



COMPANIES HOUSE

NW  
£20  
006998  
£20

691

This form must be completed for all  
'Place of Business' registrations.  
(See note below for re-registration  
from a 'Branch')

This form should be completed in black

## Return and declaration delivered for registration of a place of business of an overseas company

(Pursuant to section 691 of the Companies Act 1985)

Previous branch number  
(if applicable)

Company name

Country of incorporation

Address of place of business in  
Great Britain



For official  
use only

FC 18764

AZERBAIJAN INTERNATIONAL

OPERATING COMPANY

CAYMAN ISLANDS

BURDETT HOUSE

15/16 BUCKINGHAM STREET

Post town LONDON

County / Region -

Postcode WC2 6ED

Either

Constitution of the company

(See notes 1 and 2)

(A certified English translation must  
be included)

\* Delete as applicable

# Mark appropriate box(es)

A certified copy of the

#

☒

Instrument(s) constituting or defining the constitution of  
the company; and

☐

A certified translation

\* ~~is~~ are delivered for registration

OR

The company must deliver  
certified copies of its  
constitutional documents  
(with certified translations),  
and the particulars of the  
company's directors and  
secretary.

However, if the company is  
closing a branch registration  
and effecting a place of business  
registration, it may rely on the  
documents or the particulars of  
the directors and secretary  
previously filed in  
that part of Great Britain, provided  
any relevant alterations to those  
documents have been updated  
on the register.

The

#

☐

The constitutional documents (and a certified translation \*)

\* and / or

☐

Particulars of the current directors and secretary(ies)

were previously delivered in respect of a branch of the company  
registered at this registry

Branch Number

**Directors** (See notes 3, 4 and 5)

**Name**                      \*Style/Title  
Forenames  
Surname  
\*Honours etc  
Previous forenames  
Previous surname

**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

Date of birth

(See note 5) { Business occupation  
(if any). If none  
other directorships.

**Name**                      \*Style/Title  
Forenames  
Surname  
\*Honours etc  
Previous forenames  
Previous surname

**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

Date of birth

(See note 5) { Business occupation  
(if any). If none  
other directorships.

\* Voluntary details

<b>CD</b>	Dr.
	Terence David
	Adams
<b>AD</b>	Manor Cottage
	The Fairstead
	Post town Cley-Next-The-Sea
	County/Region Norfolk
	Postcode NR25 7RL
	Country UK
<b>DO</b>	2   2   0   2   3   8
	Nationality <b>NA</b> British
<b>OC</b>	Oil Company Executive
<b>OD</b>	BP EXPLORATION (AZERBAIJAN) LIMITED
	BP EXPLORATION (CASPIAN SEA) LIMITED

<b>CD</b>	
	Emmit Richard
	McHaffie
<b>AD</b>	9 Gamid Su Hanov
	Apartment 67
	Post town Baku
	County/Region
	Postcode
	Country Azerbaijan
<b>DO</b>	3   0   0   7   4   6
	Nationality <b>NA</b> American
<b>OC</b>	Oil Company Executive
<b>OD</b>	None

## Person(s) authorised (continued)

List of some one or more persons resident in Great Britain authorised to accept on the company's behalf service of process and any notice required to be served on it.

\*Style/Title

Forenames

Surname

Address

Vice President, Crude Oil Export

Robert Gregory

Rich

Burdett House

15/16 Buckingham Street

Post town London

County/Region Postcode WC2N 6ED

\*Style/Title

Forenames

Surname

Address

Post town

County/Region Postcode

\*Style/Title

Forenames

Surname

Address

Post town

County/Region Postcode

\*Style/Title

Forenames

Surname

Address

Post town

County/Region Postcode

\*Voluntary details

**Declaration** (See note 8)

**Full name and address**

I Robert Gregory Rich

of (address) 82 Portland Place

Flat E, London W1N 3DH

<sup>†</sup>delete as applicable

a <sup>†</sup>~~director~~/<sup>†</sup>~~secretary~~/<sup>†</sup> person authorised to accept on the company's behalf service of process or any notices required to be served on it, do solemnly and sincerely declare that the company established its place of business in Great Britain on

2	6	0	7	9	5
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(enter date)

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

**Signed**

Declared at 35 Piccadilly,  
London W1X 0PJ

the 25th day of August

one thousand nine hundred and ninety five

before me

~~A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths.~~ (See note 8)

Notary Public of the City of London and a  
Commissioner for Oaths (ELEANOR FOSAN)

Number of continuation sheets attached ☐

To whom should Companies House direct any enquiries about the information on this form?

The Secretary, AIOC,

Burdett House, 15/16 Buckingham Street,

London

Postcode WC2 6ED

Telephone 0171-451-4100

Extension -

Please ensure the form is fully completed and then send it to the Registrar of Companies at  
(See note 9)

**Companies House, Crown Way, Cardiff CF4 3UZ**  
for companies establishing a place of business in England and Wales.

**Companies House, 37 Castle Terrace, Edinburgh EH1 2EB**  
for companies establishing a place of business in Scotland.

## Company Secretary(ies)

(See notes 4 and 6)

Name \*Style/Title  
Forenames  
Surname  
\*Honours etc  
Previous forenames  
Previous surname

### Address

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

CS	_____
	William Elkins
	Browning
	_____
	_____
	_____
AD	7 Trevor Street
	_____
	Post town London
	County/Region _____
	Postcode SW7 1DU
	Country UK

Name \*Style/Title  
Forenames  
Surname  
\*Honours etc  
Previous forenames  
Previous surname

### Address

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

CS	_____
	_____
	_____
	_____
	_____
	_____
AD	_____
	_____
	Post town _____
	County/Region _____
	Postcode _____
	Country _____

## Person(s) authorised

List of some one or more  
persons resident in Great  
Britain authorised to accept  
on the company's behalf  
service of process and any  
notice required to be  
served on it.

\*Style/Title  
Forenames  
Surname  
Address

	_____
	William Elkins
	Browning
	Burdett House
	15/16 Buckingham Street
	Post town London
	County/Region _____
	Postcode WC2 6ED

\*Voluntary details

# Notes

- 1** The copy of the instrument constituting or defining the constitution of the company must be certified in the place of incorporation of the company to be a true copy:—
  - (a) by an official of the Government to whose custody the original is committed; or
  - (b) by a notary public; or
  - (c) by an officer of the company on oath taken before:
    - (i) a person having authority in that place to administer an oath; or
    - (ii) any of the British officials mentioned in section 6 of the Commissioners for Oaths Act 1889.
- 2** The translation of the instrument must be certified to be a correct translation:—
  - (a) if the translation was made in the United Kingdom, by
    - (i) a notary public in any part of the United Kingdom;
    - (ii) a solicitor (if the translation was made in Scotland), a solicitor of the Supreme Court of Judicature of England and Wales (if it was made in England or Wales), or a solicitor of the Supreme Court of Judicature of Northern Ireland (if it was made in Northern Ireland); or
    - (iii) a person certified by a person mentioned above to be known to him to be competent to translate the document into English; or
  - (b) if the translation was made outside the United Kingdom, by
    - (i) a notary public;
    - (ii) a person authorised in the place where the translation was made to administer an oath;
    - (iii) any of the British officials mentioned in section 6 of the Commissioners for Oaths Act 1889;
    - (iv) a person certified by a person mentioned above to be known to him to be competent to translate the document into English.
- 3** 'Director' includes any person who occupies the position of a director, by whatever name called.
- 4** Show for an individual the full forenames NOT INITIALS and surname together with any previous forenames or surname(s).

If the director or secretary is a corporation or Scottish firm - show the corporate or firm name on the surname line.

Give previous forenames or surname except that:

  - for a married woman, the name by which she was known before marriage need not be given,
  - names not used since the age of 18 or for at least 20 years need not be given.

In the case of a peer, or an individual usually known by a British title, you may state the title instead of or in addition to the forenames and surname and you need not give the name by which that person was known before he or she adopted the title or succeeded to it.
- Address:**

Give the usual residential address.

In the case of a corporation or Scottish firm give the registered or principal office.
- 5** In the case of an individual who has a business occupation, this occupation should be named. In the case of an individual who has no business occupation but who holds other directorships, particulars should be given of them.
- 6** Where all the partners in a firm are joint secretaries, only the firm name and its principal office need be given.
- 7** Use photocopies of the relevant section(s) of this form to provide details of additional directors, joint secretaries or persons authorised.
- 8** If made in a foreign country the declaration may be made before any British official mentioned in section 6 of the Commissioners for Oaths Act 1889 or, before any person having authority to administer an oath in that country.
- 9** If the company establishes a place of business in England and Wales AND in Scotland whether at the same time or not a separate form must be sent to each Registrar.

**FILE COPY**



**CERTIFICATE OF REGISTRATION  
OF AN OVERSEA COMPANY**

(Establishment of a place of business)

Company No. FC018764

The Registrar of Companies for England and Wales hereby certifies that  
AZERBAIJAN INTERNATIONAL OPERATING COMPANY

has this day been registered under Section 691 of the Companies Act  
1985 as having established a place of business in England and Wales

Given at Companies House, Cardiff, the 8th September 1995

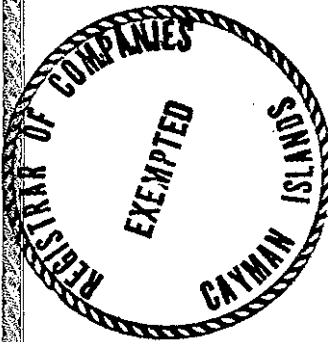
A handwritten signature in black ink, likely belonging to the Registrar of Companies.

For The Registrar Of Companies



**C O M P A N I E S   H O U S E**

# Certificate of Incorporation



I, **CINDY YVONNE JEFFERSON** Deputy Registrar of Companies of the Cayman Islands  
**DO HEREBY CERTIFY**, pursuant to the Companies Law (Revised), that all the requirements of the said  
Law in respect of registration were complied with by

## AZERBAIJAN INTERNATIONAL OPERATING COMPANY

an Exempted Company incorporated in the Cayman Islands with Unlimited Liability with effect from  
the 24th Day of February One Thousand Nine Hundred Ninety-Five

Given under my hand and Seal at George Town in the  
Island of Grand Cayman this Twenty-Fourth day of February  
One Thousand Nine Hundred Ninety-Five

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG. 

CINDY Y. JEFFERSON

Dep. Registrar of Companies

DATE AUGUST 14th, 1995

(SGD. C.Y. JEFFERSON)

Deputy Registrar  
of Companies, Cayman Islands, B.W.I.



**THE COMPANIES LAW (REVISED)**

**UNLIMITED COMPANY**

**MEMORANDUM OF ASSOCIATION**

**OF**

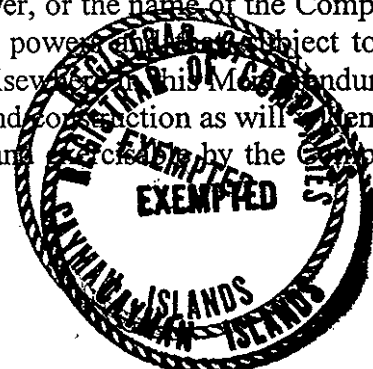
**AZERBAIJAN INTERNATIONAL OPERATING COMPANY**

REGISTERED AND FILED  
AS NO. 58650 THIS 24<sup>TH</sup> DAY  
OF February 1995  
A. G. [Signature]  
REGISTRAR OF COMPANIES  
CAYMAN ISLANDS

1. The name of the Company is **Azerbaijan International Operating Company**.
2. The Registered Office of the Company shall be at the offices of Maples and Calder, Attorneys-at-Law, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies or at such other place as the Members of the Company may from time to time decide.
3. The objects for which the Company is established are unrestricted and shall include without limitation the following:
  - (i) To carry on the business of an oil and gas developer or operator, including the hiring and contracting of providers of goods and services and any activities related thereto, and the accomplishment of any end related to the same; and
  - (ii) To exercise and enforce all rights and powers conferred by or incidental to the foregoing;

PROVIDED ALWAYS THAT the Company shall, in its dealings with third parties, at all times act only in an agency capacity for the Members, and that it shall neither own any assets of its own nor receive any income or incur any expense or liability (except in respect of the issued share capital of the Company or as required by law) on its own behalf or otherwise except on behalf of the Members.

In the interpretation of this Memorandum of Association in general and of this Clause 3 in particular no object, business or power specified or mentioned shall be limited or restricted by reference to or inference from any other object, business or power, or the name of the Company, or by the juxtaposition of two or more objects, businesses or powers, and subject to the above proviso, in the event of any ambiguity in this clause or elsewhere in this Memorandum of Association, the same shall be resolved by such interpretation and construction as will enlarge and not restrict the objects, businesses and powers of and conferred by the Company.



4. Except as prohibited or limited by the Companies Law (Revised) and by the proviso of Clause 3, above, the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this Memorandum of Association and the Articles of Association of the Company considered necessary or convenient in the manner set out in the Articles of Association of the Company, and the power to do any of the following acts or things, viz: to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets (if any) of the Company including uncalled capital or without security; to invest monies of the Company in such manner as the Members of the Company determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to Members of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to officers, employees, past or present and their families; to purchase officers liability insurance to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or its Members may be conveniently or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid PROVIDED THAT the Company shall only carry on the businesses for which a license is required under the laws of the Cayman Islands when so licensed under the terms of such laws.

5. The liability of each Member of the Company shall be unlimited.

6. The share capital of the Company is US\$10,000 (Ten thousand United States Dollars) divided into one million (1,000,000) Unlimited Redeemable Shares of nominal or par value of US\$0.01 (One United States cent), each with power for the Company, insofar as is permitted by law and the Articles of Association, to redeem or purchase any of its shares and to increase or reduce the said capital and to issue any part of its capital, whether original, redeemed or increased.

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 192 of the Companies Law (Revised) and, subject to the provisions of the Companies Law (Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

8. The undersigned parties, as initial subscribers, hereby subscribe the number of Unlimited Shares set forth opposite their names.

**SIGNATURE AND ADDRESS  
OF EACH SUBSCRIBER**

**NUMBER OF SHARES  
TAKEN BY EACH**

AMOCO CASPIAN SEA PETROLEUM LIMITED  
Craigmuir Chambers  
P.O. Box 71  
Road Town, Tortola  
BRITISH VIRGIN ISLANDS

170,100

By: T. G. Doss 2/22/95  
T. G. Doss  
Vice President

WITNESS:

Lyndee L. Doss

PENNZOIL CASPIAN CORPORATION  
Craigmuir Chambers  
P.O. Box 71  
Road Town, Tortola  
BRITISH VIRGIN ISLANDS

98,175

By: Richard Edmonson 2/22/95  
Richard Edmonson  
Director

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG: Cindy Y. Jefferson  
CINDY Y. JEFFERSON  
Dep. Registrar of Companies

WITNESS:

Paula M. Kuehler

DATE August 14th, 1995

I, CINDY Y. JEFFERSON <sup>Actg</sup> Registrar of Companies in and for the Cayman Islands  
HEREBY CERTIFY that this is a true and correct copy of the Memorandum of Association of  
this Company duly incorporated on the 24 day of February 1995.

Cindy Y. Jefferson  
<sup>Actg</sup> REGISTRAR OF COMPANIES



THE COMPANIES LAW (REVISED)

UNLIMITED COMPANY

ARTICLES OF ASSOCIATION

OF

AZERBAIJAN INTERNATIONAL OPERATING COMPANY

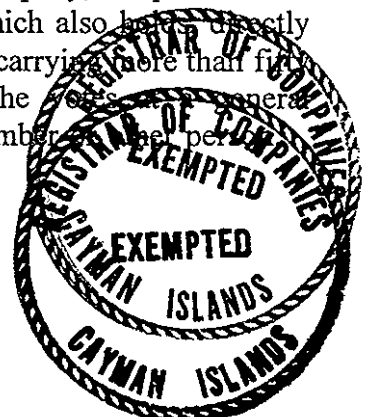
REGISTERED AND FILED  
AS NO. 58650 THIS 24<sup>TH</sup> DAY  
OF February 1995  
REGISTRAR OF COMPANIES  
CAYMAN ISLANDS

1. In these Articles, Table A in the Schedule to the Statute does not apply and, unless there be something in the subject or context inconsistent therewith,

"Affiliate"

means, in relation to any Member or any other person, either

- (i) a company, corporation or other legal entity in which such Member holds, directly or indirectly, shares carrying more than fifty percent (50%) of the votes at a general meeting of such party; or
- (ii) a company, corporation or other legal entity holding, directly or indirectly, shares carrying more than fifty percent (50%) of the votes at a general meeting of such Member or other person; or
- (iii) a company, corporation or other legal entity of which shares carrying more than fifty percent (50%) of the votes at a general meeting of such company, corporation or other legal entity are held, directly or indirectly, by a company, corporation or other legal entity which also holds, directly or indirectly, shares carrying more than fifty percent (50%) of the votes at a general meeting of such Member or other person.



For purposes of these Articles, the two owners of DNKL (Delta Oil Company Limited and Nimir Petroleum Company Azerbaijan Limited) shall both be deemed to be Affiliates of DNKL. A company formed for the purpose of, among other things, providing financing of Lukoil's obligations under the JOA and the PSA, and in which Lukoil shall have at least a fifty percent (50%) ownership interest, shall be deemed to be an Affiliate of Lukoil for purposes of these Articles so long as Lukoil continues to have at least a fifty percent (50%) ownership interest therein. Lukoil shall notify the other Members of the identity of such company upon its formation.

"Articles"	means these Articles as originally framed or as from time to time altered by Special Resolution.
"Auditors"	means the persons for the time being appointed as the auditors of the Company.
"Business"	means the business of an oil and gas developer or operator, including without limitation the hiring and contracting of providers of goods and services and any activities related thereto.
"Business Day"	means any day on which clearing banks are customarily open for business (excluding Saturdays, Sundays and public holidays) in England.
"Company"	means the above-named Company.
"distribution"	includes any distribution of money or property from the Company to any Member.
"Initial Members"	means Amoco Caspian Sea Petroleum Limited, BP Exploration (Caspian Sea) Limited ("BP"), Delta Nimir Khazar Limited ("DNKL"), Den Norske Stats Oljeselskap a.s. ("Statoil"), Lukoil Joint Stock Company ("Lukoil"), McDermott Azerbaijan, Inc., Pennzoil Caspian Corporation ("Pennzoil"), Ramco Hazar Energy Limited ("Ramco"), Turkiye Petrolleri A.O. and Unocal Khazar, Ltd., and "Initial Member"

	shall mean any one of them as the context may require.
"JOA"	means the Joint Operating Agreement, dated as of the 4th day of November 1994, among the Initial Members and the Company, as it may be amended from time to time.
"Member"	shall bear the meaning ascribed to it in the Statute.
"month"	means calendar month.
"Ordinary Resolution"	means a resolution of the Members passed in a general meeting by at least forty percent (40%) of the Members in number, which are not Affiliates (all Affiliates present being counted as one (1) Member for such purposes), then holding collectively at least sixty percent (60%) of the issued shares of record.
"paid-up"	means paid-up or credited as paid-up.
"PSA"	means that certain Agreement on the Joint Development and Production Sharing for the Azeri and Chirag Fields and the Deep Water Portion of the Gunashli Field in the Azerbaijan Sector of the Caspian Sea dated 20th September 1994 among the Initial Members and SOCAR, as it may be amended from time to time.
"PSA Participating Interest"	means the interests of a Member or SOCAR under the PSA, as the same may change from time to time.
"register"	means the register of Members maintained in accordance with Article 7.
"registered office"	means the registered office (as defined in the Statute) for the time being of the Company.
"Seal"	means the common seal of the Company and includes every duplicate seal.

"Secretary"	includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company.
"share"	means any share in the capital of the Company, including an Unlimited Share and any fraction of a share.
"SOCAR"	means the State Oil Company of the Azerbaijan Republic or any agency or instrumentality of the Azerbaijan Republic which may succeed to the rights of SOCAR under the PSA.
"Special Resolution"	means a resolution of the Members passed in general meeting by at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the votes cast in relation thereto, or a resolution approved in writing as described in the Statute.
"Statute"	means the Companies Law (Revised) of the Cayman Islands as amended, and every statutory modification or reenactment thereof for the time being in force.
"Unlimited Share"	means an Unlimited Redeemable Share (as defined in paragraph 6 of the Memorandum of Association) of nominal or par value of one U.S. cent (US\$0.01) in the capital of the Company, each such share having the right to one (1) vote subject to the provisions of these Articles.
"written" and "in writing"	include all modes of representing or reproducing words in visible form.

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

Words importing only the masculine gender include the feminine and neuter genders and vice versa.

Words importing only persons include corporations and other entities, including without limitation governments and their agencies and instrumentalities.

Any reference to any action or matter being approved, determined, resolved, declared, authorised or the like by Members shall, unless the context otherwise

indicates, be construed as a reference to such action or matter being sanctioned by Ordinary Resolution.

Capitalised terms used and not otherwise defined herein have the meanings attributed to them in the JOA or the PSA, as applicable, unless the context otherwise indicates.

2. The business of the Company may be commenced as soon after incorporation as the Members shall see fit, notwithstanding any previous allotment of shares; PROVIDED THAT the Company shall, in its dealings with third parties, at all times act only in an agency capacity for the Members and that it shall neither own any assets of its own nor receive any income or incur any expense or liability (except in respect of the issued share capital of the Company or as required by law) on its own behalf or otherwise except on behalf of the Members.

3. The Company may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

#### **CERTIFICATES FOR SHARES**

4. Certificates representing shares of the Company shall be in such form as shall be determined by the Members. Such certificates shall be under Seal and may bear such legends as the Members may determine. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Members may authorise certificates to be issued with the seal and authorised signature(s) affixed by some method or system of mechanical process.

5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US\$1.00) or such lesser sum and on such terms (if any) as to evidence an indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Members may prescribe.

#### **ISSUE OF SHARES**

6. Subject to the provisions, if any, in that behalf in the Memorandum of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of existing shares, the Members may allot, issue or otherwise dispose of shares of the Company (including fractions of



a share) to such persons, at such times and on such other terms as they think proper. All shares shall be issued only on a fully paid and non-assessable basis.

7. The Company shall maintain a register of its Members, and every person whose name is entered as a Member in the register of Members shall be entitled without payment to receive within two (2) months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all its shares. No Member shall be entitled at any time to more than one certificate covering all shares held by such Member.

### **TRANSFER OF SHARES**

8. The instrument of transfer of any share shall be in writing in any common form or any form approved by the Members and shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register in respect thereof.

9. No transfer of any shares by any Member (except for a transfer to one or more Members in accordance with these Articles) shall be valid unless approved by the affirmative vote, at a general meeting, of the holders of an absolute majority of shares held by Members other than the transferring Member, or by unanimous written consent of the Members other than the transferring Member. The Members shall decline to register any transfer of shares not made in accordance with these Articles. If the Members refuse to register a transfer, they shall notify the proposed transferee within two (2) months of such refusal.

10. No Member shall mortgage, pledge, charge or otherwise encumber all or part of its shares for any purpose in a manner inconsistent with the restrictions imposed on encumbrance of a Party's JOA Participating Interest by Section 11.1(F) of the JOA.

11. The registration of transfers may be suspended at such time and for such periods as the Members may from time to time determine, provided always that such registration shall not be suspended for more than forty-five (45) days in any year.

### **REDEEMABLE SHARES**

12. (a) Subject to the provisions of the Statute, the Memorandum of Association and applicable law, shares shall be issued on the terms that they are to be redeemed, or at the option of the Company or the holder thereof, redeemable on such terms and in such manner as specified in the Articles or as the Members, before the issue of the shares, may determine. In case of redemption of shares, the Company may fund the redemption of shares in any manner permitted by law, including out of capital to the extent so permissible.

(b) In the event that any Member shall be deemed to submit its shares for compulsory redemption under the provisions of Article 16 such Member shall be entitled to a payment from

the Company equal to the aggregate par or nominal amount of the shares redeemed. Upon such redemption, the relevant shares shall be cancelled immediately and form part of the authorised, but unissued share capital of the Company and the former holder shall have no further rights as a Member in respect thereof save as regards any payment due from the Company before the redemption of such shares.

(c) Subject to the provisions of the Statute, the Memorandum of Association and applicable law, the Company may purchase its own shares (including fractions of a share), including any redeemable shares, provided that the manner of purchase is provided for by these Articles or has first been authorised by the Members and may make payment therefor in any manner permitted by law, including out of capital to the extent so permissible.

### **NONRECOGNITION**

13. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **LIEN ON SHARES**

14. The Company shall have a first and paramount lien and charge on all shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not. The registration of a transfer of any such share shall operate as a waiver of the Company's lien (if any) thereon. The Company's lien (if any) on a share shall extend to all distributions or other monies payable in respect thereof.

### **COMPULSORY REDEMPTION, TRANSFER AND ISSUANCE OF SHARES**

15. (a) If the Company becomes aware that a Member is in default pursuant to Section 7.1 of the JOA, such Member shall be subject to the provisions of this Article 15 and Article 16(a) through (d).

(b) If such default has not been cured within five (5) Business Days such Member shall cease to have any rights in respect of any Member meetings and shall not be permitted to attend such meetings or vote on issues reserved to Members, or otherwise participate in the management of the Company, so long as such Member is in default. Such Member shall likewise cease to have any rights in respect of access to Company data or information relating to Company

operations and nondefaulting Members shall be entitled to trade data without such Member's consent. Such Member shall regain all of its rights as a Member upon cure of the default but only so long as its shares have not been redeemed or transferred under Article 16.

16. (a) If a Member shall fail to cure a default under Article 7.1 of the JOA by the forty-fifth (45th) day following notice of default provided hereunder, the Members shall have the right to, and in a general meeting may determine by an Ordinary Resolution whether to, give notice to the Member in question requiring the redemption of such Member's shares. In the event such notice is given, the Member in question shall submit or be deemed to have submitted its shares for redemption and shall forthwith deliver any certificates for such shares to the Company, and shall be deemed to have empowered the President or Vice President-Commercial (or Senior Vice President) of the Company each individually and severally to execute any and all instruments or documents necessary to effect such redemption, which the Company shall duly register. The Member whose shares are being redeemed shall, without delay following any notice from the Company of such redemption, do any and all acts required to be done by applicable law or regulation in order to render such redemption legally valid.

(b) In the alternative and at the option of the Members, in lieu of compulsory redemption of a Member's shares in the circumstances described in Article 16.(a), above, the Members may, pursuant to an Ordinary Resolution and upon notice to the Member in question, require the Member in question to transfer its shares to the remaining Members willing to take such shares in amounts proportional to their respective shareholdings in the Company (or if less than all remaining Members elect to take such shares, in the proportion that each such taking Member's shares bears to the aggregate total shares of all taking Members), in exchange for payment to the Company of the nominal or par value of the shares being transferred to it, which payment shall be a good discharge of a taking Member's obligation to make payment for such shares. Each Member taking such shares shall declare its election to take its proportional allotment of shares in writing to the transferring Member and the Company within fifteen (15) days after delivery of the notice referred to above, accompanied by payment in full, failing which the shares shall be offered on the same terms to the other Members as many times as necessary until all are taken. In the event such notice is given, the Member in question shall so transfer or be deemed to so transfer its shares and shall be deemed to have empowered the President or Vice President-Commercial (or Senior Vice President) of the Company each individually and severally to execute any and all stock powers or other documents necessary to effect such transfer, which the Company shall duly register. The Member whose shares are being transferred shall, without delay, following any notice from the Company of such transfer, do any and all acts required to be done by applicable law or regulation in order to render such transfer legally valid, free of all liens and encumbrances.

(c) On the date of registration of any redemption or transfer pursuant hereto, the Member whose shares have been so redeemed or transferred shall cease to be a Member in all respects to the extent of its shares so redeemed or transferred. The redemption or transfer of a defaulting Member's shares shall be without prejudice to any rights or remedies the Company or any Member has to recover any outstanding debts of such Member.

(d) In the event that SOCAR should forfeit its PSA Participating Interest pursuant to Article 28.3 of the PSA, or in the event that SOCAR should elect a lesser PSA Participating Interest than that specified in Article 3.1 (A) of the JOA, then the Company shall issue additional shares out of the authorised but unissued capital of the Company to each Member (other than Lukoil and its successors and assigns) willing to take such shares in the proportion that such Member's shareholdings in the Company bear to the aggregate total of all such Members' shareholdings in the Company, upon payment to the Company by such Member of the nominal or par value of such shares as are to be issued to it and otherwise as provided in Article 16.(b). Such Members shall execute any documents and do all other acts necessary to effect such issuance and their additional shareholdings shall be duly registered.

17. (a) In the event of a default by a Member under Section 7.3(a) of the JOA, such Member shall be subject to the provisions of Article 15 and Article 16(a) through (d).

(b) The rights of nondefaulting Members set forth hereunder are in addition to and not in substitution for any other rights or remedies which such nondefaulting Members may have at law or in equity or pursuant to the JOA.

18. In the event that a Member elects to withdraw from the PSA or the JOA, such Member shall be deemed to have withdrawn as a Member and its shares shall be redeemed or transferred forthwith pursuant to the procedures of Article 16. All expenses associated with the withdrawal from the Company and redemption or transfer of shares hereunder shall be borne by the withdrawing Member, and the Company may, without limitation of its rights, deduct such amounts from any payment the Company would otherwise be required to make pursuant to these Articles or otherwise.

#### **REGISTRATION OF EMPOWERING INSTRUMENTS**

19. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letter of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas or other instrument.

#### **TRANSMISSION OF SHARES**

20. In case of the death, adjudicated bankruptcy or dissolution of a Member, the shares of such Member shall be redeemed or transferred forthwith by the Company pursuant to the procedures of Article 16; PROVIDED THAT nothing contained herein shall release the estate or other successor to rights of any such Member from any liability in respect of any shares which had been held by such Member.

**AMENDMENT OF MEMORANDUM OF ASSOCIATION, CHANGE OF  
LOCATION OF REGISTERED OFFICE AND ALTERATION OF CAPITAL**

21. (a) Subject to and in so far as permitted by the provisions of the Statute, the Company may from time to time by Special Resolution of the Members alter or amend its Memorandum of Association and may, without restricting the generality of the foregoing:

- (i) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto as the Company in general meeting may determine;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (iii) by subdivision of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association, or into shares without nominal or par value;
- (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person; and
- (v) alter the objects of the Company.

(b) All new shares created hereunder shall be subject to the same provisions with reference to the payment, liens, transfer, transmission and otherwise as the shares in the original share capital.

(c) Subject to the provisions of the Statute, the Company may by Special Resolution change its name.

(d) Subject to the provisions of applicable law, the Company may by Special Resolution reduce its share capital and any capital redemption reserve fund.

(e) Subject to the provisions of the Statute, the Company may by Special Resolution change the location of its registered office.

**CLOSING REGISTER OF MEMBERS; FIXING RECORD DATE**

22. For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive any payments from the Company, or in order to make a determination of Members for any other proper

purpose, the Members may by Ordinary Resolution provide that the register of Members shall be closed for transfers for a stated period but not to exceed in any case forty-five (45) days. If the register of Members shall be so closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such register shall be so closed for at least ten (10) days immediately preceding such meeting, and the record date for such determination shall be the date of the closure of the register of Members.

23. (a) In lieu of or apart from closing the register of Members, the Members may fix in advance a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members and for the purpose of determining the Members entitled to receive any distribution from the Company, the Members may, at or within ninety (90) days prior to the date of declaration of such distribution fix a subsequent date as the record date for such determination.

(b) If the register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members or Members entitled to receive any payment from the Company, the date on which notice of the meeting is mailed or the date on which the Ordinary Resolution of the Members declaring such payment is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

## MANAGEMENT AND GENERAL MEETING

24. The management of the Company shall be vested in the Members of the Company acting in a general meeting or by written resolution adopted in accordance with Article 42(b). Matters reserved to the Members include without limitation:

(a) Compromise or settlement of any claim or lawsuit or any related series of claims or lawsuits representing an exposure to the Company of more than US\$50,000 (Fifty thousand United States Dollars) in 1994 Dollars, exclusive of legal fees;

(b) Obtention and maintenance of insurance by the Company above and beyond that required by applicable law and regulations;

(c) Approval of, and amendments to, Company operational plans and budgets;

(d) Formulation, updating and observance of standards and policies related to:

(i) banking and financing;

(ii) accounting;

- (iii) safety and health;
  - (iv) environment;
  - (v) corporate ethics;
  - (vi) personnel;
  - (vii) emergency response; and
  - (viii) internal audits;
- (e) General oversight and review of the performance of the Company; and
- (f) Approval of any contracts estimated to involve expenditures of US\$10,000,000 (Ten Million United States Dollars) or more in 1994 Dollars.

25. The voting rights of a Member in default under the JOA shall be governed by the provisions of Article 15.(b).

26. If the Company is exempted as defined in the Statute, it may but shall not be obliged to hold an annual general meeting.

#### NOTICE OF GENERAL MEETINGS

27. (a) The Company shall, on its own volition or the requisition of any one or more Members, proceed to convene a general meeting of the Company to be held not less than fifteen (15) days' from the time that the Company gives notice thereof pursuant to Article 69 to all Members eligible to attend and vote. The Company shall give such notice forthwith upon receipt of a valid requisition.

(b) A requisition must state the objects of the meeting and must be signed by the requisitionist(s) and deposited at the registered office of the Company.

28. Meetings of the Members shall be held in Baku, Azerbaijan, or at such other place as notified by the Company, except as Members holding sixty percent (60%) of all shares in issue conferring rights to attend and vote shall in and for any particular instance otherwise direct. Any such direction shall be registered by notice to the Company delivered within five (5) days after delivery by the Company of notice of the meeting.

29. The President or the Vice President-Commercial (or, as appropriate, the Senior Vice President) shall attend general meetings in an advisory capacity; PROVIDED THAT such officer's absence shall not invalidate any such meeting or any resolution taken thereat. Neither

the President nor any Vice President nor any other officer or director shall be entitled to vote at a general meeting under any circumstances.

30. (a) Every notice of a meeting of Members shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the date, time and location of the meeting and an agenda, together with relevant supporting information of the matters and proposals to be considered or voted upon.

(b) A Member, by notice to the Company and the other Members given not less than five (5) days prior to a meeting, may add additional matters to the agenda for a general meeting. Each Member shall endeavor to inform the Company within the aforementioned time period of any matters it wishes to raise at such general meeting which it believes will require a decision of the Members.

31. At the request of a Member, or of the Company, notwithstanding the foregoing and with the approval of the Members by Ordinary Resolution, the general meeting may vote upon a matter not contained in the general meeting agenda.

32. Subject to the proviso to this Article 32, no general meeting shall be duly constituted unless notice shall have been duly given to all Members entitled to receive notice, attend and vote thereat; PROVIDED THAT any Member may waive notice of any general meeting at any time and that attendance by any Member shall constitute waiver of notice as to such Member.

### PROCEEDINGS AT GENERAL MEETINGS

33. Each Member that is not a natural person (each an "Appointing Member") shall by notice in writing to the Company appoint a representative ("Representative") to act on its behalf at general meetings of the Company or in any written action of Members, who shall be authorised to cast at any general meeting or in any written action of Members the number of votes to which the Appointing Member is entitled and whose presence at any general meeting shall constitute the presence in person of such Member for all purposes. Each Member may by notice in writing to the Company at any time remove and replace its Representative and may also by notice in writing to the Company appoint an alternate Representative of the Appointing Member to represent such Member in all respects at any general meeting (or for such part thereof as such Member may specify) if such Appointing Member's Representative is not in attendance.

34. No business shall be transacted at any general meeting with respect to a particular agenda item unless a quorum of Members with respect to such item is present at the time when such item is considered. Subject to the provisions of the Statute (and provided that any number of Members present which are Affiliates shall be counted as one (1) Member), Members present in person or by proxy constituting (a) forty percent (40%) in number of the Members then entitled to attend and vote holding sixty percent (60%) of the total number of votes that could



then be cast shall constitute a quorum with respect to items requiring approval by Ordinary Resolution and other majorities except by Special Resolution or unanimity; (b) Members holding an absolute majority of shares then in issue and entitled to attend and vote shall constitute a quorum with respect to approval of a transfer of a Member's shares as provided in Article 9; and (c) Members holding ninety percent (90%) of the total number of votes that then could be cast shall constitute a quorum with respect to items requiring approval by Special Resolution; PROVIDED ALWAYS that if the Company has fewer than three (3) Members, the quorum for transaction of any business shall be all of those Members present in person or by proxy. If a Member does not attend but sends the Company advance written notice of the absent Member's vote on items specified in the agenda, such Member shall be deemed to have attended in person and voted solely for purposes of such agenda items.

35. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the third day following at the same time and place and if at the reconvened meeting a quorum is not present within half an hour from the time appointed for the meeting, then without prejudice to the last sentence of Article 34 the Members (or any Member if the Company has less than three Members) present shall be a quorum.

36. (a) An officer of the Company present at any meeting of Members may be chosen by the Members to preside as Chairman at the meeting, or if no officer shall be present within thirty (30) minutes after the time appointed for the holding of the meeting, or each is unwilling to act, the Members present or represented shall elect one of their number (or Representatives or proxies) to be Chairman of the meeting.

(b) The Chairman may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

37. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands (each representing the number of shares held by the respective Member voting) unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or any other Member present in person or by proxy.

38. Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's minute book containing the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

39. The demand for a poll may be withdrawn.

40. Except as provided in Article 41, if a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

41. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may be proceeded with pending the taking of the poll.

### **VOTES OF MEMBERS**

42. (a) Subject to any rights or restrictions for the time being attached to any Member and in particular subject to the provisions of Article 15, and regardless in what manner a vote is taken, every Member of record present in person or by proxy shall have one (1) vote for each share, and a proportional fraction of one (1) vote for each fraction of a share, registered in its name in the register of members on the record date for such meeting; PROVIDED THAT all approvals, decisions and ratifications which are required by these Articles to be made by a defined majority specified in these Articles or by unanimity shall be made by such majority or greater, or unanimity.

(b) Notwithstanding the provisions of Article 34, a resolution in writing (in one or more counterparts) signed by or on behalf of all Members for the time being entitled to receive notice of, attend and vote at general meetings (or being corporations or other entities by their duly authorised Representatives), whether with respect to a matter subject to Ordinary Resolution, Special Resolution or other majority, shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

43. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by receiver, curator bonis, or other person, receiver or curator bonis appointed by that court, and any such receiver, curator bonis or other persons may vote by proxy.

44. No Member shall be entitled to vote at any general meeting unless he is registered as a Member of the Company on the record date for such meeting.

45. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting, whose decision shall be final and conclusive.

46. On a poll or on a show of hands, votes may be given either personally or by proxy.

## **PROXIES**

47. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation or other entity, under the hand of an officer, attorney or other representative duly authorised in that behalf. A Representative may appoint a proxy on behalf of the Appointing Member by whom he was appointed in accordance with Articles 47 to 50. A proxy need not be a Member.

48. Proxies may be appointed only for specified meetings or written resolutions. The instrument appointing a proxy shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting or adjourned meeting provided that the Chairman of the Meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex, cable or telecopy confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.

49. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

50. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the general meeting or adjourned meeting at which it is sought to use the proxy.

51. Shares of its own capital belonging to the Company or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

## **OTHER PROVISIONS CONCERNING PROCEEDINGS OF MEMBERS**

52. The Members may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Members, to be the attorney or attorneys of the Company for such purpose with such powers, authorities and discretion, for such period and subject to such conditions as they may think fit; PROVIDED ALWAYS that no such attorney shall have any power or authority to manage the Company or the Business. Any such powers of attorney may contain such provisions

for the protection and convenience of persons dealing with any such attorneys as the Members may think fit.

53. A quorum of Members, whether acting personally or by proxy, may participate in a meeting of the Members by means of conference telephone, video conferencing equipment or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

54. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Members shall from time to time by Ordinary Resolution determine.

55. The Members shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of officers made by the Members;
- (b) of the names of the Members (including those represented thereat by proxy) present at each meeting of the Members; and
- (c) of all resolutions and proceedings at all meetings of Members.

#### SEAL

56. The Seal shall be used only by the authority of the Members, and every instrument to which the Seal has been affixed shall be signed by one (1) person who shall be either a Member or the Secretary or Secretary-Treasurer or some person appointed by the Members for the purpose;

PROVIDED ALWAYS THAT the Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common seal of the Company and, if the Members so determine, with the addition on its face of the name of every place where it is to be used.

PROVIDED FURTHER THAT a Member, Secretary or other officer or attorney may without further authority of the Members affix the Seal or any duplicate Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere, wheresoever.

## **DIRECTORS AND OFFICERS**

57. The Members shall by Ordinary Resolution appoint a maximum of two (2) Directors, the powers of whom shall be strictly limited to the convening and holding of the annual meeting of the Directors of the Company required to be held in the Cayman Islands pursuant to Section 193 of the Statute whether in person or by proxy appointed in the manner provided herein; PROVIDED ALWAYS THAT such Directors shall not have the capacity or the authority to adopt any resolution or to take any action on behalf of the Company at such meeting or otherwise except to authorise the filing of the annual return of the Company required by Section 186 of the Statute.

58. (a) Subject to the following provisions of this Article 58, the Members may from time to time appoint such Officers of the Company to carry on the day-to-day conduct of the Business as they consider necessary, on and for such terms, for such remuneration and to perform such duties and exercise such powers and discretions subject to such provisions as to disqualification, removal and otherwise as the Members may from time to time prescribe.

(b) Notwithstanding the generality of Article 58.(a), the Company shall have a President, a Vice President-Commercial (which latter office may be superseded by the office of Senior Vice President should the Members so determine), a Secretary and a Treasurer.

59. The Members shall establish a Contracts Committee upon such terms and conditions as they see fit with authority to determine whether to award certain contracts (as determined by the Members) which the Company has authority to award and is permitted to award; PROVIDED THAT the authority of the Contracts Committee shall be limited to contracts the total expenses of which to the Company or the Members are below US \$10,000,000 (Ten million United States Dollars) in 1994 Dollars.

60. The Members shall review the Company's activity and consult on items brought before them by any one of them or by the President. In case there is an urgent item and the President deems it necessary to be handled promptly by the Members, the President may propose a special meeting of the Members to handle said item, at such time and place as the President shall notify the Members; PROVIDED THAT the notice period and procedures set forth in Articles 27 and 32 shall always apply.

## **DISTRIBUTIONS**

61. The Company shall not pay any distributions other than as contemplated in these Articles. Subject to the Statute, the Members may from time to time declare distributions (whether final or interim) on Unlimited Shares outstanding and authorise payment of the same out of the funds of the Company lawfully available therefor, including from the share premium account; PROVIDED ALWAYS THAT distributions on Unlimited Shares shall be declared and

paid *pari passu*; and PROVIDED FURTHER that nothing in this Article is intended to suggest that the Company shall earn profits or distribute dividends.

### CAPITALISATION

62. The Members may by Ordinary Resolution determine to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum otherwise available for distribution and to appropriate such sum to Members in proportion to the number of shares held by them, respectively, and to apply such sum on their behalf in paying up in full unissued shares for allotment and distribution credited as fully paid up to and among them in the proportion aforesaid. In such event the Members shall authorise a suitable officer of the Company or other person to do all acts and things required to give effect to such capitalisation, with full power to such person to make such provisions as he thinks fit in the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Members may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto, and any agreement made under such authority shall be effective and binding on all concerned.

### BOOKS OF ACCOUNT

63. The Members shall cause proper books of account to be kept with respect to the financial affairs of the Company. 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 Company's affairs and to explain its transactions.

64. The Members shall have the right at all times within reasonable business hours to inspect the accounts and books of the Company at the primary place where same are kept in each case.

65. The Members may from time to time cause to be prepared and to be laid before the Company in general meeting such reports and accounts as may be required by law.

### AUDIT

66. The Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.

67. The Members may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by Ordinary Resolution, in which case the Members may appoint a replacement Auditor or Auditors to finish out the term of the removed Auditor or Auditors. The Members may by Ordinary Resolution fill any casual vacancy in the office of Auditor but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor under this Article shall be fixed by the Members.

68. (a) Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Members and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.

(b) Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.

## NOTICES

69. Except as otherwise specifically provided, all notices authorised or required among the Members shall be in writing, in English and delivered in person or by registered mail or by courier service or by any electronic means of transmitting written communications which provides confirmation of complete transmission, and addressed to such Member(s) at the address then in effect for such Member(s) pursuant to the terms of the JOA. The originating notice given under any provision of these Articles shall be deemed delivered only when received by the Member to whom such notice is directed, and the time for such Member to deliver any notice in response to such originating notice shall run from the date the originating notice is received. The second or any responsive notice shall be deemed delivered when received. "Received" for purposes of this Article with respect to written notice delivered pursuant to these Articles shall be actual delivery of the notice to the address of the Member to be notified specified in accordance with this Article.

70. A notice may be given by the Company to the person or persons who the Company has been advised are entitled to a share or shares in consequence of the death, dissolution or bankruptcy of a Member by sending it through the post as aforesaid in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, liquidator of a corporate Member in dissolution or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death, bankruptcy or dissolution had not occurred.

71. Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the register of Members as of the record date for such meeting. No other person shall be entitled to receive notices of general meetings.

## DISSOLUTION AND WINDING UP

72. (a) Notwithstanding any provision in these Articles to the contrary, the Company shall be considered to have commenced voluntary winding up and dissolution automatically and without the requirement of any other act:

- (i) if the Members pass a Special Resolution requiring the Company to be wound up and dissolved; or
- (ii) upon the expiry of the period of ninety (90) days commencing from the death, adjudicated bankruptcy or dissolution of any Member, unless within such ninety (90) day period, the other Members, being at least two (2) in number, shall have adopted a resolution by a vote of the remaining Members holding in aggregate a majority of the shares held by such remaining Members at a general meeting or by a resolution or resolutions in writing in like form signed by Members holding in the aggregate a majority of the shares held by such remaining Members to continue the Company in existence;

and in the case of an event occurring as described in (ii) above, the Auditor then in office shall serve as liquidator, failing which the provisions of Section 132(2) of the Statute shall apply as regards the appointment of liquidators of the Company.

(b) If the Company shall be wound up, the liquidator may without any sanction except as required by the Statute divide among the Members in specie or in kind the whole or any part of any assets of the Company (whether they shall consist of property of the same kind or not) if there be such and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as among the Members or different classes of Members. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

73. On winding up and dissolution of the Company, the balance of the assets available for distribution and subject to any special rights or restrictions attaching to any class of shares shall be applied in paying to the persons who were Members immediately preceding the commencement of winding up and dissolution of the Company the amounts paid up on the shares held by them, and the surplus shall be payable to such persons according to the respective number of shares held by them. In the event that on winding up and dissolution of the Company its



assets are insufficient to meet its liabilities, the Members immediately preceding the commencement of such winding up and dissolution shall be jointly and severally liable for any shortfall.

### **INDEMNITY**

74. The officers for the time being of the Company and any trustee or attorney for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives, respectively, shall be indemnified out of any assets of the Company (each contributing in proportion to its respective shareholding) from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain (in the case of an attorney, in his/her individual capacity) by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts or representative capacity, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default, respectively, and no such officer, trustee or attorney shall be answerable for the acts, receipts, neglects or defaults of any other officer, trustee or attorney or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office, trust or other charge unless the same shall happen through the wilful neglect or default of such officer, trustee or attorney.

### **FINANCIAL YEAR**

75. Unless the Members otherwise prescribe, the financial year of the Company shall end on December 31 in each year and, following the year of incorporation, shall begin on January 1 in each year.

### **AMENDMENTS OF ARTICLES**

76. Subject to the Statute, the Company may at any time and from time to time, by a Special Resolution alter or amend these Articles in whole or in part.

### **TRANSFER BY WAY OF CONTINUATION**

77. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of an Ordinary Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

## SHARE CAPITAL AND SUBSCRIBERS

78. (a) The authorized share capital with which the Company proposes to be registered is US \$10,000 (Ten thousand United States Dollars) divided into one million (1,000,000) Unlimited Redeemable Shares of nominal or par value of US \$0.01 (One United States cent).

(b) The number of Members with which the Company proposes to be registered is two, as follows:

SIGNATURE AND ADDRESS OF EACH SUBSCRIBER	NUMBER OF SHARES TAKEN BY EACH
AMOCO CASPIAN SEA PETROLEUM LIMITED Craigmuir Chambers P.O. Box 71 Road Town, Tortola BRITISH VIRGIN ISLANDS	170,100

By: T. G. Doss 2/22/95  
T. G. Doss  
Vice President

WITNESS:

Lynd L. J.

PENNZOIL CASPIAN CORPORATION  
Craigmuir Chambers  
P.O. Box 71  
Road Town, Tortola  
BRITISH VIRGIN ISLANDS

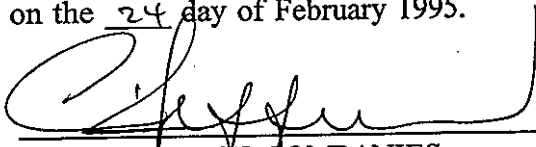
98,175

By: Richard Edmonson 2/22/95  
Richard Edmonson  
Director

WITNESS:

Paula M. Kuebler

I, <sup>ack</sup> **CINDY Y. JEFFERSON** Registrar of Companies in and for the Cayman Islands  
HEREBY CERTIFY that this is a true and correct copy of the Articles of Association of this  
Company duly incorporated on the 24 day of February 1995.

<sup>ack</sup>   
REGISTRAR OF COMPANIES

CERTIFIED TO BE A TRUE AND CORRECT COPY

SIG. 

CINDY Y. JEFFERSON  
Dep. Registrar of Companies

DATE August 14th, 1995

