

COMPANIES ACTS 1985 & 1989
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION OF PESGB

1. NAME

The name of the company is PESGB ("the Charity") Company Number 04128009

2. REGISTERED OFFICE

The registered office of the Charity is to be in England and Wales

3. OBJECTS

The object of the Charity is "To advance, for the public benefit, education in the scientific and technical aspects of subsurface energy and related technologies" ("the Objects")

4. POWERS

The Charity has the following powers which may be exercised only in promoting the Objects:

4.1 To promote or carry out research, surveys and investigations

4.2 To provide advice and to arrange activities including exhibitions, lectures, meetings, seminars, conferences, workshops and field trips.

4.3 To publish exchange or distribute information

4.4 To act as a certification body for the purpose of conferring professional status upon people who meet the academic technical or experimental standards required by the Trustees

4.5 To support, administer or set up other charities and to co-operate with such charities and other bodies

4.6 To raise funds (but not by means of taxable trading) and in its discretion to disclaim any particular contribution

4.7 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the Charities Act 1993)

4.8 To acquire or hire property of any kind

4.9 To let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act 1993)

4.10 To make grants or loans of money and to give guarantees provided that where any payment is made to the Treasurer or other proper official of a charity the receipt of such Treasurer or official shall be a complete discharge to the Trustees

4.11 To set aside funds for special purposes or as reserves against future expenditure

4.12 To deposit or invest funds in any manner (but to invest only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification) provided that the charity shall have power to retain any investments donated to it

4.13 To delegate the management of investments to a financial expert, but only on terms that:

4.13.1 the investment policy is set down in writing for the financial expert by the Trustees

4.13.2 every transaction is reported promptly to the Trustees

4.13.3 the performance of the investments is reviewed regularly with the Trustees

4.13.4 the Trustees are entitled to cancel the delegation arrangement at any time

4.13.5 the investment policy and the delegation arrangement are reviewed at least once a year

4.13.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt

4.13.7 the financial expert must not do anything outside the powers of the Trustees

4.14 To arrange for investments or other property of the Charity to be held in the name of a nominee (being a corporate body registered or having an established place of business in England and Wales) under the control of the Trustees or of a financial expert acting under their instructions and to pay any reasonable fee required

4.15 To insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required

4.16 To insure the Trustees against the costs of a successful defence to a criminal prosecution brought against them as charity trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty

4.17 Subject to clause 5 to employ paid or unpaid agents staff or advisers

4.18 To enter into contracts to provide services to or on behalf of other bodies

4.19 To establish subsidiary companies to assist or act as agents for the Charity

4.20 To pay the costs of forming the Charity

4.21 To do anything else within the law which promotes or helps to promote the Objects

5. BENEFITS TO MEMBERS AND TRUSTEES

5.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the members of the Charity but

5.1.1 members who are not Trustees may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied

5.1.2 members (including Trustees) may be paid interest at a reasonable rate on money lent to the Charity

5.1.3 members (including Trustees) may be paid a reasonable rent or hiring fee for property let or hired to the Charity

5.1.4 individual members who are not Trustees but who are beneficiaries may receive charitable benefits in that capacity

5.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except

5.2.1 as mentioned in clauses 4.16, 5.1.2 or 5.1.3

5.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity

5.2.3 an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings)

5.2.4 payment to any company in which a Trustee has no more than a 1 per cent shareholding

5.2.5 in exceptional cases, other payments or benefits (but only with the written approval of the Commission in advance)

5.3 Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee the Trustee concerned must:

5.3.1 declare an interest at or before discussion begins on the matter

5.3.2 withdraw from the meeting for that item unless expressly invited to remain in order to provide information

5.3.3 not be counted in the quorum for that part of the meeting

5.3.4 withdraw during the vote and have no vote on the matter

5.4 This clause may not be amended without the prior written consent of the Commission

6. LIMITED LIABILITY

The liability of members is limited

7. GUARANTEE

Every member promises if the Charity is dissolved while he she or it remains a member or within 12 months afterwards to contribute up to £1 towards the costs of dissolution and the liabilities incurred by the Charity while the contributor was a member

8. DISSOLUTION OR AMENDMENTS

8.1 If the Charity is dissolved the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:

8.1.1 by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects

8.1.2 directly for the Objects or charitable purposes within or similar to the Objects

8.1.3 in such other manner consistent with charitable status as the Commission approve in writing in advance

8.2 Any resolution to amend this Memorandum or the Articles or to dissolve the Charity shall require a 75% majority of those Members present and voting at a general meeting of the Charity.

8.3 A final report and statement of account must be sent to the Commission

9. INTERPRETATION

9.1 Words and expressions defined in the Articles have the same meanings in this Memorandum 9.2 References to an Act of Parliament are references to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it

10. INTERPRETATION

In the Memorandum and in these Articles:

10.1 "The Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force.

"AGM" means an annual general meeting of the Charity

"these Articles" means these articles of association

"Associate Member" means a person or body in one of the membership classes defined in Article 11.

"Chairman" means the chairman of the Trustees and shall be the President of the Charity

"the Charity" means the company governed by these Articles

"charity trustee" has the meaning prescribed by section 97(1) of the Charities Act 1993

"clear day" means 24 hours from midnight following the relevant event

"the Commission" means the Charity Commissioners for England and Wales

"EGM" means an extraordinary general meeting of the Charity

"electronic communications" means by way of email

"financial expert" means an individual, company or firm who is an authorised person or an exempted person within the meaning of the Financial Services Act 1986

"full member" means a member of the Charity appointed under Article 1.3

"material benefit" means a benefit which may not be financial but has a monetary value

"member" and "membership" refer to membership of the Charity

"Memorandum" means the Charity's memorandum of association

"month" means calendar month

"the Objects" means the Objects of the Charity as defined in clause 3 of the Memorandum

"Secretary" means the Secretary of the Charity

"taxable trading" means carrying on a trade or business on a continuing basis for the principal purpose of raising funds and not for the purpose of actually carrying out the Objects if to do so would render the Charity chargeable to income or corporation taxes.

"Trustee" means a director of the Charity and "Trustees" means all of the directors.

"written" or "in writing" refers to a legible document on paper including a fax message

"year" means calendar year

10.2 Expressions defined in the Act have the same meaning

10.3 References to an Act of Parliament are to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it

11. ASSOCIATE MEMBERS

11.1 The Trustees may admit to associate membership a person or body in one of the following categories: honorary membership, sustaining membership, auxiliary membership, student membership

11.2 The criteria for admission to associate membership shall be:

11.2.1 Honorary Member Any person who in the Trustees' opinion has contributed distinguished service to the Charity or to its objectives

11.2.2 Sustaining Member Any person corporation firm or organisation which in the Trustees' opinion has a valid interest in making a contribution of any kind towards the objects of the Charity

11.2.3 Auxiliary Member Any person who does not have the relevant academic qualifications to be a full Member but who has for at least one year prior to admission been actively engaged in any scientific technical or commercial aspect of petroleum exploration

11.2.4 Student Member Any person who is a full-time undergraduate [or post-graduate] student and who in the opinion of the Trustees has a valid interest in petroleum exploration.

11.3 The Trustees shall make such regulations in relation to Associate Members as to the approval of applications, and the subscriptions and rights of the various categories of members as the Trustees shall think fit.

COMPANIES ACTS 1985 TO 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION OF

PESGB

1. MEMBERSHIP

- 1.1 The number of members with which the Charity proposes to be registered is unlimited
- 1.2 The Charity must maintain a register of members
- 1.3 The members of the Charity shall be the Trustees and any individual who
 - 1.3.1 holds such academic technical or experiential qualification as may from time to time be required by the Trustees
 - 1.3.2 is approved by the Trustees; and
 - 1.3.3 consents in writing to become a member
- 1.4 The Trustees may establish different classes of membership and prescribe their respective privileges and duties and set the amounts of any subscriptions
- 1.5 Membership is terminated if the member concerned
 - 1.5.1 gives written notice of resignation to the Charity
 - 1.5.2 dies
 - 1.5.3 is 3 months in arrears in paying the relevant subscription (if any) (but in such a case the member may be reinstated on payment of the amount due); or
 - 1.5.4 is removed from membership by resolution of the Trustees on the ground that in their reasonable opinion the member's continued membership is harmful to the Charity (but only after notifying the member in writing and considering the matter in the light of any written representations which the member concerned puts forward within 14 clear days after receiving notice)
- 1.6 Membership of the Charity is not transferable
- 1.7 Associate Members (as defined in Article 11) shall have no voting rights and shall not be Members of the Charity for the purposes of these Articles or of the Act.

2. GENERAL MEETINGS

- 2.1 Members are entitled to attend general meetings. General meetings are called on at least 14 clear days written notice specifying the business to be discussed
- 2.2 There is a quorum at a general meeting if the number of members personally present is 40 or 10% of the membership whichever is the less
- 2.3 The Chairman or (if the Chairman is unable or unwilling to do so) some other member elected by those present presides at a general meeting
- 2.4 Except where otherwise provided by the Act every issue is decided by a majority of the votes cast
- 2.5 Every member present in person has one vote on each issue
- 2.6 Subject to the provisions of the Act a written resolution is passed as an ordinary resolution if it is passed by a simple majority of the total voting rights of eligible members, and a written resolution is passed as a special resolution if it is passed by members representing not less than 75% of the total voting rights of eligible members. A written resolution is not a special resolution unless it states that it was proposed as special resolution. A written resolution is as valid as a resolution actually passed at a general meeting (and for this purpose the written resolution may be set out in more than one document and will be treated as passed on the date of the last signature)
- 2.7 The Charity must hold an AGM in every year which all members are entitled to attend. The first AGM may be held within 18 months after the Charity's incorporation
- 2.8 At an AGM the members:
 - 2.8.1 receive the accounts of the Charity for the previous financial year
 - 2.8.2 receive the Trustees' report on the Charity's activities since the previous AGM
 - 2.8.3 appoint auditors for the Charity
 - 2.8.4 may confer on any individual (with his or her consent) the honorary title of Patron, President or Vice-President of the Charity; and
 - 2.8.5 discuss and determine any issues of policy or deal with any other business put before them
- 2.9 Any general meeting which is not an AGM is an EGM
- 2.10 An EGM may be called at any time by the Trustees and must be called within 14 clear days on a written request from at least one tenth of the members

3. THE TRUSTEES

- 3.1 The Trustees as charity trustees have control of the Charity and its property and funds
- 3.2 The Trustees when complete shall consist of at least 6 and not more than 13 people comprising
- the President
 - the Secretary
 - the Treasurer
 - and between 3 and 10 ordinary Trustees
- 3.3 Trustee elections will normally take place during the months of October and December of each year and appointments/retirements will be announced at the President's Evening which is held in December of each year.
- 3.4 The new Trustees appointment will commence and the retiring Trustees will retire immediately following a trustee handover meeting in the January following the President's Evening.
- 3.5 One-half (or the number nearest one-half) of the Trustees must retire each year with those longest in office retiring first and the choice between any of equal service being made by drawing lots. Those retiring Trustees will be informed of their retirement in advance of the Trustee elections and normally during the month of August in the year which such Trustee elections take place.
- 3.6 A retiring Trustee shall be eligible for re-election for consecutive periods not exceeding in aggregate 6 years from the date of his or her original appointment (including in the case of the President any period in such office) but thereafter a Trustee shall not be eligible for re-appointment until one year after his or her retirement. In this paragraph a 'year' means the period between one President's Evening and the next.
- 3.7 No person other than a Trustee retiring by rotation shall be appointed or re-appointed a Trustee unless:
- 3.7.1 he or she is recommended by the Trustees; or
- 3.7.2 notice executed by a member qualified to vote on the Trustee elections has been given to the Charity of the intention to propose that person for appointment or re-appointment stating the particulars which would if he or she were so appointed or re-appointed be required to be included in the Charity's register of Trustees together with a notice executed by that person of his or her willingness to be appointed or re-appointed
- Such recommendations or notices must be given to the Charity no earlier than June and no later than the end of July in the year which such Trustee elections are to take place.
- 3.8 The Charity will send notice to the members in accordance with Article 7 to let them know the period during which voting for the Trustee elections will take place and the closing date for such votes. Such notice will be sent at least 30 days prior to the closing date for votes and will be sent by email to members or where they have opted out of electronic communications by post.
- 3.9 Members will vote by electronic ballot on the Charity's website or where they have opted out by postal ballot on the election and/or re-election of Trustees.
- 3.10 All electronic ballot votes will be made by electronic voting on the Charity's website (the address of the website and the place on the website where the voting facility may be accessed will be specified in the notice) and each Member will have their own unique log-in and password to enter the Charity's website to cast their vote. Once a member casts their vote electronically they will not be able to retract, change or vary their vote.
- 3.11 All postal ballot votes shall either be deposited at the Charity's registered office or at such other place within the United Kingdom as is specified for that purpose in the notice to members. A member that has opted out of electronic voting will not be able to vote electronically on the Charity's website unless no earlier than June and no later than the end of July in the year in which such member wishes to vote they have given notice to the Charity of their intention to vote electronically.
- 3.12 The Trustee elections will not be invalidated where the electronic voting facility is made available for a part, but not all of the period specified in the notice which is wholly attributable to circumstances which it would not be reasonable to expect the Charity to prevent or avoid.
- 3.13 Every Trustee must sign a declaration of willingness to act as a charity trustee of the Charity before he or she is eligible to vote at any meeting of the Trustees
- 3.14 A Trustee's term of office automatically terminates if he or she:
- 3.14.1 is disqualified under the Charities Act 1993 from acting as a charity trustee
- 3.14.2 is incapable, whether mentally or physically, of managing his or her own affairs
- 3.14.3 is absent from 3 consecutive meetings of the Trustees
- 3.14.4 ceases to be a member
- 3.14.5 resigns by written notice to the Trustees (but only if at least 2 Trustees will remain in office)
- 3.14.6 is removed by resolution passed by the members present and voting at a general meeting after the meeting has invited the views of the Trustee concerned and considered the matter in the light of any such views

- 3.15 The Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee holds office only until the next January trustee handover meeting as referred to in Article 3.4 above
- 3.16 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting

4. PROCEEDINGS OF TRUSTEES

- 4.1 The Trustees must hold at least 2 meetings each year
- 4.2 A quorum at a meeting of the Trustees is 3
- 4.3 A meeting of the Trustees may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants
- 4.4 The Chairman or (if the Chairman is unable or unwilling to do so) some other Trustee chosen by the Trustees present presides at each meeting
- 4.5 Every issue may be determined by a simple majority of the votes cast at a meeting but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting (and for this purpose the resolution may be contained in more than one document and will be treated as passed on the date of the last signature)
- 4.6 Except for the chairman of the meeting, who has a second or casting vote, every Trustee has one vote on each issue
- 4.7 A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting

5. POWERS OF TRUSTEES

- The Trustees have the following powers in the administration of the Charity:
 - 5.1 to appoint (and remove) any member (who may be a Trustee) to act as Secretary to the Charity in accordance with the Act
 - 5.2 to appoint honorary officers from among their number other than those office holders referred to in Article 3.2
 - 5.3 to delegate any of their functions to committees consisting of 2 or more individuals appointed by them (but at least 1 member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees)
 - 5.4 to make standing orders consistent with the Memorandum these Articles and the Act to govern proceedings at general meetings
 - 5.5 to make rules consistent with the Memorandum, these Articles and the Act to govern proceedings at their meetings and at meetings of committees
 - 5.6 to make regulations consistent with the Memorandum, these Articles and the Act to govern the administration of the Charity and the use of its seal (if any)
 - 5.7 to establish procedures to assist the resolution of disputes within the Charity
 - 5.8 to exercise any powers of the Charity which are not reserved to a general meeting

6. RECORDS & ACCOUNTS

- 6.1 The Trustees must comply with the requirements of the Act and of the Charities Act 1993 as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies and the Commission of:
 - 6.1.1 annual reports
 - 6.1.2 annual returns
 - 6.1.3 annual statements of account
- 6.2 The Trustees must keep proper records of
 - 6.2.1 all proceedings at general meetings
 - 6.2.2 all proceedings at meetings of the Trustees
 - 6.2.3 all reports of committees and
 - 6.2.4 all professional advice obtained
- 6.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any reasonable time during normal office hours and may be made available for inspection by members who are not Trustees if the Trustees so decide
- 6.4 A copy of the Charity's latest available statement of account must be supplied on request to any Trustee or member, or to any other person who makes a written request and pays the Charity's reasonable costs, within 2 months

7. NOTICES

- 7.1 Notices to Members under these Articles may be sent by hand, or by post in a prepaid envelope addressed to the member or by leaving it at that address or by giving it using electronic

communications to an email address for the time being notified to the Charity by the member it may also be published in any newsletter distributed by the Charity. Notices from members to the Charity under these Articles must be sent by hand, or by post in a prepaid envelope to the Charity's registered address.

7.2 Subject to 7.3 below the only address at which a member is entitled to receive notices is the address shown in the register of members or in the case of electronic communications is an email address notified to the Charity by the member.

7.3 A member whose registered address is not within the United Kingdom and who gives to the Charity an address within the United Kingdom at which notices may be given to him or her shall be entitled to have notices given to him or her at that address but otherwise no such member shall be entitled to receive any notice from the Charity

7.4 Any notice given in accordance with these Articles is to be treated for all purposes as having been received

7.4.1 24 hours after being sent by electronic communications or delivered by hand to the relevant address

7.4.2 2 clear days after being sent by first class post to that address

7.4.3 3 clear days after being sent by second class to that address

7.4.4 on being handed to the member personally or if earlier

7.4.5 as soon as the member acknowledges actual receipt

7.5 A technical defect in the giving of notice of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting

8. **INDEMNITY**

Subject to the provisions of the Act every Trustee or other officer or auditor of the Charity shall be indemnified out of the assets of the Charity against any liability incurred by him or her in that capacity in defending any proceedings whether civil or criminal in which judgement is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence default breach of duty or breach of trust in relation to the affairs of the Charity

9. **DISSOLUTION**

The provisions of the Memorandum relating to amendments to the Articles or dissolution of the Charity take effect as though repeated here

10. **INTERPRETATION**

In the Memorandum and in these Articles:

"The Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force

"AGM" means an annual general meeting of the Charity

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"Secretary" means the Secretary of the Charity

"taxable trading" means carrying on a trade or business on a continuing basis for the principal purpose of raising funds and not for the purpose of actually carrying out the Objects if to do so would render the Charity chargeable to income or corporation taxes.

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11. **ASSOCIATE MEMBERS**

11.1 The Trustees may admit to associate membership a person or body in one of the following categories:

- honorary membership
- sustaining membership
- auxiliary membership
- student membership

11.2 The criteria for admission to associate membership shall be:

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Any person who in the Trustees' opinion has contributed distinguished service to the Charity or to its objectives

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Any person corporation firm or organisation which in the Trustees' opinion has a valid interest in making a contribution of any kind towards the objects of the Charity

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Any person who does not have the relevant academic qualifications to be a full Member but who has for at least one year prior to admission been actively engaged in any scientific technical or commercial aspect of petroleum exploration

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