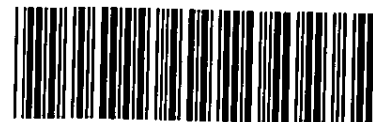


11105

THE COMPANIES ACTS

WEDNESDAY



A10 \*A00NBFC\* 21/12/2011 #146  
COMPANIES HOUSE

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COMPANY LIMITED BY GUARANTEE AND NOT  
HAVING A SHARE CAPITAL

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ARTICLES OF ASSOCIATION\*

OF

THE UNITED KINGDOM OFFSHORE OIL AND GAS INDUSTRY ASSOCIATION LIMITED

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GENERAL

- 1 In these Articles the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context -

WORDS

MEANINGS

Actual Association Expenditure

in any particular year shall mean the expenditure actually incurred by the Association during that year excluding the expenditure actually incurred by the Association in accordance with Article 58 during that year,

Actual Member Contributions

in any particular year shall mean the sum of all Aggregate Subscription Fee Income and all Aggregate Cash Call Income,

Adjustments

shall have the meaning ascribed to it in Article 56

Aggregate Cash Call Income

in any particular year shall mean the aggregate

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\* Adopted by Special Resolution passed on 19 April 2007 and amended by Special Resolution passed on 9 November 2011

**WORDS****MEANINGS**

	Cash Call income of the Association
Aggregate Subscription Fee Income	in any particular year shall mean the sum of all Ordinary Subscription Fee Income and all First Subscription Fee Income,
Annual Budget	shall have the meaning ascribed to it in Article 56
Application Class	shall have the meaning ascribed to it in Article 10(1)
Application Form	shall have the meaning ascribed to it in Article 10(1)
these Articles	these Articles of Association and the regulations of the Association as altered from time to time and the expressions "this Article" and "this Regulation" shall be construed accordingly
the Association	The United Kingdom Offshore Oil and Gas Industry Association Limited
Audit Committee	shall have the meaning ascribed to it in Article 90
Auditors	the duly appointed auditors of the Association from time to time
Basis of Appeal Rejection	shall have the meaning ascribed to it in Article 11(5)(b)
Basis of Class Determination	shall have the meaning ascribed to it in Article 11(1)(b)
Basis of Rejection	shall have the meaning ascribed to it in Article 11(1)(c)
the Board	the Board of the Association or the members of that Board present at a duly convened meeting of the Board at which a quorum is present
Business	the business of exploring for and the exploitation of and production from deposits of oil and natural

## WORDS

## MEANINGS

Cash Call	gas in the Designated Areas shall have the meaning ascribed to it in Article 60(a)
Cash Call Notice	shall have the meaning ascribed to it in Article 60
the Companies Acts	every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies insofar as it applies to the Association
Confirmation of Determination	shall have the meaning ascribed to it in Article 11(5)(b)
Contractor Board Members	shall have the meaning ascribed to it in Article 49 (2)
Contractor Joint Chairman	shall have the meaning ascribed to it in Article 78(2)
Contractor Member	shall have the meaning ascribed to it in Article 9(4)
Contractor Member Meeting	shall have the meaning ascribed to it in Article 93 (5)(b)
Contractor Resolution	shall have the meaning ascribed to it in Article 93(7)
Contractor Vice Chairman	shall have the meaning ascribed to it in Article 78(4)
Contractors' Council	shall have the meaning ascribed to it in Article 99
Contractors' Council Member	shall have the meaning ascribed to it in Article 99
the Designated Areas	the designated areas (as defined in the Continental Shelf Act 1964) of the United Kingdom Continental Shelf
Entry Requirements	shall have the meaning ascribed to it in Article

WORDS	MEANINGS
	10
Exploration Member	shall have the meaning ascribed to it in Article 9(2)
Extraordinary Cash Call	shall have the meaning ascribed to it in Article 60(b)
Fifth Anniversary	shall have the meaning ascribed to it in Article 93(1)
Final Confirmation of Determination	shall have the meaning ascribed to it in Article 11(9)(b)
Final Resolution	shall have the meaning ascribed to it in Article 93(6)
First Board	shall have the meaning ascribed to it in Article 68
First Contractor Board Members	shall have the meaning ascribed to it in Article 68(1)(b)
First Operator Board Members	shall have the meaning ascribed to it in Article 68(1)(a)
First Subscription Fee	shall have the meaning ascribed to it in Article 14
First Subscription Fee Income	in any particular year shall mean the aggregate First Subscription Fee income of the Association,
Honorary Treasurer	shall have the meaning ascribed to it in Article 78(5)
Independent Adjudicator	shall have the meaning ascribed to it in Article 11(8)
the Industry	the Business and any other business which is undertaken in furtherance of or in conjunction with the Business, whether or not such other business is undertaken in the United Kingdom
Intervention Mechanism Meetings	shall have the meaning ascribed to it in Article

## WORDS

## MEANINGS

93(1)

the Issue

shall have the meaning ascribed to it in Article 58

Joint Chairmen

shall mean the Operator Joint Chairman and the Contractor Joint Chairman from time to time.

Member

such persons as are admitted to membership of the Association

Membership Committee

shall have the meaning ascribed to it in Article 11(1)

Monitoring Sub Committee

shall have the meaning ascribed to it in Article 93(2)

month

calendar month

Notice of Appeal

shall have the meaning ascribed to it in Article 11(4)

Notice of Class Determination

shall have the meaning ascribed to it in Article 11(1)(b)

Notice of External Appeal

shall have the meaning ascribed to it in Article 11(7)

Notice of Rejection

shall have the meaning ascribed to it in Article 11(1)(c)

the Office

the registered office of the Association

Oil Company Members

such Members as are not Contractor Members

Operator Board Members

shall have the meaning ascribed to it in Article 49(1)

Operator Joint Chairman

shall have the meaning ascribed to it in Article 78(1)

Operator Member Meeting

shall have the meaning ascribed to it in Article 93(5)(a)

## WORDS

## MEANINGS

Operator Members	such Members as are admitted as Production Members or Exploration Members of the Association
Operator Resolution	shall have the meaning ascribed to it in Article 93(6)
Operator Vice Chairman	shall have the meaning ascribed to it in Article 78(3)
Operators' Council	shall have the meaning ascribed to it in Article 98
Operators' Council Member	shall have the meaning ascribed to it in Article 98
Ordinary Subscription Fee	shall have the meaning ascribed to it in Article 15(2)
Ordinary Subscription Fee Income	in any particular year shall mean the aggregate Ordinary Subscription Fee income of the Association,
Petroleum	as defined in The Petroleum Act 1998
PILOT	a joint committee of the government, trade unions and the oil and gas industry in the United Kingdom
Previous Articles	shall have the meaning ascribed to it in Article 93(6)(a)
Production Member	shall have the meaning ascribed to it in Article 9(1)
a Proposal	shall have the meaning ascribed to it in Article 58
Proposing Members	shall have the meaning ascribed to it in Article 58
Resolution	shall have the meaning ascribed to it in Article 93(2)

WORDS	MEANINGS
the Seal	the common seal of the Association
Second Anniversary	shall have the meaning ascribed to it in Article 93 (1)
the Secretary	the Secretary and includes an assistant or deputy Secretary and any other person appointed by the Board to perform any of the duties of the Secretary
Small Oil Company Member	shall have the meaning ascribed to it in Article 9(3)
Small Oil Company Board Member	shall have the meaning ascribed to it in Article 49(3)
the United Kingdom	Great Britain and Northern Ireland
in writing	any method of representing or reproducing words in a legible and non-transitory form (including but without limitation by electronic means)
year	a period of twelve calendar months

Any words importing the singular number only shall include the plural number, and vice versa

Words importing one gender only shall include all genders

Words importing persons shall include corporations

Subject as aforesaid, any words or expressions to which a particular meaning is given by the Companies Acts in force at the date on which these Articles become binding on the Association shall, if not inconsistent with the subject or context, bear the same meanings in these Articles or that part (as the case may be)

Headings and notes are included for convenience only and shall not affect construction

- 2 Notwithstanding any provision of the Companies Acts enabling the passing or making of an ordinary resolution by a lesser majority than that hereinafter provided and except where expressly provided for otherwise in these Articles, any ordinary resolution put to a meeting of the Association shall require a majority of not less than three fifths of the Members that (being entitled to do so) vote in person or, where proxies are allowed, by proxy at a meeting of which notice has been duly given

- 3 Notwithstanding any provision of the Companies Acts enabling the passing or making of a special or extraordinary resolution by a lesser majority than that hereinafter provided and except where expressly provided for otherwise in these Articles, any special or extraordinary resolution put to a meeting of the Association shall require (a) a majority of not less than three quarters of the Members that (being entitled to do so) vote in person or, where proxies are allowed, by proxy at a meeting of which notice has been duly given AND (b) a majority of not less than three quarters of the Operator Members that (being entitled to do so) vote in person or by proxy at such meeting AND (c) a majority of not less than three quarters of the Contractor Members that (being entitled to do so) vote in person or by proxy at such meeting

### BUSINESS

- 4 The Association is established for the purpose expressed in its Memorandum of Association
- 5 The business of the Association may be commenced as soon after the incorporation of the Association as the Board shall think fit
- 6 The Office shall be at such place in England as the Board shall from time to time appoint

### ADMISSION OF MEMBERS

- 7 The subscribers to the Memorandum of Association and such other persons as shall be admitted to membership in accordance with the provisions hereinafter contained shall be members of the Association
- 8 For the purposes of registration of the Association the number of Members is to be taken to be five hundred, but the Board may at any time or from time to time register an increase of Members
- 9 The Association shall have the following classes of membership
- (1) Membership available to bodies corporate which operate on their own behalf or act as operating companies on behalf of others in the exploitation of and production of Petroleum pursuant to a production licence within the Designated Areas and, at the Board's discretion, bodies corporate which are licensees of production licences within the Designated Areas but which have ceased operating on their own behalf or have ceased to act as operating companies on behalf of others in the exploitation and production of Petroleum pursuant to a production licence within the Designated Areas (each such being a "Production Member")
  - (2) Membership available to bodies corporate which operate on their own behalf or act as operating companies on behalf of others in the exploitation of an exploration or production licence within the Designated Areas but in respect of which there is no Petroleum in production (each such being an "Exploration Member")



- (3) Membership available to bodies corporate which are
- a) engaged in the exploitation of an exploration or production licence within the Designated Areas but which are not acting as operating companies on behalf of others, and/or
  - b) small and/or recently incorporated independent companies engaged in the Industry,

and for which, in the Board's discretion, eligibility to membership within any of the foregoing classes of membership of the Association is not appropriate at the time of their application (each such being a "Small Oil Company Member")

- (4) Membership available to bodies corporate which are primarily concerned with the business of supplying goods and/or services to other bodies corporate which are engaged in the Industry (each such being a "Contractor Member")

10 No body corporate shall be admitted to membership of the Association unless

- (1) it has executed and sent to the Secretary an application form for admission framed in such terms as the Board shall from time to time prescribe ("Application Form") and which sets out the class of membership which the applicant wishes to apply for ("Application Class"), and
- (2) it has sent to the Secretary a cheque made out to the Association for the amount of the First Subscription Fee, and
- (3) it has supplied such other information and particulars, in addition to those required to be set out in the Application Form, as may be reasonably required by the Membership Committee to allow the Membership Committee to determine that such applicant is eligible for (a) membership of the Association and (b) membership within the Application Class, and
- (4) the Membership Committee has determined that the Application Class is the most appropriate class of membership of the Association for that applicant,

together referred to as the "Entry Requirements"

- 11 (1) The Board shall from time to time appoint a sub-committee of the Board to act as the membership committee of the Association ("Membership Committee") All applications for admission shall be considered by the Membership Committee in the first instance, and an applicant shall be admitted to the Association if the Membership Committee determines that such applicant has met the Entry Requirements The Board shall procure that the Secretary gives notice in writing to each applicant of the Membership Committee's determination within 30 days of the date on which the

Secretary receives that applicant's Application Form If in relation to any particular applicant

- (a) the Membership Committee determines that the applicant has met the Entry Requirements, the Membership Committee shall promptly notify the Board of its determination and of the class of membership to which such applicant is to be admitted, on receipt of which the Board shall procure that such applicant is promptly admitted into that class of membership of the Association, or
  - (b) the Membership Committee determines that the applicant has met the Entry Requirements except that the Application Class is not the most appropriate class of membership of the Association for that applicant in accordance with Article 10(4), the Membership Committee shall promptly notify the Board of its determination and the Board shall procure that the Secretary give written notice to the applicant of the Membership Committee's determination ("Notice of Class Determination") within 10 days of receiving such notice The Board shall procure that the Notice of Class Determination includes (i) confirmation of the class of membership which the Membership Committee determines to be the most appropriate class of membership of the Association for that applicant and (ii) an explanation as to why the Membership Committee has made that determination ("Basis of Class Determination") The Board shall procure that the Notice of Class Determination sets out that applicant's right to appeal the determination of the Membership Committee and the requirements for such appeal in accordance with this Article 11 The Board shall also procure that the Secretary returns to that applicant any cheque which has been received in respect of that applicant's First Subscription Fee
  - (c) the Membership Committee determines that the applicant has otherwise not met the Entry Requirements, the Membership Committee shall promptly notify the Board of its determination and the Board shall procure that the Secretary give written notice to the applicant of the Membership Committee's determination ("Notice of Rejection") within 10 days of receiving such notice The Board shall procure that such Notice of Rejection includes (i) confirmation of the Entry Requirement(s) which that applicant has been deemed not to have met and (ii) an explanation as to why the Membership Committee has determined that the applicant has not met such Entry Requirement(s) ("Basis of Rejection") The Board shall procure that the Notice of Rejection sets out that applicant's right to appeal the determination of the Membership Committee and the requirements for such appeal in accordance with this Article 11 The Board shall also procure that the Secretary returns to that applicant any cheque which has been received in respect of that applicant's First Subscription Fee
- (2) Any applicant which receives a Notice of Class Determination in accordance with Article 11(1)(b) may either

- (a) amend his existing application for membership of the Association accordingly, and the Membership Committee must consider such application in accordance with this Article 11, or
  - (b) appeal the Membership Committee's determination in accordance with the remaining requirements of this Article 11 on the grounds that the Basis of Class Determination is incorrect
- (3) Any applicant which receives a Notice of Rejection in accordance with Article 11(1)(c) may either
  - (a) make a new application for membership of the Association, and the Membership Committee must consider such application in accordance with this Article 11 provided that such new application is not made on the same basis as the previous application which has been rejected, or
  - (b) appeal the Membership Committee's determination in accordance with the remaining requirements of this Article 11 on the grounds that the Basis of Rejection is incorrect
- (4) If an applicant receives a Notice of Class Determination or a Notice of Rejection and wishes to appeal the Membership Committee's determination in accordance with Article 11(2)(b) or Article 11(3)(b), such applicant must submit a notice of appeal ("Notice of Appeal") to the Secretary within 10 days of the date on which the Secretary issued the relevant Notice of Class Determination or Notice of Rejection and the Notice of Appeal must set out the basis on which the applicant considers that the Basis of Class Determination or Basis of Rejection is incorrect
- (5) All Notices of Appeal shall be considered by the Board in the first instance. The Board may request such other information and particulars, in addition to those previously provided to the Membership Committee, as may be reasonably required for the Board to make a determination of the Appeal. The Board shall procure that the Secretary gives notice in writing to such applicant of the Board's determination within 10 days of the date on which the Secretary receives that applicant's Notice of Appeal. If in relation to any particular applicant
  - (a) the Board determines that the Basis of Class Determination or Basis of Rejection was incorrect, the Board shall promptly notify the Management Committee of its determination, in light of which the Management Committee shall reconsider the applicant's previous application for membership to the Association in accordance with this Article 11, or
  - (b) the Board determines that the Basis of Class Determination or Basis of Rejection was correct, the Board shall procure that the Secretary gives written notice to the applicant ("Confirmation of Determination") within 5 days of such determination. The Board shall procure that such Confirmation of

Determination includes an explanation as to why the appeal has not been accepted by the Board ("Basis of Appeal Rejection") The Board shall also procure that the Confirmation of Determination sets out that applicant's right to appeal the determination of the Board and the requirements for such appeal in accordance with this Article 11

- (6) Any applicant which receives a Confirmation of Determination in accordance with Article 11(5) may
  - (a) in the case of an applicant which received a Notice of Class Determination in accordance with Article 11(1)(b), amend his existing application for membership of the Association accordingly, and the Membership Committee must consider such application in accordance with this Article 11, or
  - (b) in the case of an applicant which received a Notice of Rejection in accordance with Article 11(1)(c), make a new application for membership of the Association, and the Membership Committee must consider such application in accordance with this Article 11 provided that such new application is not made on the same basis as the previous application which has been rejected, or
  - (c) appeal the Board's determination in accordance with the remaining requirements of this Article 11 on the grounds that the Basis of Appeal Rejection is incorrect
- (7) If an applicant receives a Confirmation of Determination and wishes to appeal the Board's determination in accordance with Article 11(6)(c), such applicant must submit a further notice of appeal ("Notice of External Appeal") to the Secretary within 10 days of the date on which the Secretary issued the relevant Confirmation of Determination and the Notice of External Appeal must set out the basis on which the applicant considers that the Basis of Appeal Rejection is incorrect
- (8) Notices of External Appeal shall be considered by such independent person nominated by either the Board or the relevant applicant and agreed in writing by the Board and the relevant applicant within 5 days of the date of the Notice of External Appeal or, failing such agreement, nominated at the request of either the Board or the relevant applicant by the President for the time being of the Law Society of England and Wales ("Independent Adjudicator") The Independent Adjudicator shall not act as arbiter and shall only be asked to determine whether the Basis of Appeal Rejection is correct The Independent Adjudicator shall determine his own procedure except that the procedure of the Independent Adjudicator must give the Board and the applicant reasonable opportunity to make representations to him The Independent Adjudicator shall be requested to notify his determination in writing to the Board and to the applicant within 14 days of his being asked to consider the matter The costs of the Independent Adjudicator shall be borne by the Board and the applicant in such proportion as is directed by the Independent Adjudicator The Board shall use all

reasonable endeavours to co-operate with the Independent Adjudicator in resolving the matter

- (9) If in relation to any particular applicant
  - (a) the Independent Adjudicator determines that the Basis of Appeal Rejection was incorrect, the Board shall reconsider the applicant's appeal in light of that determination in accordance with this Article 11, or
  - (b) the Independent Adjudicator determines that the Basis of Appeal Rejection was correct, the Board shall procure that the Secretary gives written notice to the applicant that his application has been rejected ("Final Confirmation of Determination") within 5 days of such determination
- (10) Any applicant which receives a Final Confirmation of Determination in accordance with Article 11(9) may
  - (a) in the case of an applicant which received a Notice of Class Determination in accordance with Article 11(1)(b), amend his existing application for membership of the Association accordingly, and the Membership Committee must consider such application in accordance with this Article 11, or
  - (b) in the case of an applicant which received a Notice of Rejection in accordance with Article 11(1)(c), make a new application for membership of the Association, and the Membership Committee must consider such application in accordance with this Article 11 provided that such new application is not made on the same basis as the previous application which has been rejected
- 12 At any time after 31 December in the year in which a Member first becomes eligible for membership of the Association within a different class of membership, the Board may require such Member to become a Member within that different class of membership with effect from the date of such requisition or such later date as the Board shall determine, and if such Member shall fail to do so within such time as the Board may reasonably provide, the Board may require such Member to resign and upon such requisition, such Member shall be deemed to have resigned

#### MEMBER SUBSCRIPTIONS

- 13 Every Member shall pay to the Association such subscription fees as the Board shall determine in accordance with Articles 14 and 15
- 14 In the event that an applicant applies for its membership of the Association to commence on any date other than 31 December, such applicant shall be required only to pay a pro rated portion (in respect of the period from (a) the proposed date of commencement of its membership to (b) the next 31 December falling after such proposed date of commencement) of the relevant subscription fee applicable to the class of membership of the Association for

which that applicant is to be admitted ("First Subscription Fee"), which the Board shall notify to the applicant prior to that applicant submitting an Application Form

- 15
  - (1) Following final agreement or determination of the Annual Budget in relation to any year in accordance with Article 56 but prior to the commencement of the year to which that Annual Budget relates, the Board shall determine the relevant subscriptions for each class of membership of the Association. The Board shall have discretion as to the total subscriptions that the Association is to raise from Members in a particular year ("Proposed Subscriptions") provided that the amount of the Proposed Subscriptions shall not exceed the aggregate expenditure requirements of the Association pursuant to and in accordance with the terms of that year's Annual Budget
  - (2) Prior to commencement of each year, the Board shall procure that the Honorary Treasurer shall give notice to each Member of (a) the Proposed Subscriptions determined by the Board in accordance with Article 15(1) and (b) the amount of subscription fee payable by that Member as determined by the Board in accordance with Article 15(1) ("Ordinary Subscription Fee"). A Member shall pay its Ordinary Subscription Fee to the Association either (a) on or before the 31 December immediately preceding that year or (b) at such other later dates during that year and in such instalments as may from time to time be prescribed by the Board
- 16 Save as hereinafter provided in relation to the appointment of representatives, the rights of every Member shall be personal to itself and shall not be transferable, transmissible or chargeable by its own act, by operation of law or otherwise

#### TERMINATION OF MEMBERSHIP

- 17 A Member shall immediately cease to be a Member upon the happening of any one of the events following, namely
  - (1) If it shall resign by not less than six months' notice in writing, left at the Office, such notice expiring on 31 December in any year or, if being a subscriber to the Memorandum of Association, it shall resign by notice in writing left at the Office
  - (2) If the Board determine that it has ceased to be eligible for membership
  - (3) If the Member shall go into liquidation or have a receiver or a manager or a receiver and manager appointed of its undertaking and assets or any part thereof
  - (4) If it shall not pay, within three months after the Association shall have served it with notice in writing requiring payment thereof, any moneys due to the Association and the Board resolves that its membership be terminated
  - (5) If in the opinion of the Board its conduct shall be calculated in any respect to be prejudicial to the interests of the Association or of its Members collectively or of the

Industry and it shall fail to remedy such conduct to the satisfaction of the Board within one month after such notice in writing requiring it to do so shall have been served upon it by the Association and the Board resolves that its membership be terminated

- 18 Subject to the provisions of Article 93, any Member which shall cease to be a Member in a particular year shall not be repaid any part of (a) the subscription fee paid by such Member in respect of that year and any previous years or (b) any amount paid by such Member to the Association as a result of a Cash Call (where such Member is a Production Member) or Extraordinary Cash Call (where such Member is a Proposing Member) in that year or any previous year unless the Board in its absolute discretion shall otherwise determine, but such Member, notwithstanding that it has ceased to be a Member, shall remain liable for and shall pay to the Association all moneys which at the time when it ceased to be a Member were due from it to the Association under any of the provisions of these Articles and shall remain liable for any sum which may become payable by it by virtue of its liability under the Memorandum of Association
- 19 Any Member which for any cause whatsoever shall cease to be a Member shall immediately discontinue the use of any device of the Association printed or impressed on any notepaper, advertisement or any other document or containing any indication of membership of the Association and shall forthwith return to the Secretary any property of the Association then in its possession

#### MEETINGS OF MEMBERS

- 20 The Board may whenever they think fit convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Companies Acts
- 21 A notice convening an Extraordinary General Meeting shall be sent to every Member with an agenda showing the general nature of the business to be transacted at such meeting, and in the case of a resolution submitted by the Board, a copy of the resolution
- 22 No resolution shall be passed at an Extraordinary General Meeting except upon the business for which the meeting has been convened. No Member shall be entitled to bring any special business before any General Meeting unless it shall have given notice in writing of such special business to the Secretary so as to be received by him not less than fourteen days before the date of the meeting. If the Board acting reasonably agree that such special business can be included in the business to be transacted at such meeting, the Secretary shall procure that an amended agenda showing such special business is sent to every Member
- 23 The date, place and hour of an Extraordinary General Meeting shall be fixed by the Board
- 24 All or any of the Members may participate in a meeting of the Association by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to each of the others, and to be heard by each of the others

simultaneously A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly, and a meeting of the Association may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is

- 25 Subject to but by way of supplement to the provisions of the Companies Acts a resolution in writing signed by all of the Members for the time being entitled to receive notice of and to attend and vote at General Meetings or their duly appointed attorneys shall be as valid and effectual as if it had been passed at a meeting of the Members duly convened and held Any such resolution may consist of several documents in the like form each signed on behalf of one or more such Members by a director or other senior executive

#### NOTICE OF GENERAL MEETINGS

- 26 (1) All Extraordinary General Meetings and all other meetings of the Members provided for in these Articles shall be called by not less than twenty one clear days' notice in writing The notice shall specify the place, day and time of the meeting, the general nature of the business to be transacted and in the case of a resolution submitted by the Board, a copy of the resolution Notice shall be given in a manner hereinafter mentioned to such persons (including the Auditors) as are under these Articles or under the Companies Acts entitled to receive such notices from the Association
- (2) Notwithstanding that a meeting of the Association is called by shorter notice than that specified in this Article 26, it shall be deemed to have been properly called if it is so agreed by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent (or, such lesser percentage as may be adopted by the Association in accordance with the Companies Acts) of the total voting rights at the meeting of all the Members
- 27 The accidental omission to give notice of a meeting to, or the non receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolutions passed or proceedings at any meeting of the Association

#### PROCEEDINGS AT GENERAL MEETINGS

- 28 All business shall be deemed special that is transacted at an Extraordinary General Meeting
- 29 No business shall be transacted at any General Meeting unless a quorum of Members is present when the meeting proceeds to business Save as herein otherwise provided, one half of the Members for the time being entitled to attend and vote at the meeting shall constitute a quorum



- 30 If within half an hour (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the holding of a meeting of the Association a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day within thirty days and at such other place as the Board may determine, and if at such adjourned meeting a quorum is not present within half an hour (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for holding the meeting the Members present shall be a quorum and may transact the business for which the meeting was called.
- 31 The role of chairman at General Meetings shall alternate between the Joint Chairmen with the Operator Joint Chairman presiding as chairman of the first meeting. If the Joint Chairman whose turn it is to fulfil the role of chairman at a particular meeting is unable or unwilling to fulfil that role then the other Joint Chairman shall fulfil the role of chairman of the meeting, but if at any meeting neither of the Joint Chairmen be present within fifteen minutes after the time appointed for holding the same, or if neither of them though present shall be willing to preside, the Members present shall choose some member of the Board, or if no such member be present, or if all the members of the Board present decline to take the chair they shall choose some representative of a Member who shall be present to preside.
- 32 (1) The chairman of the meeting may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, or (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business, or (c) an adjournment is otherwise necessary, so that the business of the meeting may be properly conducted.
- (2) In addition, the chairman of the meeting may with the consent of any meeting at which a quorum is present and if so directed by the meeting shall adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, it shall not be necessary for the Members to receive any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
- 33 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll be demanded. Subject to the Companies Acts, a poll may be demanded by
- (a) the chairman of the meeting, or
- (b) at least two Members present in person or by proxy,

and unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority or lost, or not carried by a particular majority and an entry to that effect in the minute book of the Association, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

- 34 If a poll is properly demanded it shall be conducted in such manner and at such time and place as the chairman of the meeting shall direct and shall be secret. Votes may be given in person or by proxy on a poll and the certificate of the Auditors as to the number of votes both for and against the resolution in respect of which the poll is taken shall be final and conclusive and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 35 A poll demanded on the election of the chairman of the meeting, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman of the meeting shall direct. It shall not be necessary (unless the chairman of the meeting otherwise directs) for notice to be given of a poll.
- 36 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn with the consent of the chairman of the meeting at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

#### VOTES OF MEMBERS

- 37 Except as expressly provided for in these Articles, on a show of hands and on a poll every Member present in person or by proxy shall be entitled to one vote.
- 38 Any Member which is not a Production Member shall not be entitled to vote at General Meetings of the Association on any matter that relates to the Association's expenditure budget (including the approval of the Annual Budget from time to time) or the incurring of any cost or expense by the Association (but it shall be entitled to vote on any other matter).
- 39 Save as herein expressly provided, no Member (or proxy appointed on his behalf) other than a Member duly registered, which shall have paid every subscription and other sum (if any) which shall be due and payable to the Association in respect of its membership, shall be entitled to receive notice of or to vote on any question at any General Meeting.
- 40 At any General Meeting a Member shall vote by its duly authorised representative who at such General Meeting shall be deemed to be a Member present in person and shall be entitled to speak, demand a poll, vote, act as proxy and in all other respects exercise the rights of a Member on its behalf.

For the purposes of this Article 40 the duly authorised representative shall be a director or other senior executive of the Member nominated by the Member and notified to the Association, or his alternate nominated and notified in a like manner

- 41 An instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer, attorney or other person authorised to sign it
- 42 The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office (or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than twenty four hours before the time appointed for the taking of the poll. The Board members may at their discretion treat a faxed or other machine-made copy of an instrument appointing a proxy as such an instrument for the purposes of this Article 42. An instrument of proxy which is not delivered in accordance with this Article 42 shall be treated as invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same Member's vote for use at the same meeting the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that Member's vote, if the Association is unable to determine which was last delivered, none of them shall be treated as valid in respect of that Member's vote. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned
- 43 Instruments of proxy shall be in any usual form or in such other form as the Board may approve and the Board may, if it thinks fit, but subject to the provisions of the Companies Acts, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates
- 44 A proxy need not be a Member
- 45 A vote given in accordance with the terms of an instrument of proxy or poll demanded by a proxy or by the duly authorised representative of a Member shall be valid notwithstanding the previous revocation of the proxy, the demand for the poll or of the authority under which the proxy was executed, provided that no revocation shall have been received by the Association at the Office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) not later than the last time at which an instrument of proxy should have been delivered in

order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded

- 46 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive
- 47 No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution
- 48 Proper minutes of all proceedings at General Meetings shall be kept by the Secretary, and all resolutions passed at General Meetings and any notes of dissention from such resolutions which are to be recorded at the request of any Members in accordance with Article 94 shall be entered in a minute book kept for that purpose Forthwith after every General Meeting the Secretary shall prepare minutes of the General Meeting, and within thirty days after the meeting, he shall make such minutes available to all Members for the time being entitled to attend General Meetings

#### THE BOARD

- 49 The Board shall consist of up to twenty-four persons and shall be constituted as follows
  - (1) up to twelve representatives of Operator Members ("Operator Board Members"),
  - (2) up to ten representatives of Contractor Members ("Contractor Board Members"),
  - (3) up to one representative of Small Oil Company Member ("Small Oil Company Board Member"), and
  - (4) the Chief Executive,

however, where the maximum number of officers in any of the aforementioned classes has not been utilised, the Board shall, using its discretion, determine when any vacancy shall be filled

- 50 The Board shall endeavour to ensure (wherever possible and practicable) that the Operator Members represented on the Board as Operator Board Members at any time and from time to time are broadly representative of all of the Operator Members in order that the Board is capable of reflecting the potentially diverse interests of different Members falling within those classes of membership Similarly the Board shall endeavour to ensure (wherever possible and practicable) that the Contractor Members represented on the Board as Contractor Board Members at any time and from time to time are broadly representative of all of the Contractor Members in order that the Board is capable of reflecting the potentially diverse interests of different Members falling within that class of membership

### DISQUALIFICATION OF MEMBERS OF THE BOARD

- 51 The office of a member of the Board shall be vacated in any one of the events following, namely
- (1) If he shall resign his office by writing left at the Office
  - (2) If the Member of which he is a director or senior executive ceases to be eligible for membership of the Association in accordance with these Articles
  - (3) If he shall be removed from office pursuant to any provision of these Articles or of the Companies Acts

### POWERS OF THE BOARD

- 52 The business of the Association shall be managed by the Board, which may exercise all such powers of the Association, and do on behalf of the Association all such acts as may be exercised and done by the Association, and as are not by statute or by these Articles required to be exercised or done by the Association in General Meeting subject, nevertheless, to any regulation of these Articles (including, but without limitation, Article 57), to the provisions of the statutes for the time being in force and affecting the Association, and to the terms of any resolution, being not inconsistent with the aforesaid regulations (other than this Article 52) or provisions, as may be passed by the Association in General Meeting, but no resolution by the Association in General Meeting shall invalidate any prior act of the Board which would have been valid if such resolution had not been passed
- 53 The members for the time being of the Board may act notwithstanding any vacancy in their body
- 54 The Board may exercise all the powers of the Association to borrow or raise money, and to mortgage or charge its undertaking and property, and to issue debentures and other securities, and any such debentures and other securities may be issued at par or at a premium or at a discount
- 55 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Association shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be, in such manner as the Board shall from time to time by resolution determine
- 56 The Board shall procure that a meeting of the Board is called in order to consider the proposed annual expenditure budget for the Association for the following year ("Proposed Budget") The Joint Chairmen will procure that the notice of such meeting (duly issued in accordance with Article 85) includes a copy of the Proposed Budget together with a resolution of the Board that the Proposed Budget be approved by the Board and submitted to the Members for final approval In the event that the Board is

- (a) able to agree such resolution prior to 15 November, the Joint Chairmen shall procure that the notice issued for the next General Meeting falling before 31 December of that year includes a copy of the Proposed Budget together with a resolution that the Proposed Budget be approved by those Members entitled to vote on such matters in accordance with Article 38, or
- (b) unable to agree such resolution prior to 15 November, Article 83 shall apply and the Joint Chairmen shall procure that notice of an Extraordinary General Meeting shall be promptly given by the Board to the Members, such Extraordinary General Meeting to be held prior to 31 December of that year, and such notice to include (i) a copy of the Proposed Budget, (ii) an explanation from the Board as to why the Board have been unable to agree that the Proposed Budget should be submitted to the Members for approval and (iii) a statement that the Extraordinary General Meeting is being convened in order that the Members entitled to vote on such matters in accordance with Article 38 can consider the Proposed Budget and decide whether to approve it in the form provided with the notice of that Extraordinary General Meeting or to approve it in an amended form,

and the Association's annual expenditure budget so approved from time to time by the Members entitled to vote on such matters in accordance with Article 38 shall be referred to as the "Annual Budget" in these Articles. If during the year to which any Annual Budget relates any four members of the Board including at least one Operator Board Member propose to make adjustments ("Adjustments") to such Annual Budget, such members of the Board may requisition a meeting of the Board in accordance with Article 84 and the procedure set out in this Article 56 shall apply to such Adjustments as if they were the Proposed Budget (except that the words "prior to 15 November" in (a) and (b) above shall not apply) and, subject to the approval of such Adjustments by the Members in accordance with these Articles, that year's Annual Budget shall be deemed to incorporate such Adjustments

- 57 The Board shall in any particular year conduct the business of the Association in accordance with that year's Annual Budget (which for the avoidance of doubt shall incorporate any duly approved Adjustments in accordance with Article 56) and, subject to Article 58 below, shall not knowingly incur expenditure or liabilities or enter into obligations on behalf of the Association in excess of that which is provided for in that year's Annual Budget

#### EXTRAORDINARY EXPENDITURE

- 58 In the event that a proposal ("a Proposal") is put to the Board by at least ten Members ("Proposing Members") seeking approval for the Association to carry out work or further work in relation to any matter or issue properly under consideration by the Association ("the Issue") but for which related expenditure is in excess of that which has been approved by the Board (or the Association in accordance with Article 83), and such Proposal is approved by the Board, then the Association may carry out such work or further work in relation to the Issue provided always that

- (i) all costs of financing such work or further work shall be paid only by the Proposing Members in accordance with Articles 60 and 61 and such costs shall be borne amongst them equally or in such other proportions as the Proposing Members may unanimously agree, and
- (ii) any results or findings arising from such work or further work shall be made available to all of the Members although the results or findings and any rights or benefits deriving from such work or further works (where capable of ownership) shall be owned by the Proposing Members equally or in such other proportions as the Proposing Members may unanimously agree, and
- (iii) such work or further work shall be represented as having been undertaken by, and as the work of, the Association

59 The right of each Member to act individually concerning any matter within the scope of the Board shall not be impaired or restricted by any action of the Board and each Member shall have the right individually to take such action as it deems advisable whether or not such action conflicts with the action of the Board

#### CASH CALL

60 The Board may from time to time and at any time give notice of a cash call ("Cash Call Notice") to -

- (a) every Production Member in respect of each such Member's contribution to such funds as may be required to be expended by the Association pursuant to and in accordance with the terms of the Annual Budget (which for the avoidance of doubt shall incorporate any duly approved Adjustments in accordance with Article 56) ("Cash Calls") and which is not met by Aggregate Subscription Fee Income (as that amount of such income is known by the Board at the date of the Cash Call Notice), and
- (b) pursuant to Article 58, the Proposing Members (which may include Members that are not Production Members) in respect of the cost of financing work or further work in relation to an Issue ("Extraordinary Cash Calls")

61 At the Board's discretion, a Production Member's liability in respect of any particular Cash Call or a Proposing Member's liability in respect of an Extraordinary Cash Call may be made payable in whole or by instalments. The Production Members and/or the Proposing Members (as appropriate) shall pay to the Association the amount(s) required from them in the Cash Call Notice either (a) within twenty one days of the date of the Cash Call Notice in the event that payment is due from that Member in whole or (b) on the instalment dates set out in the Cash Call Notice. A Member properly in receipt of a Cash Call Notice in accordance with these Articles shall remain liable at all times for all amounts set out in a Cash Call Notice duly issued to it in accordance with these Articles

### EXCESS MEMBER CONTRIBUTIONS

- 62 (1) As soon as practicable following 1 January in any year the Board will compare the Actual Member Contributions for the preceding year against Actual Association Expenditure for the preceding year
- (2) If Actual Member Contributions in any year exceed Actual Association Expenditure in that year by an amount that is equal to or less than the Aggregate Cash Call Income in that year, at the Board's discretion the Association shall either
- (a) repay to each Production Member an amount equal to a pro rata share of such excess (calculable by reference to that Production Member's relative contribution to the total amount of the relevant Cash Call), or
  - (b) retain such excess to be treated as an advance Cash Call in respect of the Association's expenditure requirements in the subsequent calendar year
- (3) If Actual Member Contributions exceed Actual Association Expenditure in any year by an amount that is more than the Aggregate Cash Call Income in that year, the Board shall first comply with the requirements of Article 62(2) in respect of all of the Aggregate Cash Call Income and, in relation to the remaining excess, at the Board's discretion the Association shall either
- (a) repay to each Member an amount equal to a pro rata share of such excess (calculable by reference to that Member's relative contribution to the Aggregate Subscription Fee Income), or
  - (b) retain such excess to be treated as advance Ordinary Subscription Fee Income in respect of the Association's expenditure requirements in the subsequent calendar year
- 63 In relation to each of the Extraordinary Cash Calls, on completion of the work or further work relating to the Issue the Board will compare the amounts raised by the Association by way of the related Extraordinary Cash Call against the relevant expenditure actually incurred by the Association and in the event that the amounts raised by the Association by way of that Extraordinary Cash Call exceed such relevant expenditure, the Association shall repay to each such relevant Proposing Member an amount equal to that Proposing Member's pro rata share of the excess (calculable by reference to that Proposing Member's relative contribution to the total amount of the relevant Extraordinary Cash Call)

### CHIEF EXECUTIVE

- 64 The Association in General Meeting may from time to time authorise the Audit Committee to appoint any person to the office of Chief Executive for such term and upon such conditions as it may think fit and may at any time revoke such appointment In particular the Chief



Executive shall receive such remuneration as the Audit Committee may determine from time to time

- 65 The Chief Executive shall be a member of the Board and shall be entitled to vote at meetings of the Board but for the avoidance of doubt the Chief Executive cannot be a Member
- 66 The Board may entrust to and confer upon any Chief Executive appointed pursuant to Article 64 any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as they think fit either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary any of such powers

#### SECRETARY

- 67 The Board shall from time to time appoint some person to the office of Secretary for such term, at such remuneration and upon such terms and conditions as it may think fit, and any Secretary so appointed may be removed by the Board. The provisions of the Companies Acts shall apply and be observed

#### COMPOSITION OF THE BOARD

- 68 (1) The following persons shall be appointed as first members of the Board ("First Board") -
- (a) David John Blackwood, Christopher Martin Cox, Roland Festor, Archibald Wood Kennedy, Jonathan David Murphy, Mark Andrew Hughes, Nicholas John Robert Walker and John Gallagher appointed as first Operator Board Members in accordance with Article 49(1) ("First Operator Board Members"),
  - (b) Mark Lewis Bowyer, Dennis Clark, Mel Oliver Fitzgerald, Robert Keiller, Thomas Davie Smith and Brian Christopher Taylor appointed as first Contractor Board Members in accordance with Article 49(2), ("First Contractor Board Members"),
  - (c) Alan Booth appointed as first Small Oil Company Board Member in accordance with Article 49(3), and
  - (d) Malcolm Webb appointed as first Chief Executive in accordance with Article 49(4)
- (2) Subsequent appointments to the Board (each of which appointees shall be a director or senior executive of a Member) shall be made by the Board, having regard to Article 50
- 69 On the first anniversary of the date of adoption of these Articles, four of the First Operator Board Members and three of the First Contractor Board Members will be selected by lot and

those persons will either resign their appointment to the Board or apply for re-appointment to the Board

### CONSTITUTION OF THE BOARD

- 70 Except as expressly provided for elsewhere in these Articles, the term of any person's appointment to the Board will be limited to two years commencing from the date of that person's appointment to the Board, prior to the expiry of which such person will either resign their appointment to the Board or apply for re-appointment to the Board. In the event that any person's appointment to the Board ends prior to the expiry of such two year period for any reason other than the operation of this Article 70, then the term of appointment to the Board of his replacement shall expire on the date on which the original Board member's appointment would have expired had his appointment not ended prematurely, on the expiry of which such person will either resign their appointment to the Board or apply for re-appointment to the Board
- 71 Notwithstanding any other provision of these Articles, the maximum cumulative period of any person's appointment to the Board (other than the Chief Executive) will be five years
- 72 A member of the Board shall cease to act as a member of the Board and the Member of which he is a director or senior executive shall endeavour to procure that he shall tender his resignation from the Board in any one of the following events, namely
- (1) if he shall cease for any reason to be a director or senior executive of the Member for which he was a director or senior executive on the date of his appointment, and/or
  - (2) if he shall hold any place of profit under the Association, other than as Chief Executive, and/or
  - (3) if he shall become prohibited from acting by reason of any order made under the provisions of the Companies Acts, and/or
  - (4) if he shall have served the maximum term of service provided for in Article 71, and/or
  - (5) if he shall be requested by the Board to resign with a view to achieving the broad representation referred to in Article 50

and in these or any other circumstances in which a member of the Board ceases to act as a member of the Board, the Board shall appoint a replacement as soon as practicable thereafter so that the Board is comprised of the maximum number of members permitted in accordance with Article 49 and on the basis that (a) if that member of the Board was an Operator Board Member, his replacement shall be a representative of the Operator Members, (b) if that member of the Board was an Contractor Board Member, his replacement shall be a representative of the Contractor Members, and (c) if that member of the Board was a Small Oil Company Board Member, his replacement shall be a representative of the Small Oil Company Members

### ALTERNATE MEMBERS OF THE BOARD

- 73 Any member of the Board (other than an alternate member of the Board) may appoint any other member of the Board, or any other person approved by resolution of the members of the Board and willing to act, to be an alternate member of the Board and may remove from office an alternate member of the Board so appointed by him
- 74 An alternate member of the Board may act as alternate to more than one member of the Board and is entitled at a meeting of the Board to one vote for every member of the Board that he acts as alternate for in addition to his own vote (if any) as a member of the Board, but an alternate member of the Board counts as only one member of the Board in determining whether a quorum is present
- 75 An alternate member of the Board is entitled to receive notice of all meetings of the Board of which his appointor is a member, to attend and vote at any such meeting at which the member of the Board appointing him is not personally present, and generally to perform all the functions of his appointor as a member of the Board in his appointor's absence. It is not necessary to give notice of such a meeting to an alternate member of the Board who is absent from the United Kingdom
- 76 An alternate member of the Board shall cease to be an alternate member of the Board if his appointor ceases to be a member of the Board
- 77 Any appointment or removal of an alternative member of the Board shall be by notice to the Association signed by the member of the Board making or revoking the appointment or in any other manner approved by the Board

### POSITIONS ON THE BOARD

- 78 At its first meeting held in each calendar year or at such time as the Board shall otherwise determine, the Board shall appoint from amongst its members
- (1) a "Joint Chairman", being a duly appointed representative of an Operator Member ("Operator Joint Chairman"), and
  - (2) a second "Joint Chairman", being a duly appointed representative of a Contractor Member ("Contractor Joint Chairman"), and
  - (3) a "Vice Chairman", being a duly appointed representative of an Operator Member ("Operator Vice Chairman"), and
  - (4) a second "Vice Chairman", being a duly appointed representative of a Contractor Member ("Contractor Vice Chairman"), and

- (5) an "Honorary Treasurer", being a duly appointed representative of any Member ("Honorary Treasurer"), and
- (6) such other titles as the Board shall from time to time deem proper or necessary to create,

and the following persons shall be appointed to the following positions from the First Board David John Blackwood as Operator Joint Chairman, Thomas Davie Smith as Contractor Joint Chairman, Robert Keiller as Contractor Vice Chairman, and Jonathan David Murphy as Honorary Treasurer For the avoidance of doubt the first Operator Vice Chairman shall be appointed from the First Board in accordance with this Article 78

- 79 Subject to the provisions of Articles 70 and 71, the maximum period of service of any person appointed to the positions described in Article 78 will be as follows

- (1) two years for the Operator Joint Chairman and the Contractor Joint Chairman,
- (2) three years for the Operator Vice Chairman and the Contractor Vice Chairman, and
- (3) four years for the Honorary Treasurer

- 80 On the expiry of the period of appointment of the Operator Joint Chairman, the person then serving as Operator Vice Chairman will automatically be appointed as Operator Joint Chairman unless the Board determine otherwise at the time of such appointment, and on the expiry of the period of appointment of the Contractor Joint Chairman, the person then serving as Contractor Vice Chairman will automatically be appointed as Contractor Joint Chairman unless the Board determine otherwise at the time of such appointment For the avoidance of doubt, appointments to the positions of Operator Vice Chairman, Contractor Vice Chairman and Honorary Treasurer shall at all times be at the Board's discretion

## PROCEEDINGS OF THE BOARD

### QUORUM AND VOTING

- 81 The quorum necessary for the transaction of the business of the Board shall be five Operator Board Members and three Contractor Board Members Subject to the provisions of these Articles, any person who ceases to be a Board member at a Board meeting may continue to be present and to act as a Board member and be counted in the quorum until the termination of the Board meeting if no other Board member objects and if otherwise a quorum would not be present A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board
- 82 In any meeting of the Board at which a quorum is present, the members of the Board shall endeavour to reach consensus on any matter to be decided as a resolution of the Board In the event that the Board are unable to reach consensus, the matter shall be put to a vote for which

(subject to Article 74) each member of the Board shall be entitled to either cast a single vote or to abstain In order to pass a resolution

- (1) there must be a majority of three fifths of all votes cast provided that for this purpose any abstention shall be counted as an affirmative vote, and
- (2) at least one Operator Board Member must cast an affirmative vote or abstain, and
- (3) at least one Contractor Board Member must cast an affirmative vote or abstain

83 If the Board are unable to agree

- (a) the Proposed Budget for submission to the Members by 15 November in any year,
- (b) the incurring of any cost or expense by the Association that is not provided for in the Annual Budget (as amended from time to time in accordance with these Articles)

the Joint Chairmen shall procure that the matter is referred to an Extraordinary General Meeting of the Association duly called in accordance with the provisions of these Articles and in such an event (and without prejudice to Article 58) the decision of such Members as are entitled to vote at General Meetings on such matters in accordance with Article 38 shall be final and binding

#### MEETINGS OF THE BOARD

84 The Board will meet together for the despatch of business at least four times in every year At least one such meeting shall be held on or around 15 November of each year in order for the Board to consider the Proposed Budget and, wherever possible, such meetings shall be held prior to and proximate to PILOT meetings The Secretary, on the requisition of either (a) not less than four members of the Board including at least one Operator Board Member in accordance with Article 56 or (b) not less than four members of the Board including at least one Operator Board Member and one Contractor Board Member in relation to all other matters, shall at any time summon additional meetings of the Board

85 Seven days' notice at the least (inclusive of the day on which the notice is served or deemed to be served but exclusive of the day for which the notice is given) specifying the place, the day and the hour of the meeting and enclosing the agenda of the business to be discussed at the meeting shall be given of every meeting of the Board If, in the opinion of (a) either of the Joint Chairmen in relation to the four normal Board meetings or (b) any of the members of the Board that requisition an additional Board meeting in accordance with Article 84 in relation to such additional Board meeting, it shall be expedient to call a meeting at shorter notice for the discussion of urgent business, such Board meeting may be called on three days' notice if the notice is sent through the post or on twenty four hours' notice if the notice is given by telephone, fax or electronic mail

- 86 All acts bone fide done by any meeting of the Board or of any committee or sub-committee of the Board in conformity with the provisions of these Articles, or by any person acting as a member of the Board, shall, notwithstanding it be afterwards discovered that there were some defect in the appointment or continuance in office of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Board
- 87 The Board shall cause proper minutes to be made and made available to the members of the Board and to all of the Members of all appointments of officers made by the Board and of the proceedings of all meetings of the Board and of committee or sub committees of the Board and all business transacted at such meetings and any notes of dissention to such resolutions which are to be recorded at the request of any members of the Board in accordance with Article 94, and any such minutes of any meeting, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated
- 88 All or any of the members of the Board or any committee or sub committee of the Board may participate in a meeting of the Board or that committee or sub committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to each of the others, and to be heard by each of the others simultaneously A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly, and a meeting of the Board or committee or sub committee of the Board may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is
- 89 A resolution in writing signed by all the members for the time being of the Board or any committee or sub-committee of the Board who are duly entitled to receive notice of a meeting of the Board or of such committee or sub-committee shall be as valid and effectual as if it has been passed at a meeting of the Board or of such committee or sub-committee duly convened and constituted The resolution may be contained in one document or in several documents in like form each executed by one or more of the members of the Board or the committee or sub-committee concerned

#### AUDIT COMMITTEE

- 90 The Board shall from time to time appoint a sub-committee of the Board to act as the audit committee of the Association ("Audit Committee") for such term and upon such conditions as it may think fit and may at any time revoke such appointment
- 91 The Audit Committee shall be comprised of the Operator Joint Chairman, the Contractor Joint Chairman, the Operator Vice Chairman, the Contractor Vice Chairman and the Honorary Treasurer from time to time

- 92 The Board may entrust to and confer upon the Audit Committee appointed pursuant to Article 90 any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as they think fit either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary any of such powers

### INTERVENTION MECHANISM

- 93 (1) The Joint Chairmen will procure that a meeting of the Board is duly called in accordance with the requirements of these Articles on (a) the second anniversary of the date of adoption of these Articles ("Second Anniversary") and (b) the fifth anniversary of the date of adoption of these Articles ("Fifth Anniversary") or as near to such dates as is considered reasonably practicable by the Joint Chairmen at the time of such calling. For the purposes of this Article 93 such meetings shall be referred to as "Intervention Mechanism Meetings"
- (2) The purpose of Intervention Mechanism Meetings is for the Board to consider the findings of a sub committee of the Board (duly appointed by the Board promptly following the date of adoption of these Articles) tasked with measuring and monitoring the effectiveness of the Association in achieving its goals ("Monitoring Sub Committee"). The Joint Chairmen will endeavour to procure that the Monitoring Sub Committee concludes its proceedings timeously and that its findings are made available to all members of the Board in good time for the Intervention Mechanism Meetings and in any event within the timeframe set out in this Article 93. The chairman of the Intervention Mechanism Meetings will propose a resolution ("Resolution") that the Association, as constituted by and operating in accordance with these Articles, is satisfactorily fulfilling its goals and should continue without change until otherwise agreed or determined by the Members in accordance with these Articles or the Companies Acts
- (3) The members of the Board shall endeavour to reach consensus on the Resolution, failing which the matter shall be put to a vote in accordance with these Articles. In the event that the Board is unable to pass the Resolution, the meeting will be drawn to a close and the Joint Chairmen shall procure that written intimation is made to all of the Members that the Resolution has not been passed by the Board. Within fourteen days of the date of such written intimation, any ten Members may by written notice to the Board demand that an Extraordinary General Meeting be convened, in which event the Joint Chairmen will procure that notice of an Extraordinary General Meeting shall be duly given by the Board to the Members in accordance with the requirements of these Articles, such notice to include a copy of the Resolution and of the full findings of the Monitoring Sub Committee
- (4) At any Extraordinary General Meeting called in accordance with Article 93(3) the chairman of the meeting shall demand a poll on the Resolution. In order for the Resolution to be passed by the Members, such poll shall require (a) a majority of not less than three fifths of all Oil Company Members as (being entitled to do so) vote in person or, where proxies are allowed, by proxy AND (b) a majority of not less than

three fifths of all Contractor Members as (being entitled to do so) vote in person or, where proxies are allowed, by proxy

- (5) If the Resolution is not passed at that Extraordinary General Meeting then, at any time during the two months immediately following the date of that Extraordinary General Meeting
  - (a) any two Operator Members may by written notice to the Board demand that a special meeting of all Members within those classes of membership be convened ("Operator Member Meeting"), and/or
  - (b) any two Contractor Members may by written notice to the Board demand that a special meeting of all Members within that class of membership be convened ("Contractor Member Meeting")
- (6) In the event that an Operator Member Meeting is duly requisitioned in accordance with Article 93(5)(a), the Operator Joint Chairman shall procure that notice of an Operator Member Meeting shall be duly given to the Operator Members in accordance with the notice requirements for the calling of general meetings of the Association set out in these Articles, such notice to include a copy of a resolution ("Operator Resolution") that the Operator Members would support the passing by the Members of a special resolution ("Final Resolution") that
  - (a) new articles of association be adopted in identical terms to the articles of association adopted by the Association by special resolution of its members on 1 June 2005 ("Previous Articles"), and
  - (b) with effect from the date of passing of the Final Resolution -
    - (i) the existing Production Members shall become either "Production Members" or "Former Production Members" (as appropriate) as defined in articles 8(1) and 8(2) of the Previous Articles, and
    - (ii) the existing Exploration Members shall become "Exploration Members" as defined in article 8(3) of the Previous Articles, and
    - (iii) the existing Contractor Members and Small Oil Company Members shall cease to be, and shall be deemed to have resigned as, Members, in which event such Members, (one) shall be entitled to the return of part of their annual subscription fee previously paid (being a pro rata part of such annual subscription fee representing the unexpired portion of the year in which the Final Resolution is passed by the Members) and (two) shall be discharged of and from any and all rights and obligations owed to or by such Members by or to the Association by virtue of their membership of the Association



- (7) In the event that a Contractor Member Meeting is duly requisitioned in accordance with Article 93(5)(b), the Contractor Joint Chairman shall procure that notice of a Contractor Member Meeting shall be duly given to the Contractor Members in accordance with the notice requirements for the calling of general meetings of the Association set out in these Articles, such notice to include a copy of a resolution ("Contractor Resolution") that the Contractor Members would support the passing by the Members of the Final Resolution
- (8) At any Operator Member Meeting called in accordance with Article 93(6) and/or any Contractor Member Meeting called in accordance with Article 93(7), the chairman of such meeting shall demand a poll on the Operator Resolution or the Contractor Resolution, as the case may be. In order for the Operator Resolution or the Contractor Resolution to be passed, such poll shall require a majority of not less than three fifths of all Operator Members or Contractor Members (as appropriate) as (being entitled to do so) vote in person or, where proxies are allowed, by proxy
- (9) In the event that
  - (i) the Resolution is passed by the Board in accordance with Article 93(3),
  - (ii) an Extraordinary General Meeting is not duly requisitioned in accordance with the requirements of Article 93(3), or
  - (iii) the Resolution is passed by the Members at an Extraordinary General Meeting in accordance with Article 93(4), or
  - (iv) the Operator Resolution is not passed by the Operator Members at an Operator Member Meeting AND the Contractor Resolution is not passed by the Contractor Members at a Contractor Member Meeting in accordance with Article 93(8) (in the event that both an Operator Members Meeting and a Contractor Member Meeting are duly requisitioned in accordance with Article 93(5)), or
  - (v) the Operator Resolution is not passed by the Operator Members in accordance with Article 93(8) at an Operator Member Meeting requisitioned in accordance with Article 93(5)(a) and a Contractor Member Meeting is not duly requisitioned in accordance with the requirements of Article 93(5)(b), or
  - (vi) the Contractor Resolution is not passed by the Contractor Members in accordance with Article 93(8) at a Contractor Member Meeting requisitioned in accordance with Article 93(5)(b) and an Operator Member Meeting is not duly requisitioned in accordance with the requirements of Article 93(5)(a), or
  - (vii) neither an Operator Member Meeting nor a Contractor Member Meeting is duly requisitioned in accordance with the requirements of Article 93(5),

the Association shall be deemed to have met its goals satisfactorily and will continue without change until otherwise agreed or determined by the Members in accordance with these Articles or the Companies Acts.

(10) In the event that

- (a) the Resolution is not passed by the Board in accordance with Article 93(3), and
- (b) an Extraordinary General Meeting is duly requisitioned in accordance with the requirements of Article 93(3), and
- (c) the Resolution is not passed by the Members at an Extraordinary General Meeting in accordance with Article 93(4), and
- (d) either
  - (i) the Operator Resolution is passed by the Operator Members in accordance with Article 93(8) at an Operator Member Meeting duly requisitioned in accordance with Article 93(5)(a), or
  - (ii) the Contractor Resolution is passed by the Contractor Members in accordance with Article 93(8) at a Contractor Member Meeting duly requisitioned in accordance with Article 93(5)(b),

the Association shall be deemed not to have met its goals satisfactorily, in which event, and depending on whether the Operator Resolution was passed at an Operator Member Meeting and/or the Contractor Resolution was passed at a Contractor Member Meeting, the Operator Joint Chairman and/or the Contractor Joint Chairman shall procure that notice of an Extraordinary General Meeting shall forthwith be duly given by the Board to the Members in accordance with the requirements of these Articles, such notice to include a copy of the Final Resolution

94 At the Extraordinary General Meeting called in accordance with Article 93(10) the chairman of the meeting shall demand a poll on the Final Resolution and each Member (being entitled to do so) voting in person or, where proxies are allowed, by proxy shall vote to pass the Final Resolution

95 In the event that the Association shall be deemed to not to have met its goals satisfactorily pursuant to Article 93(10), and without prejudice to Article 93(11), each Member shall otherwise do whatever is reasonable and necessary and within its powers fully to give effect to the matters provided for in the Final Resolution

#### RECORDING AND DISCLOSING DISSENTING OPINIONS

- 96 In the event that a resolution of the Members is passed by the Members at a General Meeting of the Association or a resolution of the Board is passed by the Board at a meeting of the Board, any Members that voted against such resolution of the Members (whether in person or by proxy) and any members of the Board that voted against such resolution of the Board shall, on request made in writing to the Secretary, be entitled to have their dissention noted in the minutes which are required to be taken of such meetings in accordance with these Articles
- 97 Any Member may request in writing to the Board that their dissention from any resolution of the Members and/or the Board be noted against any relevant publication of the Association's determined position on the subject matter of that resolution. The Board shall act reasonably but retain discretion as to how such dissention is to be noted against such relevant publication

### COUNCILS

- 98 The Operator Members shall cause the formation of a council of representatives ("Operators' Council"), such Operators' Council to be composed of a single duly authorised representative of each of the Operator Members and the Small Oil Company Members ("Operators' Council Member") and for the purposes of the first meeting of the Operators' Council the duly authorised representative shall be a director or senior executive of the Operator Member nominated by the Operator Member and notified to the Operator Joint Chairman as soon as practicable after the date of adoption of these Articles. The principal function of the Operators' Council will be to advise the Operator Board Members and the Small Oil Company Board Member of what the Operator Members and the Small Oil Company Members regard as being in their interests in general or in any particular circumstances. The Operator Members shall procure that the Operators' Council meet as soon as practicable following the date of adoption of these Articles in order to consider the rules for the operation of the Operators' Council. The rules of operation of the Operators' Council shall be a matter for that first Operators' Council meeting but for the purposes of that first meeting only
- (a) the Operator Joint Chairman shall be the chairman of the meeting,
  - (b) the Operator Joint Chairman shall procure that seven days' notice at least is given of the meeting specifying the place, the day and the hour of the meeting and enclosing an agenda of the business to be discussed at the meeting,
  - (c) the quorum necessary for the transaction of business of the Operators' Council shall be fifty percent of the Operators' Council Members,
  - (d) the Operators' Council shall endeavour to reach consensus on the rules for the operation of the Operators' Council, failing which the Operator Joint Chairman shall procure that the matter is put to a vote for which each member of the Operators' Council Member shall be entitled to cast a single vote, and
  - (e) in order to pass any matter which is put to a vote at that meeting, there must be a majority of three fifths of all votes cast.

99 The Contractor Members shall cause the formation of a council of representatives ("Contractors' Council"), such Contractors' Council to be composed of a single duly authorised representative of each of the Contractor Members ("Contractors' Council Member") and for the purposes of the first meeting of the Contractors' Council each duly authorised representative of the Contractor Members shall be a director or senior executive of the Contractor Member nominated by the Contractor Member and notified to the Contractor Joint Chairman as soon as practicable after the date of adoption of these Articles. The principal function of the Contractors' Council will be to advise the Contractor Board Members of what the Contractor Members regard as being in their interests in general or in any particular circumstances. The Contractor Members shall procure that the Contractors' Council meet as soon as practicable following the date of adoption of these Articles in order to consider the rules for the operation of the Contractors' Council. The rules of operation of the Contractors' Council shall be a matter for that first Contractors' Council meeting but for the purposes of that first meeting only

- (a) the Contractor Joint Chairman shall be the chairman of the meeting,
- (b) the Contractor Joint Chairman shall procure that seven days' notice at least is given of the meeting specifying the place, the day and the hour of the meeting and enclosing an agenda of the business to be discussed at the meeting,
- (c) the quorum necessary for the transaction of business of the Contractors' Council shall be fifty percent of the Contractors' Council Members,
- (d) the Contractors' Council shall endeavour to reach consensus on the rules for the operation of the Contractors' Council, failing which the Contractor Joint Chairman shall procure that the matter is put to a vote for which each member of the Contractors' Council Member shall be entitled to cast a single vote, and
- (e) in order to pass any matter which is put to a vote at the meeting, there must be a majority of three fifths of all votes cast

#### ACCOUNTS

100 The Board shall cause proper books of account to be kept with respect to

- (A) all sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place,
- (B) all sales and purchases of goods by the Association, and
- (C) the assets and liabilities of the Association

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the affairs of the Association and to explain its transactions

- 101 The books of account shall be kept at the Office or, subject to the Companies Acts, at such other place or places as the Board shall think fit, and shall always be open to inspection by the members of the Board. The Board may from time to time impose reasonable restrictions as to the time and manner of the inspection by the Members of the accounts and books of the Association or any of them, but, subject to such restrictions, the accounts and books of the Association shall be open to the inspection of the Members at all reasonable times during business hours.

#### REGISTER OF MEMBERS

- 102 A Register shall be kept by the Association containing the names and addresses of all the Members, together with such other particulars as may be required by the Companies Acts.

#### NOTICES

- 103 A notice may be served by the Association upon any Member, either personally or by sending it through the post in a prepaid first class letter, addressed to such Member at its registered address as appearing in the register of Members or by fax or electronic mail to a number or address provided by the Member for this purpose or by leaving it at that registered address addressed to the Member or by any other means authorized in writing by the Member concerned.
- 104 Any Member described in the register of Members by an address not within the United Kingdom, which shall from time to time give the Association an address within the United Kingdom at which notices may be served upon it, shall be entitled to have notices served upon it at such address, but save as aforesaid and as provided by the Companies Act, only those Members that are described in the register of Members by an address within the United Kingdom shall be entitled to receive notices from the Association.
- 105 Any notice or other document, if served by post, shall be deemed to have been served on the day following that on which the letter containing the notice is put into the post, and in proving such service or delivery it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter. Any notice or other document not sent by post but left at a registered address or sent by fax or electronic mail or other instantaneous means of transmission shall be deemed to have been served or delivered on the day it was so left or sent. Any notice or other document served or delivered by any other means authorised in writing by the Member concerned shall be deemed to have been served when the Association has carried out the action it has been authorised to take for that purpose.

#### DISSOLUTION

- 106 Clause 9 of the Memorandum of Association of the Association relating to the winding up and dissolution of the Association shall have effect as if the provisions thereof were repeated in these Articles.

## LEGAL PROCEEDINGS

- 107 No legal proceedings shall be taken by or on behalf of the Association unless they have been previously approved by the Board

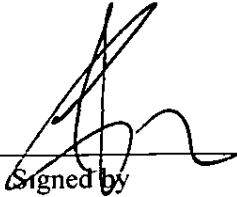
## THE SEAL

- 108 The Board shall provide for the custody of every Seal of the Association. The Seal shall only be used by the authority of the Board. Subject as otherwise provided in these Articles, any instrument to which the Seal is applied shall be signed by at least one Board member and the Secretary or Chief Executive or by at least two Board members. The signatures shall be conclusive evidence of the fact that that Seal has been properly affixed in favour of any purchaser or person bona fide dealing with the Association.

## INDEMNITY

- 109 Subject to the provisions of the Companies Acts, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, the Company hereby provides to every member of the Board, the Secretary and every other officer of the Association or of any associated company an indemnity against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Association or any associated company provided that such indemnity shall not apply to any liability referred to in sub-sections (2), (3) or (4) of section 309B of the Companies Act 1985 (such that the foregoing indemnity shall constitute a qualifying third party indemnity within the meaning of the said section 309B), and, subject as aforesaid, the Association may for every member of the Board, the Secretary and every other officer of the Association or of any associated company (a) provide funds to meet expenditure in defending proceedings or in connection with applications of the types referred to in sub-section (1) of, and do anything envisaged in sub-section (3) of, Section 337A of the Companies Act 1985, and (b) purchase and maintain insurance against any liability which by virtue of any law would attach to him in respect of any such negligence, default, breach of duty or breach of trust. In this Article "associated company" shall have the meaning given in section 309A (6) of the Companies Act 1985.

The foregoing is a print of the articles of association of The United Kingdom Offshore Oil and Gas Industry Association Limited originally adopted by Special Resolution passed on 19 April 2007, amended in respect of section 49 by Special Resolution on the 7 December 2011



Signed by  
For and on behalf of

Dated 7th December 2011

Graham Elgie  
Company Secretary

THE COMPANIES ACTS

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COMPANY LIMITED BY GUARANTEE AND NOT  
HAVING A SHARE CAPITAL

---

ARTICLES OF ASSOCIATION

OF

THE UNITED KINGDOM OFFSHORE OIL AND GAS INDUSTRY ASSOCIATION LIMITED

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