

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, 3rd December, 2009, 4th July 2012 and 4 September 2014)

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1. **PRELIMINARY**

1.1 The model articles for private companies limited by guarantee set out in Schedule 2 of the Companies (Model Articles) Regulations 2008 (**‘the Model Articles’**), as excluded or modified by the following articles (as altered by time to time by Special Resolution), together constitute the articles of association of the Association (**‘the Articles’**).

1.2 For the avoidance of doubt, references in the Articles:

1.2.1 to a numbered Article are to a numbered Article as set out in this document;
and

1.2.2 to a numbered article of the Model Articles are to the article as numbered in the Model Articles immediately upon the coming into force of the Companies (Model Articles) Regulations 2008.

1.3 Articles 2, 5(3), 11(2), 13, 14, 15, 17, 20, 21, 22, 35, 38 and 39 of the Model Articles shall not apply to the Association.

2. **INTERPRETATION**

2.1 Unless the context otherwise requires and except for words or expressions to which a meaning is given in the Articles, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Association.

2.2 A reference in the Articles to the exercise of a power or the taking of a decision by the Directors includes the exercise of the power or the taking of the decision by any person or committee (including any sub-committee) to whom it has been delegated.

2.3 In the Articles the words standing in the first column of the table below shall bear the meanings set opposite to them in the second column of the table below:

Annual General Meeting	As defined in Article 7.1.
Associate	In relation to any Member means that Member's holding company and any other subsidiary for the time being of such holding company.
Articles	As defined in Article 1.1
Association	The Offshore Pollution Liability Association Limited.
Chairman	The Chairman for the time being of the board of Directors.
Directors	A director of the Association.
Member	A member of the Association.
Office	The Registered Office for the time being of the Association.
OPOL	The Agreement referred to in Clause 3 (1) of the Memorandum of Association of the Association.
Register of Members	The Register of Members of the Association kept by the Association pursuant to the Statutes.
Rules	The Rules of the Association as made, altered or added to from time to time as hereinafter provided.
Statutes	The Companies Acts for the time being in force (as defined in section 2 of the Companies Act 2006) in so far as they apply to the Association.
United Kingdom	Great Britain and Northern Ireland.

2.4 In the Articles, the headings are for convenience only and shall be ignored in construing the meaning of the Articles.

- 2.5 Words importing the singular number only shall include the plural number and vice versa.
- 2.6 Words importing the masculine gender only shall include the feminine gender.
- 2.7 Words importing persons shall include corporations.
- 2.8 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.
- 2.9 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.

3. **MEMBERSHIP**

- 3.1 The Association shall consist of an unlimited number of members.
- 3.2 Every party to OPOL shall be eligible for membership of the Association.
- 3.3 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.
- 3.4 Membership shall not be transferable or transmissible.
- 3.5 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.
- 3.6 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.

3.7 The Rules for the time being in force may be altered, added to or revoked by the Association in general meeting.

4. **SUBSCRIPTIONS AND CONTRIBUTIONS**

4.1 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, subject to Article 5.2, 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.

4.2 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.

4.3 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.

4.4 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.

5. **CESSER OF MEMBERSHIP**

5.1 A Member shall ipso facto cease to be a Member:

5.1.1 if it ceases to be a party to OPOL;

5.1.2 if it be wound up or dissolved;

5.1.3 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;

5.1.4 if it resign by notice in writing to the Association; or

5.1.5 if the Directors resolve that such Member's membership of the Association, and/or the fact that such Member is a party to OPOL, shall in any way howsoever expose the Association or any of its other Members (in their capacity as Members of the Association and/or as parties to OPOL) to (a) being or becoming, or to the risk of being or becoming, subject to any sanction, prohibition or adverse action in any form whatsoever by any state or international organisation and/or (b) being (or at the risk of being) in breach of any applicable law or regulation.

5.2 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 4.1 and 4.2 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 4.3 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.

5.3 A Member which ceases to be a Member shall at such time also cease to be a party to OPOL (without prejudice to its accrued rights and obligations under OPOL as at the time of such cessation).

6. **PROXY NOTICES**

- 6.1 Subject to any instructions in the notice of general meeting to which the proxy notice relates, a proxy notice (and any authentication required by the Directors) must be received at the address specified by the Association in the notice of meeting or in the proxy notice not less than 48 hours before the time for holding the meeting (or adjourned meeting) at which the proxy appointed by the proxy notice is to vote; and any proxy notice received at that address less than 48 hours before the time for holding the meeting (or adjourned meeting) shall not be valid (unless accepted as valid under Article 6.2).
- 6.2 A proxy notice which does not comply with the provisions of article 31 of the Model Articles or Article 6.1 may, in their discretion, be accepted as valid by the Directors at any time before the meeting to which it relates.

7. **GENERAL MEETINGS**

- 7.1 The Association shall in each year hold a general meeting as its annual general meeting (the “**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. The Annual General Meeting shall be held at such time and place as the Directors shall determine.
- 7.2 The Directors may at any time call a general meeting. General meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as is provided by the Statutes.

8. **PROCEEDINGS AT GENERAL MEETINGS**

- 8.1 No business shall be transacted at any general meeting unless a quorum is present. Save as otherwise provided in the Articles, five Members present in person or by proxy shall be a quorum, but so that not less than two individuals actually physically present shall constitute the quorum.
- 8.2 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.

9. **VOTES OF MEMBERS**

9.1 Every Member present at a general meeting in person or by proxy shall have one vote on a show of hands.

9.2 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.

10. **DIRECTORS**

10.1 The number of Directors (exclusive of the Managing Director) shall be not less than six nor more than fifteen.

10.2 No one shall be eligible for appointment or re-appointment as a Director unless he is a director of or employed by a Member or by an Associate of that Member.

10.3 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.

11. **APPOINTMENT, ROTATION, DISQUALIFICATION AND REMOVAL OF DIRECTORS**

11.1 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.

11.2 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.

- 11.3 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.
- 11.4 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.
- 11.5 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.
- 11.6 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.

11.7 A Director shall cease to be Director in accordance with article 18 of the Model Articles. In addition a Director shall also cease to be a Director if:

11.7.1 being the Managing Director, he ceases to be a Managing Director; or

11.7.2 he ceases to be eligible for appointment as a Director in accordance with Article 11.4.

11.8 In addition to any power to remove a Director conferred on the Association by the Statutes, the Association may by special 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.

12. **MANAGING DIRECTOR**

12.1 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.

12.2 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.

12.3 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.

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

13. **ALTERNATE DIRECTORS**

13.1 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.

13.2 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.

14. **PROCEEDINGS OF DIRECTORS AND DIRECTORS' DECISIONS**

14.1 Article 9 of the Model Articles is modified by the deletion of the words "*not more than 7 days after*" and the substitution for them of the words "*before or after*".

14.2 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.

14.3 Where the Directors have delegated any of their powers, they may revoke any delegation in whole or in part, or alter its terms and conditions; and where any person to whom any powers are delegated holds those powers by virtue of being appointed an executive, any variation or revoking of those powers is without prejudice to any contract with that executive.

15. **DIRECTORS' INTERESTS**

15.1 This Article 15 is subject to the provisions of the Statutes.

15.2 A Director may:

15.2.1 be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Association or in which the Association is otherwise interested; and

15.2.2 be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise directly or indirectly interested in, any body corporate in which the Association is interested,

and where a proposed decision of the Directors is concerned with such a transaction, arrangement, office or employment, that Director may be counted as participating in the decision making process for quorum and voting purposes.

15.3 Article 15.2 is subject to the relevant Director making a declaration of the nature and extent of his interest in accordance with sections 177 and 184 to 187 of the Companies Act 2006.

15.4 The following shall not be treated as an **'interest'**:

15.4.1 an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware, or an interest in a transaction or arrangement of which he is not aware and of which it is unreasonable to expect him to be aware;

15.4.2 an interest of which the other Directors are aware, or ought reasonably be aware, to the extent they are or ought reasonably to be aware of such interest;

15.4.3 an interest which cannot reasonably be regarded as giving rise to a conflict of interest; and

15.4.4 an interest if, or to the extent that, that interest contains terms of his service contract which have been, or are to be, considered by a meeting of the Directors or a duly appointed committee of the Directors.

16. DIRECTORS' POWERS TO AUTHORISE CONFLICTS OF INTEREST

16.1 The Directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Association and which may reasonably be regarded as likely to give rise to a conflict of interests.

16.2 Authorisation given by the Directors under Article 16.1 may be subject to any terms and conditions which the Directors consider appropriate; and the Directors may at any time vary or terminate such authorisation.

16.3 A decision to authorise any matter under Article 16.1 may be made either at a meeting of the Directors or by unanimous decision of those Directors entitled to vote on the matter; but the decision will only be effective if:

16.3.1 the quorum for any meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and

16.3.2 the matter is agreed to without any interested Director voting, or would have been agreed to had no interested Director's votes been counted.

16.4 The provisions of this Article 16 shall not apply to any conflict of interest arising in relation to a transaction or arrangement between a Director and the Association. Article 15 above shall apply to Directors' interests in any such transactions or arrangements.

17. MANAGEMENT OF DIRECTORS' CONFLICTS

17.1 Where the Directors have authorised any matter under Article 16.1 above, or where a matter falls within Article 16, the Directors may, at the time of such authorisation or subsequently, provide (without limitation) that an interested Director:

17.1.1 is excluded from discussions (whether at Directors' meetings or otherwise) related to the matter;

- 17.1.2 is not given any documents or other information relating to the matter; or
- 17.1.3 both for quorum purposes and for voting purposes may or may not be counted or vote at any future Directors' meeting in relation to the matter.
- 17.2 Where the Directors have authorised any matter under Article 16.1, or where a matter falls within Article 15 (subject to a Director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with Article 15.3), then an interested Director:
- 17.2.1 will not be required to disclose to the Association, or use for the benefit of the Association, any confidential information relating to the matter if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the matter;
- 17.2.2 may absent himself from Directors' meetings at which the matter may be discussed; and
- 17.2.3 may make such arrangements as he thinks fit not to receive documents and information in relation the matter, or for such documents and information to be received and read by a professional adviser on behalf of that Director.
- 17.3 Article 17.2 does not limit any existing law or equitable principle which may excuse the Director from disclosing information in circumstances where disclosure would otherwise be required, or from attending meetings or receiving and reading documents in circumstances where such actions would otherwise be required.
- 17.4 Where the Directors authorise a matter under Article 16.1, or where a matter falls within Article 15 then an interested Director:
- 17.4.1 will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the matter; and
- 17.4.2 will not infringe any duty he owes to the Association under sections 171 to 177 of the Companies Act 2006 if he complies with any terms, limits and

conditions (if any) imposed by the Directors in relation to the authorisation and, where relevant, makes any disclosure required under Article 15.3.

17.5 In relation to any matter which has been authorised under Article 16.1, or where a matter involves a transaction or arrangement which falls within Article 15 (subject to a Director making a declaration of the nature and extent of his interest in an office, employment, transaction or arrangement in accordance with Article 15.3):

17.5.1 an interested Director will not be accountable to the Association for any benefit conferred on him in connection with that matter;

17.5.2 the receipt of such a benefit shall not constitute a breach of his duty under section 176 of the Companies Act 2006; and

17.5.3 no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

18. **SECRETARY**

The Secretary may 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.

19. **NOTICES**

19.1 Article 34(1) of the Model Articles shall be read as if it were amended by the addition of the following sentence:

“Subject to the Articles, the provisions of section 1147 of the Companies Act 2006 shall apply to anything sent or supplied to the Association as they apply to anything sent or supplied by the Association”.

19.2 Any notice, document or other information will be deemed served on or delivered to the intended recipient if addressed either:

19.2.1 to an address outside the United Kingdom; or

19.2.2 from outside the United Kingdom to an address within the United Kingdom,

two days after posting, provided (in each case) it was sent by reputable international overnight courier addressed to the intended recipient, with delivery in at least two days guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider.

20. **RESERVES**

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.

21. **ACCOUNTS**

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

21.2 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.

21.3 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 annual income and expenditure accounts, accounts, balance sheets and reports as are required to be prepared by the Association pursuant to the Statutes.

21.4 A copy of such accounts to be laid before the Association in general meeting, together with a copy of the auditors' report thereon, shall be made available to every Member prior to such general meeting.

22. **WINDING UP**

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.

23. **INDEMNITY**

Notwithstanding Article 10.3 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.

24. **INSURANCE**

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.

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 4.1 and 4.2 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 1st 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 4.4.
- 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 4.3 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 4.3 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 4.3.

4. The number of votes which in accordance with Article 9.2 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.

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, Jnr., 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,
London S.W.1.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

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.

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