

THE COMPANIES ACTS

COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

STEP CHANGE IN SAFETY LIMITED

GENERAL

- 1** (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

Application Form

shall have the meaning ascribed to it in Article 12

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

Step Change in Safety Limited.

Associate Member

means a Relevant Entity that has been admitted to associate membership of the Association in accordance with Article 12.

Auditors

the duly appointed auditors of the Association from time to time.

the Board

the board of directors of the Association.

WORDS

MEANINGS

Board Member

means a director of the Association.

Co-Chairs

means each of the Contractor Co-chair and the Operator Co-chair.

the Companies Acts

the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Association.

Contractor Board Representative

has the meaning assigned to it under Article 40(3).

Contractor Co-Chair

the person appointed as the Contractor Co-chair of the Leadership Team from time to time.

Industry

means the energy industry and includes, for the avoidance of doubt, all forms of energy, including, without limitation, the renewable and oil and gas industries.

Executive Director

the Executive Director officer of the Association, appointed by the Board in accordance with Article 57.

Leadership Team

the leadership team of the Association as constituted from time to time.

Member

means the Ordinary Members and the Associate Members.

Member Representative

such person that is appointed by a Member in accordance with Article 36 to represent it in its capacity as a Member and to exercise its rights, on its behalf, under these Articles.

Membership Class

the categories of membership that are set out in Article 8.

month

calendar month.

Notice of Appeal

shall have the meaning ascribed to it in Article 13.

Notice of Rejection

shall have the meaning ascribed to it in Article 12(3).

Notice of Termination

shall have the meaning ascribed to it in Article 16(4).

WORDS

MEANINGS

the Office	the registered office of the Association.
Operator Board Representative	has the meaning assigned to it under Article 40(2).
Operator Co-Chair	the person appointed as the operator co-chair of the Leadership Team from time to time.
Ordinary Member	means a member of the Company that is registered as such in the books of the Association.
Petroleum	as defined in The Petroleum Act 1998.
Proposed Budget	the Proposed Budget of the Association for each forthcoming year.
Qualifying Criteria	the criteria for each Membership Class set out in Article 8.
Regulatory Observer	shall have the meaning ascribed to it in Article 46.
Regulatory Member	means a Member that has been admitted to Membership Class H.
Relevant Entity	means a company, corporation, firm or other organisation that is either engaged in, in any capacity, or has an interest in, the Industry.
Termination Notice of Appeal	shall have the meaning ascribed to it in Article 16.
Trade Association Board Representative	has the meaning assigned to it under Article 40(4)
Trade Union Member	means a Member that has been admitted to Membership Class G.
the United Kingdom	Great Britain and Northern Ireland.
UKCS	means the United Kingdom Continental Shelf.

WORDS

MEANINGS

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.

- (2) Any words importing the singular number only shall include the plural number, and vice versa.
- (3) Words importing one gender only shall include all genders.
- (4) Words importing persons shall include corporations.
- (5) 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).
- (6) Headings and notes are included for convenience only and shall not affect construction.

OBJECT AND POWERS

- 2** The objects for which the Association is established are to deliver continuous improvements in the Industry's process, personal and transport safety performance and any matters reasonably ancillary thereto.
- 3** Subject to the provisions of Article 4, the Association shall have the power to do all things incidental or conducive to the objects set out in Article 2, and further, it shall specifically have the following powers:-
 - (1) to promote and organise co-operation in the achievement of the objects set out in Article 2 and to that end to bring together individuals and representatives of relevant corporations, company's, firms, associations, authorities, bodies and organisations and to co-operate with any other body or organisation;
 - (2) to obtain, collect and receive money and funds by way of contributions, donations, affiliation fees, subscriptions, grants, loans any other lawful method, and to take, accept and receive legacies, gifts and bequests of property of any description (and whether subject to any special trust or not), and to issue and make appeals and to take such other steps as may be required for the purpose of procuring contributions to the funds of the Company by way of donations, affiliation fees, subscriptions, grants,

loans, legacies, gifts and bequests of any property (whether subject to any special trust or not) and any other lawful method;

- (3) to act as a source of information and advice to its Members, central government, local authorities, universities and other organisations both nationally and internationally;
- (4) to promote, encourage and / or facilitate research into, and the study of matters connected in any way with, the objects set out in Article 2;
- (5) to gather, produce and distribute information; and
- (6) to publish newspapers, periodicals, books, leaflets, reports and other publications and to present, promote, organise, provide, manage and produce films, broadcasts, meetings, seminars, classes, courses, lectures and exhibitions, whether on the premises of the Association or elsewhere, and to levy such charges as the Board may think fit in connection with the foregoing.

- 4**
- (1) The income and property of the Association shall be applied solely towards promoting the objects set out in Article 2.
 - (2) No part of the income or property of the Association shall be paid or transferred (directly or indirectly) to the Members of the Association, whether by dividend, bonus or otherwise.
 - (3) No director of the Association (other than the Executive Director) shall be appointed as a paid employee of the Association; no director (other than the Executive Director) shall hold any office under the Association for which a salary or fee is payable.
 - (4) If upon the winding-up or dissolution of the Association there remains, after the satisfaction of all the Association's debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members but shall be given or transferred to some other body or bodies having objects similar to the objects set out in Article 2 or to another body the objects of which are the promotion of charity and anything incidental or conducive thereto, and which prohibits or prohibit the distribution of its or their income and property to its or their members to an extent at least as great as is imposed on the Association under or by virtue of this Article 4, such body or bodies to be determined by the Members at the time of dissolution, and in so far as effect cannot be given to the aforesaid provision, then to some other charitable object.

MEMBERS

- 5** 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.

- 6 The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Association in the event of its being wound up while they are a Member or within one year after they cease to be a Member, for:-
- (1) payment of the company's debts and liabilities contracted before they cease to be a Member;
 - (2) payment of the costs, charges and expenses of winding up, and
 - (3) adjustment of the rights of the contributories among themselves.
- 7 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.

MEMBERSHIP CLASSES

- 8 The Association shall have the following Membership Classes:

Membership Class	Class Description	Class Qualifying Criteria
A	Producing Asset Owner Operator	a Relevant Entity that owns and operates assets used to produce renewable and non-renewable energy and sources of renewable and non-renewable energy
B	Licence Holder Non - Operator	a Relevant Entity that has part ownership of assets used to produce renewable and non-renewable energy and sources
C	Company Turnover > £100M	a Relevant Entity providing equipment, service, and resources to the Industry
D	Company Turnover > £50M ≤ £100M	a Relevant Entity providing equipment, service, and resources to the Industry
E	Company Turnover > £10M ≤ £50M	a Relevant Entity providing equipment, service, and resources to the Industry

F	Company Turnover \leq £10m	a Relevant Entity providing equipment, service, and resources to the Industry
G	Trade Union(s)	Trade union organisation that provides collective representation for workers engaged by Relevant Entities
H	Regulator / Government Body	a regulatory body that is primarily responsible for formulating and enforcing laws applicable to the Industry
I	Trade Associations and Academia	Trade associations, educational establishments and research institutions associated with the Industry
J	Affiliated Member	a Relevant Member with no offshore operations, but that has an active involvement in the Industry (fee based on company turnover as above)
K	International Affiliate	a Relevant Entity operating outside the UKCS approved to use Step Change in Safety Resources (fee based on gross annual turnover as per C through F classes)
L	Licensed Provider	a Relevant Entity authorised to use Step Change in Safety Resources for profitable means (profit sharing scheme will be agreed in advance of membership being granted)
M	Multi-Regional	a Relevant Entity authorised to use Step Change in Safety resources in multiple regions, fee based on a per region basis, (capped at the value of a class A fee level)

9 Ordinary Members

- (1) There may be up to 19 Ordinary Members
- (2) Subject to the provisions of Articles 12-19 (inclusive), Ordinary Membership will be restricted to Relevant Entities:
 - (i) that have a Member Representative appointed to the Leadership Team; and
 - (ii) such other Relevant Entities whom the Executive Director, with prior Board approval, may in its absolute discretion, invite to become an Ordinary

Member. Ordinary Members will have all the rights of a member of the Association under the Act as lawfully limited by the Articles.

10 Associate Members

- (1) The number of Associate Members is unlimited.
- (2) Subject to the provisions of Articles 12-19 (inclusive), Associate Membership is open to Relevant Entities that meet the Qualifying Criteria but who do not have a Member Representative appointed to the Leadership Team.
- (3) Associate Membership will confer only such rights as are contained in these Articles or are decided from time to time by the Board.

11 Conversion of Membership

- (1) An Associate Member whose Member Representative is appointed to the Leadership Team shall automatically convert to being an Ordinary Member from the date of such appointment.
- (2) Where the appointment of an Ordinary Member's Member Representative to the Leadership Team terminates (for any reason) and an alternative Member Representative of that Member is not appointed to the Leadership Team in their place within 10 business days of the date such termination ("**the Longstop Date**"), or deemed termination, such Ordinary Member shall convert automatically to an Associate Member from the Longstop Date.
- (3) The Executive Director shall, or shall procure that, the books and records of the Association are amended to reflect the conversion of a Member's Membership Class.

APPLICATIONS FOR MEMBERSHIP

- 12** (1) Any person who wishes to become a Member must be a Relevant Entity and shall either (i) deliver to the Association a duly executed application for membership of the Association, framed in such terms as the Board shall from time to time prescribe ("**Application Form**"), which sets out the Membership Class which the applicant wishes to apply for or (ii) pay to the Association the applicable membership fee in accordance with Article 20 which the Board may, at its sole discretion, accept as a valid application for admission as a Member in the Membership Class to which the membership fee paid is relevant.
- (2) Upon receipt of a duly executed Application Form, or an applicable membership fee in either case in accordance with Article 12(1), the Executive Director shall consider and may either accept such application and admit the applicant to membership of the relevant Membership Class or may, in his absolute discretion, and without assigning any reason, decline such application.
- (3) The Board shall procure that the Executive Director gives notice in writing to each applicant of the Executive Director's determination within 30 days of the date on which the Executive Director receives that applicant's Application Form or receives

that applicant's membership fee (as the case may be). If in relation to any particular applicant:

- (i) the Executive Director accepts such application, the Executive Director shall promptly notify the Board of his determination and of the Membership Class to which such applicant is to be admitted, and the Board shall procure that such applicant is promptly admitted into that Membership Class; or
- (ii) the Executive Director declines such application, the Executive Director shall promptly notify the Board of his determination and the Board shall procure that the Executive Director gives written notice to the applicant of his determination (**"Notice of Rejection"**).

APPEAL OF REJECTION OF MEMBERSHIP APPLICATION

- 13** If an applicant receives a Notice of Rejection it may appeal the Executive Director's determination to the Co-Chairs by submitting a notice of appeal (**"Notice of Appeal"**) to the Co-Chairs within 30 days of the date on which the Executive Director issued the Notice of Rejection, setting out the basis on which the applicant considers that their application should have been accepted by the Executive Director.
- 14** Upon receipt of a Notice of Appeal, the Co-Chairs shall consider and may either accept such appeal and admit the applicant to membership of the relevant Membership Class or may, in their absolute discretion, and without assigning any reason, decline such appeal.
- 15** If in relation to any particular applicant: -
 - (1) the Co-Chairs accepts such appeal; the Co-Chairs shall procure that such applicant is promptly admitted into that Membership Class; or
 - (2) the Co-Chairs declines such appeal; the Co-Chairs shall procure that the Executive Director gives written notice to the applicant of the Co-Chairs' determination.

TERMINATION OF MEMBERSHIP

- 16** A Member shall immediately cease to be a Member upon the happening of any one of the following events:
 - (1) the delivery to the Board at the Office of a notice in writing by that Member resigning as a Member.
 - (2) 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.

- (3) 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 Executive Director and the Co-Chairs resolve that its membership be terminated;
- (4) if, in the majority opinion of the Executive Director and the Co-Chairs, 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 Executive Director and the Co-Chairs within one month of the date of issue of notice in writing requiring it to do so (**“Notice Period”**) and the Executive Director and the Co-Chairs resolve that its membership of the Association be terminated immediately upon the issue to the relevant member of notice to that effect (**“Notice of Termination”**), at any time after the expiry of the Notice Period; or
- (5) the Association, by ordinary resolution passed at a general meeting, resolving to terminate the membership of the Member on the grounds that such Member has brought the Association or the objects of the Association into disrepute.

APPEAL OF TERMINATION OF MEMBERSHIP

- 17** In the event that a Member receives a Notice of Termination it may, within 28 days, submit a notice of appeal (**“Termination Notice of Appeal”**) to the Executive Director, setting out the reasons for which the Member considers that the basis of the termination of its membership of the Association is incorrect.
- 18** Upon receipt of a Termination Notice of Appeal, the Board shall consider and may either accept such appeal and admit the re-admit the appellant into the applicable class of membership of the Association or may, in its absolute discretion, and without assigning any reason, decline such appeal.
- 19** If in relation to any particular applicant: -
 - (1) the Board accepts such appeal; the Board shall procure that such appellant is promptly re-admitted into the applicable Membership Class; or
 - (2) the Board declines such appeal; the Board shall procure that the Executive Director gives written notice to the appellant of the Board’s determination.

MEMBER SUBSCRIPTIONS

- 20** Every Member shall pay to the Association an annual subscription. Different rates of annual subscription may be fixed for different Membership Classes of the Association and for different sizes of organisations. The rate or rates of annual subscriptions payable by the Members, the subscription year of the Association and the subscription payment date or dates shall each be fixed by the Board.

- 21** Any Member who ceases (for whatever reason) to be a Member shall not be entitled to any refund (in whole or in part) of any subscription paid by that Member to the Association.

MEETINGS OF MEMBERS

- 22** The Association shall, in each year, hold a general meeting, as the Associations' annual general meeting in addition to any other general meeting of the Association held in that year, and the Association shall specify the general meeting as the annual general meeting in the notice calling it. Each such annual general meeting shall be held at such time and place as the Board shall appoint.
- 23** In addition to the annual general meeting, the Board may, whenever they think fit, convene additional general meetings. General meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Companies Acts.

NOTICE OF GENERAL MEETINGS

- 24** All general meetings and all other meetings of the Members provided for in these Articles shall be called by not less than fourteen 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.
- 25** Notwithstanding that a general meeting is called by shorter notice than that specified in Article 24, 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 90 per cent of the total voting rights at the meeting of all Ordinary Members.
- 26** The accidental omission to give notice of a general 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 general meeting of the Association.

QUORUM

- 27** No business shall be transacted at any general meeting unless a quorum of Ordinary Members is present when the general meeting proceeds to business. Save as herein otherwise provided, ten Members for the time being entitled to attend and vote at the general meeting shall constitute a quorum.
- 28** If the Ordinary Members attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

- 29** When adjourning a general meeting, the chairman of the meeting must: -
- (1) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Board, and
 - (2) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 30** If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Association must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-
- (1) to the same persons to whom notice of the Association's general meetings is required to be given, and
 - (2) containing the same information which such notice is required to contain.
- 31** No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

- 32** 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:
- (1) the chairman of the meeting; or
 - (2) at least two Ordinary 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.
- 33** If a poll is duly demanded it shall be taken in such manner and at such time as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

VOTES OF MEMBERS

- 34** Except as expressly provided for in these Articles, on a show of hands and on a poll every Ordinary Member present in person or by proxy shall be entitled to one vote.

- 35 At any general meeting, a Member shall vote by its Member 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.
- 36 A Member Representative shall be a director or other suitable senior representative of the Member nominated by the Member and notified to the Association, or their alternate nominated and notified in a like manner.
- 37 An instrument appointing a proxy shall be in writing under the hand of the appointor or of their 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.
- 38 The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notorially 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.

ASSOCIATE MEMBERS – NOTICE OF, VOTING AT AND BUSINESS AT GENERAL MEETINGS

- 39 Associate Members will be entitled to receive notice of annual general meetings and all other meetings of the Members provided for under these Articles and to attend such meetings but shall not be entitled to vote on any matter of general or special business unless specifically provided for in these Articles or the notice of the meeting and references to “Member” throughout these Articles shall be construed accordingly.

THE BOARD

- 40 The Board shall consist of up to eight persons and shall be constituted as follows:
- (1) the Executive Director.
 - (2) a director appointed to represent Membership Class A (the “**Operator Board Representative**”);
 - (3) a director appointed to represent Membership Class C (the “**Contractor Board Representative**”);
 - (4) up to two directors appointed to represent Membership Class I (each a “**Trade Association Board Representative**”); and

- (5) up to three non-executive directors as may be nominated by any Board Member and approved by a majority of the Board. Non-executive directors shall be appointed to the Board in order to bring an external perspective to those Board Members representing their Membership Class, and the Board shall be obliged to take into account each nominee's relevance and career history when considering their appointment.

DISQUALIFICATION OF MEMBERS OF THE BOARD

41 The office of a member of the Board shall be vacated in any one of the events following, namely:

- (1) if they shall resign their office by writing left at the Office.
- (2) if the Member of which they are a director or senior executive ceases to be a Member of, or eligible for membership of, the Association in accordance with these Articles; or
- (3) if they shall be removed from office pursuant to any provision of these Articles or of the Companies Acts.

POWERS OF THE BOARD

42 The business of the Association shall be managed by the Board, which may:

- (1) 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, to the provisions Companies Acts, and to the terms of any resolution, being not inconsistent with the aforesaid regulations (other than this Article 42) 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; and
- (2) without prejudice to Article 59, delegate any of their powers to the Leadership Team and the Leadership Team shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board. The meetings and proceedings of the Leadership Team shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board. All acts and proceedings of the Leadership Team shall be reported to the Board as soon as reasonably practicable.

43 The members for the time being of the Board may act notwithstanding any vacancy in their body.

PROCEEDINGS OF THE BOARD

QUORUM AND VOTING

- 44 The quorum necessary for the transaction of the business of the Board shall be four, made up of the Executive Director and any three other 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.
- 45 In any meeting of the Board at which a quorum is present, the Board Members shall endeavour to reach consensus on any matter to be decided as a resolution of the Board.

MEETINGS OF THE BOARD

- 46 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 within the first two weeks of each year in order for the Board to consider the Proposed Budget. The Executive Director may at any time summon additional meetings of the Board. The Board shall provide reasonable notice of any meeting of the Board to any Regulatory Member and Trade Union Member, inviting each of them to nominate an observer (each being a “**Regulatory Observer**”) to attend the meeting on behalf of their respective membership cohorts and to report back to their respective organisations on the business of the meeting. The Regulatory Observers may be invited to speak at meetings of the Board but shall not be entitled to vote in respect of any matter.
- 47 A resolution in writing signed by all of the Board Members at the relevant time 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 Board Members or the committee or sub-committee concerned.

ALTERNATE MEMBERS OF THE BOARD

- 48 Any Board Member (other than an alternate Board Member) may appoint any other board Member, or any other person approved by resolution of the Board Members and willing to act, to be an alternate Board Member and may remove from office an alternate Board Member so appointed by him.
- 49 An alternate Board Member may act as alternate to more than one Board Member and is entitled at a meeting of the Board to one vote for Board Member that they act as alternate for

in addition to their own vote (if any) as a Board Member, but an alternate Board Member counts as only Board Member in determining whether a quorum is present.

- 50** An alternate Board Member is entitled to receive notice of all meetings of the Board of which their appointor is a Board Member; to attend and vote at any such meeting at which the Board Member appointing him is not personally present; and generally, to perform all the functions of their appointor as Board Member in their appointor's absence. It is not necessary to give notice of such a meeting to an alternate Board Member who is absent from the United Kingdom.
- 51** An alternate Board Member shall cease to be an alternate Board Member if their appointor ceases to be a Board Member.
- 52** Any appointment or removal of an alternative Board Member shall be by notice to the Association signed by the Board Member making or revoking the appointment or in any other manner approved by the Board.

DIRECTORS INTERESTS

- 53** A director who has a personal interest in any transaction or other arrangement with the Association which the Association is proposing to enter into, must declare that interest at a meeting of the directors; they will be debarred from voting on the question of whether or not the Association should enter into that arrangement.
- 54** For the purposes of Article 53, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs or any firm of which they are a partner or any limited company of which they are a substantial shareholder or director (or any other party who / which is deemed to be connected with them for the purposes of the Companies Act), has a personal interest in that arrangement.
- 55** Provided that:
- (1) a director has declared their interest; and
 - (2) they have not voted on the question of whether or not the Association should enter into the relevant arrangement,

a director will not be debarred from entering into an arrangement with a company in which they have a personal interest and may retain any personal benefit they gain from their participation in that arrangement.

TERMINATION OF DIRECTORSHIP

- 56** A Board Member shall immediately cease to act as a Board Member and any Member of which they are a director or senior executive shall endeavour to procure that they shall tender their resignation from the Board in any one of the following events, namely:

- (1) if they shall cease for any reason to be a director or senior executive of the Member for which they were a director or senior executive on the date of their appointment; and/or
- (2) if they shall hold any place of profit under the Association, other than as Executive Director; and/or
- (3) if they shall become prohibited from acting by reason of any order made under the provisions of the Companies Acts; and/or
- (4) if they shall cease to be the Executive Director, the Operator Co-Chair, the Contractor Co-Chair; and/or
- (5) If the Leadership Team resolves, by simple majority, to remove any director from office. Any removal of a director pursuant to this Article shall be in writing and signed by a Co-Chair on behalf of the Leadership Team at the relevant time and served on the Association at its registered office marked for the attention of the Executive Director or the Chairman of the Board (where the removal relates to the Executive Director). Such removal shall take effect when received by the Association or at such later time as is specified in such notice.
- (6) in these or any other circumstances in which a member of the Board ceases to act as a member of the Board, the Executive Director shall nominate and 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 40 and on the basis that: (a) if that member of the Board was an Operator Board Representative, they shall be replaced by another Operator Board Representative; (b) if that member was a Contractor Board Representative, they shall be replaced by another Contractor Board Representative (c) if that member of the Board was a Trade Association Board Representative, they shall be replaced by another Trade Association Board Representative; and (c) if that member of the Board was the Executive Director, their replacement shall be the new Executive Director.

EXECUTIVE DIRECTOR

- 57** The Board may from time to time appoint any person to the office of Executive Director for such term and upon such conditions as it may think fit and may at any time revoke such appointment. In particular, the Executive Director shall receive such remuneration as the Board may determine from time to time.
- 58** The Executive Director 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 Executive Director cannot be a Member.
- 59** The Board may entrust to and confer upon any Executive Director appointed pursuant to Article 57 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.

ACCOUNTS

- 60** The Board shall cause proper books of account to be kept with respect to
- (1) all sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place.
 - (2) all sales and purchases of goods by the Association; and
 - (3) the assets and liabilities of the Association.
- 61** 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.
- 62** 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.

NOTICES

- 63** 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.
- 64** 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.
- 65** 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.

INDEMNITY

- 66** Every director or other officer or auditor of the Association shall be indemnified (to the extent permitted by sections 232, 234, 532 and 533 of the Companies Act 2006) out of the assets of the Association against any loss or liability which they sustain or incurs in connection with the execution of the duties of their office; this may include, without prejudice to that generality, (but only to the extent permitted by those sections of the Companies Act 2006), any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted or any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the Association.
- 67** The Association shall be entitled to purchase and maintain for any director insurance against any loss or liability which any director or other officer of the Association may sustain or incur in connection with the execution of the duties of their office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Companies Act 2006 (negligence etc. of a director).

LEADERSHIP TEAM

- 68** The Leadership Team shall be constituted as follows:

Membership Class	Class Description	Minimum number assigned
A	Producing Asset Owner Operator	4 (inclusive of Operator Co-Chair)
C / D	Company Turnover > £50M	4 (inclusive of Contractor Co-Chair)
G	Trade Union(s)	1
H	Regulator / Government Body	1
I	Trade Associations and Academia	4

The Executive Director shall nominate Leadership Team appointees to maintain minimum numbers as per the table above from time to time and such nominee shall be admitted to the Leadership Team, provided the Co-Chairs at the relevant time have resolved to approve the proposed appointment.

- 69** Unless their appointment is terminated earlier under Article 71, members of the Leadership Team shall serve on the Leadership Team for an initial period of 2 years from the date of their appointment, and their appointment shall automatically terminate on the second anniversary of their appointment (the “**LT Termination Date**”), unless the Co-Chairs and the Executive Director resolve, prior to the LT Termination Date, that their appointment is to be extended for a subsequent two year period, or such shorter period as is determined by the Co-Chairs and the Executive Director and notified to the relevant Member Representative by the Executive Director.
- 70** There shall be two co-chairs of the Leadership Team, one of whom shall be a Member Representative of Members admitted to Class A Membership (“**Operator Co-Chair**”) and one of whom shall be a Member Representative of Members admitted to Class C OR D Membership (“**Contractor Co-Chair**”). The Operator Co Chair and the Contractor Co-Chair shall be nominated by the Executive Director and such nominee shall remain in such role for the duration of their appointment to the Leadership Team.
- 71** The provisions of Article 56 shall apply, *mutatis mutandis* (including, without limitation the replacement of the reference to “Leadership Team” with “Board “where it appears in Article 55(5)), to the removal from office of a Leadership Team appointee prior to the expiry of their term of appointment under Article 69.