

**THE COMPANIES ACTS 1948 TO 1967  
THE COMPANIES ACT 1985  
THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE AND NOT  
HAVING A SHARE CAPITAL**

**Articles of Association**

**OF**

**THE OFFSHORE POLLUTION LIABILITY  
ASSOCIATION LIMITED**

(As altered by Special Resolutions dated 14th December, 1976, 5th May, 1977,

22nd May, 1979, 1st July, 1986, 4th July, 1996, 6th July, 2005 and 3rd December, 2009

(effective 1 January 2010))

**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 :

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<b>WORDS</b>	<b>MEANINGS</b>
The Association	The Offshore Pollution Liability Association Limited.
The Statutes	The Companies Act 1985, and every other Act for the time being in force concerning companies and affecting the Association.
These Articles	These Articles of Association as originally framed or as altered from time to time by Special Resolution.

OPOL	The Agreement referred to in Clause 3 (1) of the Memorandum of Association of the Association.
Member	A member of the Association.
Associate	In relation to any member of the Association means that member's holding company and any other subsidiary for the time being of such holding company.
The Rules	The Rules as made or as altered or added to from time to time as hereinafter provided.
Register of Members	The Register of Members of the Association kept by the Association pursuant to the Statutes in that behalf.
The Office	The Registered Office for the time being of the Association.
The Seal	The Common Seal of the Association.
The Chairman	The Chairman for the time being of the Board of Directors.
The United Kingdom	Great Britain and Northern Ireland.
In writing	Written, printed or lithographed, or visibly expressed in all or any of those or any other modes of representing or reproducing words.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

The expression "Secretary" shall (subject to the provisions of the Statutes) include an assistant or deputy secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Subject as aforesaid, any words or expressions defined in the Appendix to these Articles, in OPOL or the statutes shall, if not inconsistent with the subject or context, bear the same meanings in these Articles.

## **MEMBERSHIP**

- 2** The Association shall consist of an unlimited number of members.
- 3**
  - A** Every party to OPOL shall be eligible for membership of the Association.
  - B** Any party to OPOL shall upon signing and delivering to the Association an application in such form as may from time to time be prescribed by the Directors become a Member.
  - C** Membership shall not be transferable or transmissible.
- 4**
  - A** There shall be Rules of the Association for (i) determining the manner in which Operators shall be required to establish their financial responsibility to fulfil their obligations under OPOL and (ii) for regulating the business of the Association in relation to the filing and processing of claims made pursuant to the provisions of OPOL and such other Rules (if any) as may be considered necessary or desirable for the administration and implementation of OPOL or conducive to the attainment of the objects of the Association.
  - B** The first Rules shall be made by the Directors and shall remain in force until altered, added to or revoked as hereinafter in this Article provided.
  - C** The Rules for the time being in force may be altered, added to or revoked by the Association in General Meeting.

## **SUBSCRIPTIONS AND CONTRIBUTIONS**

- 5** Every Member shall in respect of each year ending 31st December (each such year being hereinafter referred to as “a financial year”) during any part of which it is a Member pay to the Association a subscription or subscriptions calculated in accordance with the provisions of paragraph 2 of the Appendix to these Articles or

such other amount as the Association in General Meeting may at any time or from time to time decide.

- 6** In the case of a Member which is not a Member on the 1st January in a financial year the amount of its subscription or subscriptions in respect of such financial year shall be calculated by multiplying the subscription or subscriptions for such financial year by the number of days from the date on which it becomes a Member to the next succeeding 31st December (both dates inclusive) and by dividing the result by the number of days in such financial year.
- 7** Every Member and former Member which on any relevant Incident Date (as defined in the Appendix to these Articles) was a Member and had prior to that date made OPOL applicable to any Accountable Unit (as so defined) shall pay to the Association a contribution towards the amount required to enable payment to be made to Claimants pursuant to Clause III of OPOL in relation to the relevant Incident as calculated in accordance with the provisions of paragraph 3 of the Appendix to these Articles provided that Members shall have no obligation under this Article (a) with respect to any Party who, at the time of the relevant Incident had failed to establish or maintain financial responsibility as provided in Clause II.C.2 of OPOL or (b) with respect to a Person who had ceased to be a Member or a Party at the time of the relevant Incident
- 8** Every subscription and contribution due from a Member or former Member pursuant to the provisions of these Articles shall be payable within thirty days of the service by the Association on such Member or former Member of a notice as to the amount of such subscription or contribution.

#### **CESSER OF MEMBERSHIP**

- 9**     **A**     A Member shall ipso facto cease to be a Member:

  - (i)**     if it ceases to be a party to OPOL;
  - (ii)**    if it be wound up or dissolved;

(iii) if it fail to fulfil its obligations under OPOL or to pay any subscription or contribution due from it to the Association for a period of sixty days after the same shall have become payable and the Directors resolve that it cease to be a Member; or

(iv) if it resign by notice in writing to the Association.

**B** A Member which ceases to be a Member, and its liquidator, shall, notwithstanding such cesser, be and remain liable to pay to the Association (i) all moneys which under Articles 5 and 6 hereof such Member would, had it not ceased to be a Member, have been liable to pay to the Association in respect of any period down to the end of the financial year current at the date of such cesser and (ii) all moneys which under Article 7 hereof such Member would, had it not ceased to be a Member, have been liable to pay to the Association in respect of every Incident which occurred on or before the date of such cesser of membership.

#### **GENERAL MEETINGS**

**10** The Association shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Association and that of the next: Provided that so long as the Association holds its first Annual General Meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Directors shall determine. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

**11** The Directors may at any time call an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as is provided by the Statutes.

## **NOTICE OF GENERAL MEETINGS**

- 12** In the case of an Annual General Meeting or of a meeting for the passing of a Special Resolution twenty-one clear days' notice at the least, and in any other case fourteen clear days' notice at the least, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business (and in the case of an Annual General Meeting specifying the meeting as such), shall be given in writing in manner hereinafter mentioned to all the Members (other than those who under the provisions of these Articles are not entitled to receive the notice) and to the Auditors for the time being of the Association.
- 13** Subject to the provisions of the Statutes, it shall be the duty of the Association on the requisition in writing of such number of Members as is specified in the Statutes and (unless the Association otherwise resolves) at the expense of the requisitionists to give to Members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting and to circulate to Members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
- 14** The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice thereof shall not invalidate the proceedings at any General Meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 15** All business shall be deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting shall also be deemed special with the exception of the consideration of the Accounts, Balance Sheet and Reports of the Directors and Auditors, the appointment of Directors in the place of those retiring by rotation or otherwise and the appointment and the fixing of the remuneration of the Auditors.

- 16 Where by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty-eight days (or such shorter period as the Statutes permit) before the meeting at which it is moved, and the Association shall give to the Members notice of any such resolution as required by and in accordance with the provisions of the Statutes.
- 17 No business shall be transacted at any General Meeting unless a quorum is present. Save as in the Articles otherwise provided five Members present in person or by proxy shall be a quorum but so that not less than five individuals shall constitute the quorum.
- 18 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the next following day at the same time and place or to such other day (not being more than forty-eight hours after the time appointed for the original meeting) and at such time and place as the Directors may determine and, if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.
- 19 The chairman of a meeting may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. Whenever a meeting is adjourned for fourteen days or more, seven clear days' notice at the least specifying the place, the day and the hour of the adjourned meeting shall be given as in the case of the original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no Member shall be entitled to any notice of an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- 20 The Chairman (if any) or in his absence some other Director nominated by the Directors shall preside at every General Meeting but, if at any meeting neither the

Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the same or if neither of them be willing to act as chairman of the meeting, the Directors present shall choose some Director present to be chairman of the meeting or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose some Member present to be chairman of the meeting.

- 21** At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman of the meeting or by any Member having the right to vote at the meeting.
- 22** The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll and for the purposes of the last preceding Article a demand by a person as proxy for a Member shall be the same as a demand by the Member.
- 23** A poll demanded on any question shall be taken forthwith. A poll shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. 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 a poll has been demanded.
- 24** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

- 25** A corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Association and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that

corporation could exercise if it were an individual Member and that corporation shall be deemed to be personally present by such representative.

#### **VOTES OF MEMBERS**

- 26**    **A**    Every Member present at a General Meeting in person shall have one vote on a show of hands.
- B**    On a poll every Member which is present at a General Meeting in person or by proxy shall have the number of votes to which it is entitled as provided by paragraph 4 of the Appendix to these Articles.
- 27**    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. 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 book containing the minutes of proceedings 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.
- 28**    The instrument appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised either under its common seal or under the hand of an officer or attorney so authorised.
- 29**    No person shall be appointed to be a proxy unless he is a Member of the Association, or is a person who has been appointed pursuant to Article 25 to act at the relevant meeting of the Association as the representative of a corporation which is a Member.
- 30**    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 in the United Kingdom as is specified for the purpose in the notice convening the meeting or in the

instrument of proxy issued by the Association 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 and in default the instrument of proxy shall not be treated as valid.

- 31** An instrument of proxy may be in any usual or common form or in any other form which the Directors may approve. Instruments of proxy need not be witnessed.
- 32** The Directors may at the expense of the Association send by post or otherwise to the Members instruments of proxy with or without stamped envelopes for their return for use at any General Meeting, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Association, such invitations shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.
- 33** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no intimation of such revocation shall have been received by the Association at the Office three hours at least before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

## **DIRECTORS**

- 34** The number of Directors (exclusive of the Managing Director) shall be not less than six nor more than fifteen.
- 35** No one shall be eligible for appointment or re-appointment as a Director unless he is a director of or employed in a senior capacity by a Member or by an Associate of that Member.
- 36** The Directors (other than the Managing Director) shall not be entitled to be paid their expenses for travelling to and from meetings of the Directors or Committees of

the Directors or General Meetings of the Association or any other expenses incurred by them in or about the performance of their duties as Directors.

#### **APPOINTMENT, ROTATION, DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 37** The first Directors shall be appointed in writing by the subscribers to the Memorandum of Association of the Association.
- 38** One-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third shall retire from office at each Annual General Meeting: Provided that at the first Annual General Meeting of the Association all the Directors for the time being shall retire from office.
- 39** Subject to the provisions of the Statutes and of these Articles, the Directors to retire at each Annual General Meeting shall be the Directors who have been longest in office since their last appointment. As between Directors of equal seniority the Directors to retire shall in the absence of agreement among them be selected by lot. Subject as aforesaid, a retiring Director shall be eligible for re-appointment and shall act as a Director throughout the meeting at which he retires.
- 40** The Association may by Ordinary Resolution at the meeting at which any Director retires in manner aforesaid fill up the vacated office by appointing a person thereto and in default the retiring Director, if willing to act, shall be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill such vacated office or a resolution for the reappointment of such Director shall have been put to the meeting and lost.
- 41** No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of Director at any General Meeting unless, within the prescribed time before the day appointed for the meeting, there shall have been given to the Association notice in writing by some member duly qualified to be present and vote at the meeting of his intention to propose such person for appointment and also notice in writing signed by the person to be proposed of his willingness to be appointed. The prescribed time

above mentioned shall be such that between the date when the notice is served or deemed to be served and the day appointed for the meeting there shall be not less than seven nor more than forty-five clear days.

- 42** The Association may by Ordinary Resolution increase or reduce the number of Directors and determine in what rotation such increased or reduced number shall go out of office and, if the number is increased, may (subject to the provisions of the last preceding Article) make any appointments necessary to fill the vacancies thereby created.
- 43** The Directors may from time to time and at any time appoint any eligible person to be a Director either to fill a casual vacancy or as an additional Director, provided that the total number of Directors shall not exceed the maximum number fixed by or in accordance with these Articles. Subject to the provisions of the Statutes, a Director so appointed shall hold office only until the conclusion of the Annual General Meeting following next after his appointment, when he shall retire. A Director who retires under this Article shall be eligible for re-appointment at the meeting but shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire at such meeting.
- 44** The office of a Director shall ipso facto be vacated -
- A** if he ceases to be eligible for appointment as a Director;
  - B** if a receiving order be made against him or he make any arrangement or composition with his creditors generally;
  - C** if he becomes incapable by reason of mental disorder of managing and administering his property and affairs;
  - D** if he ceases to be a Director or be prohibited from being a Director by an Order made under any provision of the Statutes;
  - E** if he resigns his office by notice in writing to the Association; and
  - F** if, being the Managing Director, he ceases to be the Managing Director.

**45** In addition to any power to remove a Director conferred on the Association by the Statutes, the Association may by Extraordinary Resolution remove any Director before the expiration of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. The person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.

#### **MANAGING DIRECTOR**

**46 A** The Directors shall have power from time to time and at any time to appoint any person to be a Director and the Managing Director of the Association and to remove from office any person so appointed and so that not more than one person shall at any time hold office as a Director and the Managing Director by virtue of any such appointment.

**B** A Managing Director shall not be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire by rotation.

**C** The appointment of any Managing Director shall be on such terms as to remuneration and otherwise as the Directors may determine and the Directors may confer upon the Managing Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw or vary all or any of such powers.

**D** The Managing Director shall not vote, nor shall he be counted in the quorum present, at any meeting of the Directors.

#### **ALTERNATE DIRECTORS**

**47** A Director (other than the Managing Director) may from time to time and at any time, by an instrument in writing under his hand deposited at the Office, appoint any

person (being a person eligible to be appointed a Director) to be his alternate Director and remove any alternate Director so appointed from office and appoint another person to be an alternate Director in his stead. If a Director ceases to hold the office of Director or if his alternate ceases to be eligible for appointment as a Director, the appointment of such alternate Director shall ipso facto cease: Provided that, if any Director retires but is re-appointed or is deemed to have been re-appointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall continue to operate after his re-appointment as if he had not so retired. Every alternate Director shall also be entitled, in the absence from the United Kingdom of the Director appointing him, to sign on his behalf a resolution in writing of the Directors.

- 48** Every alternate Director shall be entitled to notice of meetings of the Directors as if he were a Director and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally to have and exercise at such meeting all the powers, rights, duties and authorities of a Director. Every alternate Director shall be an officer of the Association and shall not be deemed to be the agent of the Director appointing him.

#### **POWERS OF DIRECTORS**

- 49** The business of the Association shall be managed by the Directors who may pay all such expenses of and preliminary and incidental to the promotion, formation and registration of the Association and 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 the Statutes or by these Articles required to be exercised or done by the Association in General Meeting, subject nevertheless to any regulations of these Articles and to the provisions of the Statutes.

- 50** Without prejudice to the generality of the foregoing provisions:

**A** The Directors may make such arrangements as may be thought fit for the management of the Association's affairs in the United Kingdom or abroad and may for this purpose appoint local boards, attorneys and agents and fix

their remuneration and may delegate to them such powers as may be deemed requisite or expedient.

**B** The Directors may from time to time and at any time by power of attorney under the Seal or under an instrument signed by any two Directors or by a Director and the Secretary appoint any corporation or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Association for such purposes and with such powers, duties and discretions (not exceeding those vested in or exercisable by the Directors under these Articles or the Rules) for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Directors may think fit, and may authorise any such attorney to sub-delegate all or any of the powers, duties and discretions vested in him.

**C** The Directors may exercise all the powers of the Association to borrow money and to mortgage or charge its undertaking and property or any part thereof or to issue debentures and other securities.

**51** A Director may hold any other office or place of profit under the Association (except that of Auditor) in conjunction with his office of Director and may act in a professional capacity to the Association on such terms as to remuneration and otherwise as the Directors shall arrange.

**52** No Director shall be disqualified by his office from contracting with the Association either as vendor, purchaser or otherwise nor shall any such contract or any contract, matter or arrangement entered into by or on behalf of the Association in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Association for any profit realised by any such contract, matter or arrangement by reason of such Director holding that of office or of the fiduciary relationship thereby established. The nature of a Director's interest in any such contract, matter or arrangement must be declared by him at the meeting of the Directors at which the question of entering

into the same is first taken into consideration or, if the Director is not at the date of that meeting interested therein, at the next meeting of the Directors held after he becomes so interested and, in a case where the Director becomes interested in any such contract, matter or arrangement which may after the date of such notice be made or arise with such firm or company shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be a sufficient declaration of interest in relation to all such contracts, matters or arrangements under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular contract, matter or arrangement made or arising with such firm or company.

- 53** A Director may as a Director vote, and be counted in the quorum present upon a motion, in respect of any contract, matter or arrangement which he shall make with the Association or in which he is so interested as aforesaid.
- 54** 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 require in such manner as the Directors shall from time to time determine.
- 55** The Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Association, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution of their duties or powers or otherwise in relation to their duties, powers or offices in relation to the Association.

#### **PROCEEDINGS OF DIRECTORS**

- 56** The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall not be entitled to a second or casting vote.

- 57 The Chairman may, and on the request of a Director the Secretary shall, at anytime summon a meeting of the Directors.
- 58 The quorum necessary for the transaction of the business of the Directors shall be three or such higher number as from time to time may be fixed by the Directors.
- 59 The continuing Directors may at any time act notwithstanding any vacancy in their body: Provided that in case the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles the continuing Directors may act for the purpose of appointing an additional Director or Directors to make up such minimum or of summoning a General Meeting of the Association but for no other purpose.
- 60 The Directors may from time to time appoint and remove a Chairman. The Chairman shall preside at all meetings of the Directors but, if no such Chairman be appointed or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of such meeting.
- 61 The Directors may delegate any of their powers, duties or discretions to Committees consisting of such one or more members of their body as they think fit. Any Committee so formed shall in the exercise of any power, duty or discretion so delegated conform to any regulations that may from time to time be imposed upon it by the Directors.
- 62 The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
- 63 All acts bona fide done by any meeting of Directors or of a Committee of the Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or

had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, was qualified and had continued to be a Director and had been entitled to vote.

**64** The Directors shall cause proper minutes to be made of all proceedings of General Meetings of the Association and of meetings of Directors and Committees of Directors and of the attendances thereat and of all appointments of officers made by the Directors.

**65** A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution duly passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more Directors.

#### **SECRETARY**

**66** The Secretary shall be appointed by the Directors. Anything by the Statutes required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Association authorised generally or specially in that behalf by the Directors: Provided that any provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in the place of, the Secretary.

#### **THE SEAL**

**67 A** Whether or not the Association has a Seal, a document signed by two Directors or by one Director and the Secretary and expressed (in whatever form of words) to be executed by the Association shall have the same effect as if executed under the Seal. Article 67(B) hereof shall apply if the Association has a Seal.

**B** The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of a resolution of the Directors. The Directors may from time to time make such regulations as they see fit determining the persons and the number of such persons in whose presence the Seal shall be used, and until otherwise so determined the Seal shall be affixed in the presence of at least two Directors or of one Director and the Secretary.

**68** The Association may have an official Seal for use abroad under the provisions of the Statutes where and as the Directors shall determine, and the Directors may by writing under the Seal or under an instrument signed by any two Directors or one Director and the Secretary appoint any agent or committee abroad to be the duly authorised agent of the Association for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official Seal as aforesaid.

## **RESERVES**

**69** Any moneys for the time being in the hands of the Association and not immediately required to meet any expenses and outgoings to which under these Articles the same are applicable may be carried to such reserve or reserves as the Directors think proper. Any moneys for the time being standing to the credit of any reserve or reserves may be invested in such investments as the Directors think fit.

## **ACCOUNTS**

**70** The Directors shall cause proper accounts to be kept in accordance with the provisions of the Statutes.

**71** The books of account shall be kept at the Office or (subject to the provisions of the Statutes) at such other place as the Directors shall think fit, and shall always be open to the inspection of the Directors. No Member (not being a Director) shall have any right of inspecting any account or book or document of the Association except as conferred by law or authorised by the Directors.

- 72 The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Association in General Meeting such income and expenditure accounts, accounts, balance sheets and reports as are specified in the Statutes.
- 73 A copy of every Balance Sheet (including every document required by the Statutes to be annexed thereto) which is to be laid before the Association in General Meeting, together with a copy of the Auditors' Report, shall, twenty-one days at least before the date of the meeting, be delivered or sent by post to the registered address of every Member and to the Auditors.

#### **NOTICES**

- 74 A notice or other document may be served by the Association upon any Member either personally or in the case of a notice of a meeting by sending it through the post in a prepaid letter or, in the case of any other notice or document, by sending it through the post in a prepaid letter or by sending it by facsimile transmission or telex addressed to such Member at its address as appearing in the Register of Members.
- 75 Any Member described in the Register of Members by an address not within the United Kingdom, who shall from time to time give the Association an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, which shall be deemed to be its address as appearing in the Register of Members for the purposes of the last preceding Article.
- 76 Any notice or other document if served by post shall be deemed to have been served on the fifth day following that on which the letter containing the same was put into the post, and to prove such service 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 if served by facsimile transmission or telex shall be deemed to have been served on the day on which it is despatched, and to prove such service it shall be sufficient proof that the notice or other document was duly despatched.

## **WINDING UP**

77 In the event of the Association being wound up, the assets of the Association remaining after the payment of all the debts and liabilities of the Association and all costs, charges and expenses of winding-up the Liquidator may, with the sanction of an Ordinary Resolution, divide among the Members in specie the whole or any part of the assets of the Association whether such assets shall consist of property of one kind or of properties of different kinds and may for such purpose set such value as he deems fair upon each kind of property and determine how such division shall be carried out as between the Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator, with the like authority, shall think fit and the liquidation of the Association may be closed and the Association dissolved.

## **INDEMNITY**

78 Notwithstanding Article 36 hereof and except as prohibited by law, every Director or other officer of the Association (including an Auditor) shall be indemnified by the Association against any costs, expenses, loss or liability incurred in respect of any proceedings brought against that Director or officer, whether civil or criminal, arising from the execution of, or otherwise in relation to, his office.

## APPENDIX

1 For the purposes of this Appendix:

(a) “Drilling Unit” means a mobile unit of any type being used for offshore drilling purposes.

(b) “Production Platform” means a complex comprising:

(i) a fixed or floating offshore structure or facility erected or positioned for the purpose of producing Oil from the seabed or its subsoil other than a structure designed solely to accommodate personnel or, when serving the purpose of such a single structure, a series of such structures; and

(ii) the completed underwater oil well or wells within the same oilfield served by such a structure or series of such structures; and

(iii) the flarelines and flowlines from such completed underwater oil well or wells; and

(iv) the intra-field pipelines (flowlines) from one such structure to another such structure.

(c) “Oil Storage/Loading System” means an offshore fixed or floating Oil storage facility together with any associated offshore Oil loading facilities.

(d) “Pipeline System” means either:

(i) a trunk line from an oil field to shore; or

(ii) a feeder line from an oil field to a trunk line; or

(iii) a feeder line from an oil field to another feeder line;

including any intra-field feeder lines (flowlines), pumping booster stations and connecting stations associated with (i), (ii) or (iii) above.

- (e) “Oil Loading System” means a system comprising all offshore Oil loading facilities associated with a Production Platform which are not part of an Oil Storage/Loading System or of a Pipeline System.
- (f) “Accountable Unit” means any of the following units to which OPOL has been made applicable in accordance with the terms thereof:
  - (i) Drilling Unit;
  - (ii) Production Platform;
  - (iii) Oil Storage/Loading System;
  - (iv) Oil Loading System;
  - (v) Pipeline System; and
  - (vi) any other unit which, although not strictly falling within any of heads (i) to (v) above, the Directors of the Association shall from time to time in their absolute discretion decide to treat as if it fell within any of such heads;

Provided that any such Drilling Unit, Production Platform, Oil Storage/Loading System, Oil Loading System, or Pipeline System which is for the time being in use in support of an operation in relation solely to the production, treatment, storage or transport of, gas or natural gas liquids shall not whilst being so used be capable of being an Accountable Unit for the purposes of this Appendix.

- (g) “the Relevant Incident Date” means, in relation to any payment to be administered by the Association in accordance with the provisions of OPOL, on or before midnight G.M.T. on the day preceding the date of the Incident giving rise to the Claim or Claims resulting in the Association being called upon to administer such payment.

- 2
- (a) The subscriptions payable in accordance with Articles 5 and 6 by each Member in respect of each financial year shall be calculated as hereinafter provided.
  - (b) The Directors shall not later than the 31st December in each year determine the total subscription income (hereinafter referred to as “the subscription target”) which the Directors consider will be required by the Association during the following financial year in addition (i) to the surplus funds (if any) estimated to be available at the commencement of such following financial year and (ii) to any investment income anticipated to be received in such following financial year to enable the Association (A) to meet the general expenses expected to be incurred by the Association during such following financial year, (B) to meet any deficit which has been incurred by the Association prior to the commencement of such following financial year, (C) to meet any taxation payable by the Association and (D) to make such transfers to reserves and provisions as the Directors may think fit.
  - (c) A subscription shall be payable by every Member in respect of each year ending 31st December during any part of which it is a Member. The subscription for each year shall be determined by the Directors and shall be calculated by dividing (A) the subscription target for such year by (B) the aggregate of the number of Members at 1<sup>st</sup> January of such year.
  - (d) Every subscription shall be payable in such instalments as the Directors may specify.
  - (e) Notice of the subscription due from a Member shall be served upon such Member who shall thereupon become liable to pay it to the Association as required by Article 8.
  - (f) A Member who ceases to be a Member shall not be entitled to a refund of the whole or any part of the subscription paid by it in respect of the year in which it ceased to be a Member.

- 3** The contribution payable in accordance with Article 7 by every Member and former Member which was a Member on any Relevant Incident Date shall be:
- (a)** the total actual sum required to meet the amount to be paid to Claimants pursuant to Article 7 and Clause III of OPOL in relation to the relevant Incident; multiplied by
  - (b)** the number of Accountable Units to which such Member or former Member had made OPOL applicable and to which OPOL continued to be applicable on the Relevant Incident Date; divided by
  - (c)** the total number of Accountable Units to which OPOL was applicable as at the Relevant Incident Date less the number of Accountable Units to which OPOL had been made applicable (and to which OPOL was applicable at the Relevant Incident Date) by the Member or former Member through whose failure to satisfy obligations to Claimants pursuant to OPOL the remaining Members are required to pay a contribution in accordance with Article 7.
- 4** The number of votes which in accordance with Article 26 (B) every Member present at a General Meeting in person or by proxy shall have on a poll shall be the aggregate of:
- (a)** one; plus
  - (b)** one vote for each Production Platform, Oil Storage/Loading System, Oil Loading System or Pipeline System to which such Member had made OPOL applicable as at midnight G.M.T. on the date upon which the notice convening the meeting at which the poll is taken was put into the post or sent by facsimile transmission or telexed as the case may be; plus
  - (c)** one vote for each Drilling Unit to which such Member had made OPOL applicable and which had been operated by such Member at any time during the twelve calendar months preceding midnight G.M.T. on such date.

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**NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS**

---

C. C. FULLER, President,  
for and on behalf of  
Amoco (U.K.) Exploration Company,  
59 Haymarket, London S.W.1.

C. H. BAND, Director,  
for and on behalf of  
Burmah Oil (North Sea) Limited,  
Salisbury House, London Wall,  
London EC2M 5XQ.

W. J. GEORGE,  
for and on behalf of  
BP Petroleum Development Limited,  
Britannic House, Moor Lane,  
London EC2Y 9BU.

J. L. DANIAUD,  
for and on behalf of  
Total Oil Marine Limited,  
Glen House, Stag Place,  
London S.W.1.

J. J. REYNOLDS,  
for and on behalf of  
Conoco North Sea Inc.,  
118 Park Street, London W.1.

L. W. WELCH, Jr., President,  
for and on behalf of  
Esso Exploration and Production U.K. Inc.,  
5 Hanover Square,  
London W1R 0HQ.

J. P. HUIE,  
for and on behalf of  
Gulf Oil Production Company,  
Gulf House, 2 Portman Street,  
London W.1.

ROBERT DYK, U.K. Manager,  
for and on behalf of  
Hamilton Brothers Oil Co. (G.B.) Limited,  
19 St. James's Square,

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**NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS**

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London S.W.1.

B. O. SIMS, Jnr.,  
for and on behalf of  
Mobil North Sea Limited,  
Mobil House, London S.W.1.

E. G. EVERETT,  
for and on behalf of  
Shell U.K. Limited,  
Shell Centre, London S.E.1.

PAUL J. SHANOR,  
for and on behalf of  
Phillips Petroleum Company,  
Portland House, Stag Place,  
London S.W.1.

R. T. SCHWAB, Director,  
for and on behalf of  
Signal Oil and Gas Company Limited,  
173-176 Sloane Street,  
London S.W.1.

BEN H. MARTIN, Manager,  
for and on behalf of  
Siebens Oil and Gas (U.K.) Limited,  
14 Waterloo Place,  
London SW1Y 4AR.

J. M. WILLIAMS, Chairman,  
for and on behalf of  
Texaco North Sea U.K. Company,  
1 Knightsbridge Green,  
London S.W.1.

H. M. BRANTLEY,  
North Sea Sun Oil Company Limited,  
44-48 Dover Street,  
London.

D.L. LUX,  
for and on behalf of  
Cluff Oil Limited,  
13 Park Place, London S.W.1.

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DATED the 20th day of August, 1974.

WITNESS to the above signatures:

D. H. GODDARD,  
Legal Executive with  
Richards, Butler & Co.,  
Stone House,  
128-140 Bishopsgate,  
London E.C.2