5) consecutive years.

2. Life Membership

2a. Any individual member may purchase a life membership by making a one time dues payment as specified in the policy manual.

3. Honorary Life Member

3a. The Board of Directors may confer an Honorary Life membership upon anyone they deem worthy by 2/3 vote of the Board of Directors.

3b. Shall have the same voting rights they had before receiving this honor.

3c. Shall have the same rights as any Individual member.

Sec. 7 Affiliate Chapter membership

1. May be conferred on any organized horological group meeting the qualifications stated in the Constitution, Bylaws and Policy guide for this category.

Sec. 8 Industry Advisory Board

1. Membership shall be a company which meets the qualifications stated in the Constitution, Bylaws and Policy guide for this category.

Sec. 9 Research and Education Council

1. Shall be for those that meet the qualifications stated in the Constitution, Bylaws and Policy guide for this category.

*****END TEXT*****

This program will be implemented once the marketing materials are completed with a goal of August 1 so it can be announced in the August Horological Times.

End of motion.

There was discussion about what are the requirements of CW21's to keep their certification current.

There was discussion about giving members who hold the older certifications enough notice to comply with the CEU requirements before the implementation of the program so they may be included in the AWCI Certified marketing package from the beginning. There is concern that there would be problems with the program if the members were not given advance warning about the program.

The inclusion of the older certifications was designed as an olive branch to allow those members to participate in the AWCI Certified membership. The feeling is that there has been plenty of opportunity for those members to achieve a CW21 certification already so those members shouldn't delay the implementation of the program by requiring a warning period before the program's start date. The members can decide if they want to be a part of the program after it is released, if so they can pursue the required CEU's.

There was concern expressed that one of the potential problems that might come from this change is that some of the older certification holders who have not pursued continued education and don't plan on it, will not be included in this program.

There are requirements by the trademark laws that we have a current evaluation system in order to hold the trademark on the term "AWCI Certified", this is where the idea for CEU's for older certifications came from.

A member who holds an older certification has no time limit to achieve the CEU's to be included in the AWCI Certified program. It is entirely up to them, and at their own pace, as to whether they would like to participate in the program.

With these changes there will be no membership benefits given to certified members that won't be afforded to Associate members except the marketing materials of the AWCI Certified marketing package.

| Motion to amend previous motion | Made by | Seconded by | Result |
|---|----------------|--------------------|--|
| I move that : "instead of stating that the old certified members must maintain their CEU's. Instead it be changed to old certification holders must obtain 6 CEU's prior to being included in the program in the certified area." | Craig Stone | Joe Cerullo | Drew Zimmerman - Yes Henry Kessler - Yes Aaron Recksiek - Yes Joe Cerullo - Yes Wesley Grau - No Dave Kurdzionak - Yes Josh Kroman - Yes Craig Stone - Yes Peter Whittle - Yes |

There was discussion about how clear the CEU requirements for older certifications are stated in the motion.

| Motion to amend previous amendment | Made by | Seconded by | Result |
|---|----------------|--------------------|--|
| I move to amend the amendment to include the following language under Sec.3: 1a. Members holding non 21 level certifications must earn 6 CEUs to be eligible for AWCI Certified membership. CEUs must not be more than 5 years old | Craig Stone | Aaron Recksiek | Drew Zimmerman - Yes Henry Kessler - Yes Aaron Recksiek - Yes Joe Cerullo - Yes Wesley Grau - No Dave Kurdzionak - Yes Josh Kroman - Yes Craig Stone - Yes Peter Whittle - Yes |

There were suggestions to send the main motion back to the committee to resolve some of the minor written details of the motion and have it sent back to the board at the next meeting.

The marketing package was discussed and the details are still being worked on in the marketing committee.

The questions was asked about how this program affects the view of the CW21 when all the certifications will be marketed as AWCI Certified. There is hope that the older certification holders will take continuing education courses or the CW21 exam when they might not have previously done so.

The question was brought up about how the front office will keep track of the CEUs. They will keep track of them just like the CW21 members CEUs are kept track of.

The topic was brought back up about the timeframe given to older certification holders to be eligible for the program, similar to the 7 years that was given to CW21 holders before their certification was marked as “not current”. The point was made that we are not giving anyone new certifications or taking away anyone’s certifications, we are only changing how these certifications are marketed and some of the membership benefit associated with that.

There was some concern about why there seems to be such a hurry associated with this program. The explanation was given that AWCI is losing members every year and one of the key issues is that the former members just didn’t see the value in membership anymore. This program is supposed to add value to the membership and hopefully encourage more members to join the Institute.

| Motion to amend previous motion | Made by | Seconded by | Result |
|---|--------------------|--------------------|---|
| <p>I move to amend the motion that this program will be implemented once the marketing materials are completed with a goal of August 1 so it can be announced in the September Horological Times.</p> <p>Secondly, to change the bylaws to extend the term for student membership from 2 years to 3 years</p> | <p>Josh Kroman</p> | <p>Joe Cerullo</p> | <p>Drew Zimmerman - Yes Henry Kessler - Yes Aaron Recksiek - Yes Joe Cerullo - Yes Wesley Grau - No Dave Kurdzionak - Yes Josh Kroman - Yes Craig Stone - Yes Peter Whittle - Yes</p> |

The issue was brought up about the fact that the Constitution and Bylaws Committee will need to review the motion once passed to insure that there is not conflicts with the Constitution and Bylaws of the Institute.

Action item: The marketing committee will work on the details of the marketing package and share details with the board at a later meeting.

The executive committee met earlier in the day to discuss the changes to the travel policy that were proposed at the last meeting. There has been no email discussion about this issue since the last conference call.

There is a desire to try and foster more board discussion between conference calls so the discussion can be narrowed to address specific issues and be vetted properly before motions are made in board meetings.

There has been quite a bit of confusion about what IRS travel rate is enough to properly cover the costs. There is concern that the Institute is in need or more participation from members and we don't want volunteers to be turned away from participating.

| Motion | Made by | Seconded by | Result |
|---|----------------|-------------|---|
| <p>I move to take the motion made at the last board meeting off the table and put it to a vote:</p> <p>"I move to revise the current Travel Reimbursement Policy 3.2016.03 by striking the phrase "accepted by the IRS for miles driven in service of charitable organizations" & "charitable IRS rate" and replacing it with "\$0.50 per mile"; and remove the phrase "whichever is the least"</p> | Aaron Recksiek | Josh Kroman | <p>Drew Zimmerman - No Henry Kessler - No Aaron Recksiek - No Joe Cerullo - No Wesley Grau - No Dave Kurdzionak - No Josh Kroman - No Craig Stone - No Peter Whittle – No</p> |

| Motion | Made by | Seconded by | Result |
|----------------------|----------------|-------------|--|
| Motion appears below | Aaron Recksiek | Wesley Grau | <p>Drew Zimmerman - Yes Henry Kessler - Yes Aaron Recksiek - Yes Joe Cerullo - Yes Wesley Grau - Yes Dave Kurdzionak - Yes Josh Kroman - Yes Craig Stone - Yes Peter Whittle - Yes</p> |

Start of motion:

I move to change in the policy manual section 3.2007.04 to read:

3.2016.06 Travel Reimbursement Policy

Board members, special agents, and/or members of other special committees, when directed by the President, shall have their transportation (airline economy class or equivalent), and their hotel accommodations paid by the Institute while attending regular or specially called meetings upon presenting itemized bills. Members are expected to choose the least expensive practical method for travel. Airfare, shall be based on the least expensive rate available, for a 30 day (when possible) advance purchase round trip ticket. If travel is less than 200 miles, reimbursement will be at the current rate accepted by the IRS business travel rate. If travel is more than 200 miles, and the traveler elects to drive, she/he will be reimbursed at the IRS business travel rate per mile, or the amount of the least expensive airfare rate available for a thirty-day advance purchase round trip ticket plus taxi, rideshare, shuttle, or rental car from the airport to reach the arrival destination, whichever is the least. Whenever you and two members of the AWCI executive committee mutually agree that access by air is not practical, reimbursement for the IRS business travel rate mileage rate or car rental will apply. If travel is for an AWCI scheduled meeting, or workshop, AWCI will give a fifteen-day advance notice if cancellation becomes necessary. When travel is for an extended period of time, and considerable local travel is required, AWCI may request that you consider using a rental car rather than other local public transportation such as a taxi, airport limousine, etc. When considerable local travel is not required, travelers should use the public transportation mentioned above. Travel of the spouse, family members, or others, will be at their own expense. When others share your room, bill AWCI for the single occupancy rate. If motel rates are the same for single as well as multiple occupancy, indicate this on the bill. Receipts for such items are airfare, motel, gasoline, parking, cab fare and other incidentals for which receipts are available must be attached to your request for reimbursement and submitted by the 10th of the following month. Whenever travel is for an extended period of time, and travel to a number of cities is involved, contact AWCI and work out the details of reimbursement of the expenses involved.

End of motion.

President Fred White would like each board member to submit suggestions and have the board to come up with the 3 or 4 most important issues that they would like to accomplish in the next 6 months. Fred would like to see more Clockmaker education offered and feels like AWCI will lose their support if new programs are not created.

Many of the board members were already polled and the top 3 initial ideas that were stated most often were:

- Filling the soon to be vacated Chief Examiner position
- Filling the Education Committee chairman position
- Come up with an execution plan to digitally scan the technical documents library.

The merits and viability of creating more programs that put emphasis on the interest of Clockmakers were discussed.

The full list of suggestions was provided to the board and additional suggestions were requested.

Action item: Fred White has requested that the board members submit their suggestions on what projects they would like accomplished in the next 6 months.

There was discussion about the lack of deliberation about many issues between board members between board meetings. The board is encouraged to participate in all email discussions that get submitted to the board for deliberation.

| Motion | Made by | Seconded by | Result |
|-----------------------------------|----------------|--------------------|-----------------|
| To adjourn meeting: 10:15 p.m. ET | Joe Cerullo | Peter Whittle | Yes - Unanimous |

Respectfully Submitted,

Aaron Henry Recksiek

Secretary - American Watchmakers-Clockmakers Institute