

SPE INTERNATIONAL CONSTITUTION

As adopted 25 September 2004

PREAMBLE

The Society of Petroleum Engineers (hereafter referred to as “Society” or “SPE”) is a collective group of entities whose individual members affirm their commitment to SPE’s mission to collect, disseminate, and exchange technical knowledge concerning the exploration, development and production of oil and gas resources, and related technologies for the public benefit; and to provide opportunities for professionals to enhance their technical and professional competence. SPE’s mission is further defined by the One SPE Guiding Principles adopted by the Board in September 2001:

One SPE Guiding Principles

The Society of Petroleum Engineers is a diverse community of professionals that provides valuable knowledge and services to those professionals and to the industry in varied forms.

The concept of One SPE reflects the goal that each function and activity of the Society should serve the broader membership while addressing local needs, supporting technical and professional excellence, and making wise use of Society resources.

The voluntary donation of time and talent by SPE members is our most vital asset and the creative energy of volunteers must be encouraged and supported by the Society.

Furthermore, the Society is a transnational technical and professional society serving members engaged in the exploration, development, production and mid-stream segments of the oil, gas, and related industries. This Constitution provides guidance for governing the Society’s worldwide operations to deliver services to members in furtherance of SPE’s mission and principles.

SECTION I LEGAL STRUCTURE

Article 1 Legal status

The Society of Petroleum Engineers comprises several entities organized under the laws of their respective countries. The Society acts under this Constitution with all rights and obligations of a corporate body with a legal personality.

Article 2 Directors

The Society nominates and seats a Board of Directors (“Board”) according to the provisions in Section VIII. These Directors manage the Society’s global operations.

Article 3 Legal Entities

The Society is an assemblage of several distinct legal entities (refer to Table A). Society Directors are assigned to the Boards of the legal entities by the President based on country of current domicile, as approved by the Board. Each entity’s Board may also have additional nominated Directors.

Actions approved by the Society Directors must also be ratified and adopted by each affected Society entity Board for full implementation.

SECTION II GENERAL OBJECT AND FUNCTIONS OF THE SOCIETY

Article 4 General Object

The Society is organized and shall be operated exclusively for charitable, scientific, literary, and educational purposes. In furtherance of the foregoing purposes, the primary purposes of the organization shall be to collect, disseminate, and exchange technical knowledge concerning the exploration, development and production of oil and gas resources, and related technologies for the public benefit; and to provide opportunities for professionals to enhance their technical and professional competence.

Article 5 Functions

To achieve the general object as defined in Article 4 of the Constitution, the functions of the Board shall, among others, be the following:

- a. To act as the permanent body of leadership, liaison, and coordination among the Society entities and to provide operational assistance;
- b. To promote the Society's mission within the industry for the betterment of society;
- c. To direct resources among the entities;
- d. To encourage and coordinate membership growth and the establishment of member sections and student chapters;
- e. To be the official representative of the Society in the international field;
- f. To coordinate consistent and fair delivery of services to each entity and every individual member;
- g. To set global policies, including, among others, organizational structure, membership criteria, dues rates, financial budgets, and investment strategies;
- h. To appoint the Executive Director of the Society (the "Executive Director");
- i. To set up bodies, including, among others, those with legal status, required for the activities of the Society and to appoint their members;
- j. To designate, on the recommendation of the Audit and Administration Committee, a firm of chartered accountants as external auditors;
- k. To approve, on the recommendation of the Audit and Administration Committee, the plans and, with a qualified majority of sixty percent of the Board members present and voting, the budgets, and the financial reports of the Society; and
- l. To amend the Constitution with a quorum of seventy-five percent and a qualified majority of seventy-five percent of the Board members present and voting.

Article 6 Society Governance

Each Society entity shall act in conformity with the laws of the country of incorporation and, to the greatest extent possible, incorporate the principles of this Constitution into its bylaws and operations.

SECTION III MEMBERSHIP

Article 7 Members of the Society

The membership of each of the Society's legal entities shall not be limited by age, race, color, creed, religion, sex, national origin, or disability status, but shall be limited to those individuals who fulfill membership requirements, including payment of dues and fees, and who receive endorsement of qualifications for membership as shall be established by the Board of Directors. The following shall be grades of membership:

- a. Member - An individual may be considered for membership as a Member in the Society if he/she:
 - Is employed in work related to the petroleum industry; **AND** either
 - Holds a university degree equivalent to a four-year bachelors degree; or
 - Holds a two-year science or engineering degree; or
 - Has six (6) years' of active practice in support of petroleum engineering or in the application of science to the petroleum industry.
- b. Student Member - An individual may be considered for membership as a Student Member in the Society if he/she:
 - Is student-in-good-standing enrolled in a course of study leading to an undergraduate or graduate degree in petroleum engineering or a related field and is carrying at least 30% of a normal full-time academic load.
- c. Recent Graduate - An individual may be considered for membership as a Recent Graduate in the Society if he/she:
 - Was an SPE Student Member who graduated within the immediate past one-year period from a course of study leading to an undergraduate or graduate degree in petroleum engineering or a related field. Members may remain in this grade for one year.

Article 8 Special Members

The Board of Directors may approve certain designated Members to special classifications of membership. All of the Society's entities will recognize these special classes of members. Initially, these classifications of membership shall be as follows:

- a. Honorary Member - To be designated to this classification of membership he/she:
 - Must have received recognition for outstanding service to the Society, and/or recognition of distinguished scientific or engineering achievement in the fields the Society embraces, and must be elected as an Honorary Member by the Board of Directors.

- b. Legion of Honor Member - To be designated to this classification of membership he/she:
 - Must be a Member of the Society or its predecessor organization for fifty (50) consecutive years.
- c. Distinguished Member - To be designated to this classification of membership he/she:
 - Must have received recognition for outstanding contributions to some phase of professional activity encompassed by the Society, must have achieved distinction as an eminent authority in some aspect of petroleum engineering, must have exhibited notable and outstanding service to the Society and must be elected as a Distinguished Member by the Board of Directors.
- d. Senior Member - To be designated to this classification of membership he/she:
 - Must be a Member and must be eligible on 1 January of the 30th year or greater of continuous membership in the Society or its predecessor organization and have attained age 65 or greater. Special cases may be approved by the Audit and Administration Committee if the Member has reached age 60, has at least thirty (30) years of continuous membership in the Society or its predecessor organization, and is retired.
- e. Life Member - To be designated to this classification of membership he/she:
 - Must be a Member who makes a single payment in an amount equal to twenty (20) times the dues of the grade in which he/she is enrolled.
- f. 25 - Year Member - To be designated to this classification of membership he/she:
 - Must have twenty-five (25) years of consecutive membership (excluding any years as a Student Member) in the Society or its predecessor organization.

Article 9 Dues and Fees

The Society Board of Directors shall establish dues and fees for all grades of membership.

Article 10 Privileges

All grades and classifications of members shall be entitled to all privileges of membership except that Student Members shall have no vote nor be entitled to serve as Officers or Directors of the Society, other than as an Officer of a student chapter.

Article 11 Resignations and Terminations

The Board of Directors shall set terms and conditions governing resignations and terminations of membership in the Society.

Article 12 Member Rights

The rights of each member shall include, among others:

- a. to be represented at and to participate in the work of the Society with the right to vote;
- b. to stand for election, and to nominate candidates, to all official bodies of the Society;
- c. to submit proposals to the Society and to other bodies of the Society; and
- d. to assemble in sections or chapters (defined later in this document) for the enjoyment of the individual members.

Article 13 Member Duties

The duties of each member shall include, among others:

- a. to support the Society in the pursuit of its general object and to apply the decisions adopted by the Society and by the Board;
- b. to ensure that the mission and One SPE Principles are carefully observed in the activities of the Society;
- c. to remit annual dues to the Society as approved by the Board; and
- d. to encourage individual and company participation in the Society's activities.

SECTION IV ORGANIZATION

Article 14 Geographical Sections

Geographical sections are semi-autonomous units and are largely self-governing. Most sections are unincorporated. Regulations in some host countries require groups like sections to register or incorporate. Sections are directly responsible to their respective Society entity's Articles of Association, By Laws, and Directors, and additionally subject to the authority of the Society's Officers and Board of Directors.

Any group of SPE members in a particular geographic area can submit an application for formation of a new section. SPE members are assigned to an SPE section on the basis of preferred mailing address. Members can affiliate with additional sections for an additional charge. The Board of Directors recommends the following procedures:

1. Determine that there are at least twenty-five (25) members residing in the geographical area to be encompassed by the new section;
2. Outline the precise geographical area (jurisdiction) to be included in the proposed section;
3. Conduct an organizational meeting with all interested members and establish a temporary organization including temporary Officers;
4. Develop a draft constitution for the proposed section;
5. Adopt a name for the proposed section;
6. Submit the names and addresses of the temporary section Officers, a formal petition signed by at least fifteen (15) SPE members to the respective regional SPE entity office; and
7. The regional SPE entity Board will review the proposed jurisdiction and will take steps to obtain formal approval for formation of the new section by the Society Board of Directors.

SPE Sections are grouped into administrative regions as approved by the Society Board.

Article 15 Technical Sections

Technical sections are semi-autonomous units and are largely self-governing. Most sections are unincorporated. Regulations in some host countries require groups like sections to register or incorporate. Sections are subject to their respective Society entity's governing documents, and Directors, and additionally subject to the authority of the Society's Officers and Board of Directors.

Any group of SPE members interested in a particular technical subject area can submit an application for formation of a new technical section. Members can affiliate with technical sections in accordance with the provisions of the constitution for that section. The Board of Directors recommends the following procedures:

1. Determine that there are at least twenty-five (25) members that share a common interest in a defined subject area;
2. Outline the precise technical subject area (jurisdiction) to be covered by the proposed section;

3. Conduct an organizational meeting with all interested members and establish a temporary organization including temporary Officers;
4. Develop a draft constitution for the proposed section
5. Adopt a name for the proposed section;
6. Submit the names and addresses of the temporary section Officers, a formal petition signed by at least fifteen (15) SPE members to the appropriate Technical Director; and
7. The sponsoring Technical Director will review the proposal and will take steps to obtain formal approval for formation of the new section by the Society Board of Directors.

SPE Technical Sections are aligned with the relevant Technical Discipline as approved by the Society Board.

Article 16 Student Chapters

Student Chapters are semi-autonomous units and are largely self-governing. Most student chapters are unincorporated. Regulations in some host countries require groups like sections to register or incorporate. Student Chapters are directly responsible to their respective Society entity's Articles of Association, By Laws, and Directors, and additionally subject to the authority of the Society's Officers and Board of Directors.

The SPE Board of Directors has established the following guidelines for formation of SPE student chapters:

1. There should be a minimum of fifteen (15) SPE student members attending an institution to consider the formation of a chapter;
2. The student members must request sponsorship of the proposed chapter by an SPE section; generally, the section is the one nearest to the institution;
3. A Faculty Sponsor must be selected by the students;
4. The Petition for SPE Student Chapter Form must be signed by at least the minimum of fifteen (15) student members wishing to form the chapter, by the proposed Faculty Sponsor, and by the Faculty Sponsor's departmental head;
5. A meeting must be called to elect provisional Officers to serve at least until the chapter has been awarded a charter; and
6. The formation of the chapter must be approved by the SPE Board of Directors.

Article 17 Other Groups

The Board may, from time to time, designate other member groups that further the mission, vision, and objectives of the Society. Members joining these groups will have common interests, either technical or professional. These groups will have no governance authority with respect to the Society.

SECTION V SOCIETY OFFICERS

The Officers of the Society shall include the following: President, President-Elect, Past President, Vice-President Finance, Executive Director, and certain assistant Officers. The duties of the Officers of the Society are as follows:

The President is the highest Officer of the Society. The President shall be responsible to the Society for ensuring that the Society pursues its general object and exercises its functions as defined in the Constitution. The President acts under the authority of the Society and of the Board to guide the affairs of the Society in conformity with the decisions of the Society and the Board. The President may advise the Executive Director on implementation of these decisions, when necessary, in order to ensure the smooth functioning of the Society.

Article 18 Duties of the President

1. Preside at any meetings of the SPE Board, Audit and Administration Committee, or general membership;
2. Take action on behalf of the Society without prior review of the Board of Directors on matters when, in his/her judgment, obtaining prior review would involve a delay, and such delay would jeopardize accomplishment of such action; provided that, in such cases and as soon as possible after the action has been taken, the President shall report his actions to the Board of Directors;
3. Refer all operating matters or decisions on policy implementation either to the Board of Directors or to one or more Board Committees;
4. Report actions of the Board to the SPE Annual Technical Conference and Exhibition and, at that time, render a report to the membership on the year's operations;
5. Request periodic reports from Society committee chairpersons and issue any instructions necessary for committee progress or cooperation;
6. Prepare a message to the SPE membership to be printed in the September or October issue of Journal of Petroleum Technology during the year in which he/she takes office;
7. Provide appropriate guidance and supervision to the Society's Executive Director in all matters not covered under "Duties of the Executive Director" below;
8. Approve the expense account of the Executive Director and the Vice-President Finance;
9. When technical information or testimony on behalf of SPE is requested and time is lacking to consult the entire Board of Directors or all members of the Audit and Administration Committee, approve, along with the Executive Director, the technical information to be provided or appoint a person or persons to represent SPE;
10. When requested, recommend SPE members to the AIME President or President-Elect for consideration as Society representatives on AIME standing or special committees; and,

11. Appoint members to SPE ad hoc committees as necessary to carry out the work of the Society and appoint Directors to serve as liaisons between such committees and the Board of Directors.

Article 19 Duties of the President-Elect

1. In event of temporary absence or disability of the President, the President-Elect shall perform the duties of the President;
2. In the event of a vacancy in the office of the Presidency, assume that office for the remainder of the unexpired term (he/she shall then serve his own elected term as President); and
3. Appoint chairpersons and members of the standing committees by 1 September of the year in which he/she assumes office.

Article 20 Duties of the Past President

1. Serve as chairperson of the Nominating Committee;
2. Serve as a member of the Compensation Committee; and
3. In event of temporary absence or disability of the President and President-Elect, perform the duties of the President.

Article 21 Duties of the Vice-President Finance

1. With the help of the SPE staff, prepare a consolidated budget of income and expense for the Operating Fund for approval by the Society Board of Directors at the first meeting in each calendar year (normally February-March);
2. During the year, review the income and expense statement with SPE staff members and present a report on the budget to the SPE Board of Directors at each Board meeting;
3. Serve as Chairperson of the Compensation Committee; and,
4. Approve Society Officer expense reports, except his/her own.

Article 22 Duties of the Executive Director

1. Serve as the chief executive staff member of SPE in responsible charge of all SPE staff activities;
2. Employ the necessary staff for the execution of SPE activities and train and supervise staff members for those activities;
3. Direct the travel of staff managers necessary for the execution of their duties and approve their expense accounts for such travel;
4. Maintain the official records of SPE and serve as custodian of these records;

5. Serve as steward of all SPE funds and trusts;
6. Serve as the legal Secretary to the Society Board of Directors and prepare agendas and minutes for meetings of the Board and Audit and Administration Committee;
7. Assist the President and other Officers and Directors of the Society in the conduct of their duties;
8. Maintain liaison with the Executive Director of the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc.; and the Executive Directors of the AIME Member Societies;
9. Serve as a member of the Audit and Administration Committee; and
10. Serve as a member of the Compensation Committee.

SECTION VI DIRECTORS

Article 23 Classes of Directors

The Board of Directors establishes the number and titles of Directors who constitute the Society's governing body. There are four classes of Directors -- Officers (the President, the President-Elect, the Past President, and the Vice-President Finance), At-Large Directors, Regional Directors, and Technical Directors.

Article 24 Terms and Responsibilities of Directors

Terms of Directors shall be three (3) years or until their successors are elected. Regional Directors shall reside throughout their terms in the region they represent. If a Regional Director ceases to reside in the region the Director represents but desires to remain on the Board, the Regional section leadership may petition the Board of Directors to allow the Director to complete the remaining term. If the section leadership prefers to replace the Director, the nomination process shall follow the guidelines in Article 33.

No Director shall be eligible to serve more than two (2) consecutive terms. Any Director appointed to fill a vacancy on the Board of Directors shall serve for the remainder of the unexpired term such Director was appointed to fill. In the case of a Director named to complete an unexpired term created by a vacancy, the partial term shall not be considered in determining consecutive terms. No person who is serving as an Officer Director may serve at the same time as a Regional Director, Technical Director or an At-Large Director, no person who is serving as a Regional Director may serve at the same time as an Officer Director, Technical Director or an At -Large Director, no person who is serving as an At-Large Director may serve at the same time as an Officer Director, Technical Director or a Regional Director, and no person who is serving as a Technical Director may serve at the same time as an Officer Director, At-Large Director or a Regional Director.

In addition to responsibilities for establishing Society policy and governing the Society's worldwide programs including all committees, sections, and student chapter programs, and in addition to their at large, regional and technical brief, Society Directors also have Board committee duties as well as liaison duties with SPE standing or ad hoc committees. These assignments are made annually by the SPE President.

Article 25 Compensation

No Director shall receive compensation for services as a Director, Officer, or as a member of a standing or ad hoc committee of the Society. Nothing in this Constitution shall be construed to preclude any Director or Officer from receiving reimbursement for reasonable expenses properly incurred on behalf of the Society and approved by the Board of Directors.

Article 26 Indemnification

Each Society entity shall indemnify any present or former Officer or Director of that Society entity against all expenses, judgments, liabilities, fines, and costs of settlement imposed upon or reasonably incurred by such Officer or Director in connection with any claim or lawsuit imposed by reason of said Officer or Director having been an Officer or Director to the full extent permitted by respective national laws. Determination of reasonableness shall be made by the Officers of the Society.

Article 27 Removal of Director

Any Director shall be removed from office upon a vote by three-fourths of the Board of Directors of the Society for actions or conduct deemed harmful to the Society following a review of circumstances by the Board of Directors.

SECTION VII BOARD MEETINGS

Article 28 Schedule of Meetings

The SPE Board must meet annually, typically in conjunction with the SPE Annual Technical Conference and Exhibition. The President may call other Board meetings with at least twenty-one (21) days' advance notice.

Article 29 Quorum

The presence in person or by written proxy of 2/3 of the members of Board of Directors of the Society shall be necessary and sufficient to constitute a quorum for the transaction of business at such meeting or vote. The act of a majority of the members of the Board of Directors voting at any meeting or at which a quorum is present shall constitute the act of the Board. If a quorum is not present at any meeting of the Board of Directors, the members present and entitled to vote at such meeting shall adjourn the meeting from time to time, without notice other than announcement at the meeting, until such time as a quorum is present. At any such adjourned meeting at which a quorum shall later be present, any business may be transacted which might have been transacted at the meeting as originally convened.

Article 30 Special Meetings

Special meetings of the Board of Directors may be called by the President, upon the written request of five (5) members of the Board of Directors. The purpose of the meeting shall be stated in the call from the President. Except in cases of emergency, at least twenty-one (21) days' notice shall be given.

Article 31 Electronic Ballots

To the extent permitted by applicable law, action taken by electronic (internet or email) ballot in which at least a majority of Directors, in writing or by oral statement, indicated themselves in agreement, shall constitute a valid action of the Board of Directors. Such action shall be ratified at the next meeting of the Board of Directors.

Article 32 Board of Directors Authority

The Board has final approval authority on all Society matters including those matters that may be delegated to one of the Society Board Committees or to other Society committees for handling.

As part of its regular activities, the Society Board shall regularly review programs assigned to Society Board Committees and standing and ad hoc committees, and shall formally review and approve any specific action or comment on the actions taken by such committees. Furthermore, the Board of Directors shall have the following duties and authority:

1. Approve by consent or specific action all actions of Society ad hoc or standing committees (including the five Board Committees: Board Committee on Audit and Administration, Board

Committee on Membership, Education and Professional Activities, Board Committee on Publications, Board Committee on Technical Programs and Meeting, and Board Committee on Internet Based Services);

2. Review/approve all standing and ad hoc committee reports not reviewed by Board Committees;
3. Approve all SPE policy statements and revisions to policy statements;
4. Approve all standing and ad hoc committee appointments;
5. Review/approve all financial matters, including budgets, budget forecasts, reports, and income and expense statements; and,
6. Approve proposals for new meetings bearing the Society's imprimatur and sponsored by SPE or cosponsored by SPE with other organizations.

SECTION VIII ELECTIONS

The Board of Directors shall establish the timetable and approve procedures for election of Officers and Directors.

Article 33 Nominating Committee

A Nominating Committee shall be responsible for nominating candidates for the President-Elect, Vice-President Finance, Regional Directors, At-Large Directors, and Technical Directors. The Board of Directors shall approve the appointment of the members of the Nominating Committee.

The committee comprises the chairperson, who is the immediate Past President of the Society and additional members, as follows: incumbent regional Director from each of the regional nominating committees submitting nominations for Regional Directors that year; At-Large and Technical Director(s), including the Vice-President Finance, who complete terms that year; plus three (3) additional persons appointed by the current SPE President who represent a cross-section of the SPE membership to serve as at-large members. The current SPE President shall be a non-voting ex-officio member.

Article 34 Regional Nominating Committees

As required, regional nominating committees shall be convened by each outgoing Regional Director, who shall serve as the non-voting chairperson of the committee. The committee shall consist of one representative from each section within the region. Each committee shall submit to the Society Nominating Committee at least two candidates as nominees for Director of its region.

Nominees for Regional Directors are selected on the basis of providing representation on the Board for each administrative region of SPE. The Nominating Committee shall consider only the nominees of the regional nominating committees for Regional Director positions. When an appointment is necessary to complete a Regional Director's term and the unexpired term exceeds one (1) year, a regional nominating committee shall be convened to submit nominees for the position to the Board of Directors. The incumbent, resigning Regional Director shall serve as the non-voting chairperson of the nominating committee. Each section in the region shall have one representative on the committee. The regional nominating committee shall seek nominations for the vacated Regional Director position, and shall submit at least two nominations to the Board of Directors for consideration.

Article 35 Technical Discipline Nominating Committees

As required, technical discipline nominating committees shall be convened by each outgoing Technical Director, who shall serve as the non-voting chairperson of the committee. The technical Director will invite at least 3 representatives of that technical discipline to participate in the nominating committee. Each committee shall submit to the Society Nominating Committee at least two candidates as nominees for technical Director.

Nominees for Technical Directors are selected on the basis of providing representation on the Board for each technical discipline of SPE. The Nominating Committee shall consider only the nominees

of the technical discipline nominating committees for Technical Director positions. When an appointment is necessary to complete a Technical Director's term and the unexpired term exceeds one (1) year, a technical discipline nominating committee shall be convened to submit nominees for the position to the Board of Directors. The incumbent, resigning Technical Director shall serve as the non-voting chairperson of the nominating committee. The Technical Director shall invite at least 3 members to serve on the technical discipline nominating committee. The technical discipline nominating committee shall seek nominations for the vacated Technical Director position, and shall submit at least two nominations to the Board of Directors for consideration.

Article 36 At Large Director Nominees

When an appointment is necessary to complete an At Large Director's term and the unexpired term exceeds one (1) year, an ad hoc nominating committee shall be convened to submit nominees for the position to the Board of Directors. The Past President shall serve as the non-voting chairperson of the ad hoc nominating committee. At least two nominations shall be presented to the Board of Directors for consideration.

Article 37 Nominating Committee Meeting

The committee meets before the February/March meeting of the SPE Board of Directors and selects a single nominee for each of the following Society offices:

1. SPE President, who serves one year as SPE President-Elect, one year as SPE President, and one year as SPE past President;
2. as required, SPE Vice-President Finance for a three-year term; and
3. as required, At Large, Regional and Technical Directors, who serve three-year terms.

Before choosing nominees for the SPE Officers or At Large Directors, members of the Nominating Committee shall solicit nominations from the Officers and Directors of SPE, SPE committees, SPE sections and SPE members. In choosing nominees, the Committee shall give first consideration to those persons who have qualified themselves for office by virtue of prior service to SPE. The Nominating Committee and regional nominating committees are furnished an office record by the Executive Director, which shows those active members with prior service. This list is a guide in the selection of nominees.

Article 38 Member Petition

The Board of Directors shall report the nominations of the Nominating Committee for all classes of Directors annually in the April issue of Journal of Petroleum Technology. Additional nominations may be submitted to the Board of Directors in the following manner:

- a. Additional nominations for President-Elect, Vice-President Finance, and At-Large Directors may be made by petition from at least one percent (1%) (as of 1 January of that year) of the voting members of the Society, provided that such nominees meet the requirements for the position. Such petitions shall be sent by mail or facsimile to the attention of the SPE President

at the SPE office in Richardson, Texas U.S.A. no later than 1 June of that year. If additional nominations are received for one or more of these positions, on or about 1 July a ballot showing all of the nominees for the position(s) concerned shall be distributed to all voting members in the July issue of Journal of Petroleum Technology.

- b. Additional nominations for Regional Directors and Technical Directors may be made by petition from at least one percent (1%) of the voting members within that region or technical discipline; provided, however, that in the case of Regional Directors, except as otherwise determined for good cause by the SPE President, no more than seventy-five percent (75%) of the petitioners shall be from any one section within the region. Such petitions shall be sent by mail or facsimile to the attention of the SPE President at the SPE office in Richardson, Texas U.S.A. no later than 1 June of that year. If additional nominations are received for Regional or Technical Director positions, on or about 1 July a ballot showing all of the nominees for the positions concerned shall be submitted to all voting members residing in the particular region or technical discipline for which a nomination for Director was made.
- c. Petitions must contain the following information, (a sample petition is available from SPE offices): 1) position (office) for which the petition for ballot election is circulated; 2) name of the Nominating Committee and SPE Board nominee (including affiliation and address); 3) name of proposed petition nominee (including affiliation and address); 4) printed or typed name and attested signature of each person signing petition; 5) SPE member number of each person signing petition; and 6) date of signing of petition. Petitions containing signatures obtained prior to the Notice in SPE Online of actions/discussions of the SPE Board of Directors from the February/March meeting (on or about 15 March) shall be invalid.
- d. Board nominees for positions with respect to which the requisite number of petitions are not received by 1 June shall be deemed elected to such positions.
- e. If additional nominations are received by petition as provided for in Article 37(a) or Article 37(b), a report of all nominees for the positions concerned shall be published in the July issue of Journal of Petroleum Technology. The report shall identify the name of the Board of Directors and SPE Nominating Committee candidate and the name of the petition candidate(s) for each position, and shall include such other information as the Board of Directors deems appropriate.
- f. Ballots shall identify the name of the Board of Directors and SPE Nominating Committee candidate and the name of the petition candidate(s) for each position. Returned ballots shall include the voting member's printed name and original signature, SPE member number and signature date.
- g. All marked ballots shall be returned to the attention of the SPE President at the SPE office in Richardson, Texas U.S.A. Ballots returned by mail must be postmarked on or before 1 September and ballots returned by facsimile must be received on or before 1 September to be valid. The President shall appoint a Ballot Tally Committee to verify and count the ballots and the determination of the Ballot Tally Committee regarding validity of ballots shall be final. The nominees for each position receiving the plurality of the votes shall be declared elected by the Board of Directors.

SECTION IX FINAL PROVISIONS

Article 39 Policies

The Board shall enact by a simple majority all policies relating to procedure and other matters, as may be necessary for the implementation of the Constitution as well as for the accomplishment of the tasks of the Society.

Within the framework of the Constitution and other policies in force, and subject to the approval of the Society, the Board and other bodies of the Society may also draw up such policies as are necessary for the accomplishment of their respective tasks.

The Society Board of Directors may, in a manner consistent with the Constitution, at any time amend the policies by a simple majority vote of those present at a meeting at which a quorum is present.

Article 40 Special Provisions

When, for any reason beyond its control, the Board is prevented from meeting and thereby from electing the President-Elect, the Vice-President Finance, and other Board members, those serving at that time shall be authorized to continue to perform their function until the end of the next meeting of the Board of Directors.

When, for any reason beyond its control, the Board is prevented from meeting, and decisions are indispensable or desirable, the Audit and Administration Committee shall take such steps as may be necessary to secure a decision by consulting the other members of the Board by the most rapid means available. In this event, the Audit and Administration Committee shall put each question in one and the same form to all the members of the Board, and in such a manner that each question can be answered by a simple "yes" or "no". Decisions shall then be taken by a simple majority of the replies received and shall be valid if the number of such replies attains the quorum provided for in Article 29 of the Constitution. Such decisions shall come into force at the expiry of a period of twenty-one days from the date of dispatch of the last communication.

When, for any reason beyond its control, the Board and the Audit and Administration Committee is prevented from meeting, and decisions are indispensable or desirable, and if the Executive Director, for any reason whatsoever, is prevented from consulting the President at the time when the session should have been held, the Executive Director shall take such steps as may be necessary to secure a decision by consulting the other members of the Board by the most rapid means available. In this event, the Executive Director shall put each question in one and the same form to all the members of the Board, and in such a manner that each question can be answered by a simple "yes" or "no". Decisions shall then be taken by a simple majority of the replies received and shall be valid if the number of such replies attains the quorum provided for in Article 29 of the Constitution. Such decisions shall come into force at the expiry of a period of twenty-one days from the date of dispatch of the last communication.

The same procedure may be applied at any time for any important and urgent question for which a decision of the Board is required and which cannot be postponed until the forthcoming regular meeting of the Board.

When circumstances no longer make it possible to obtain the decisions mentioned in paragraph 3 of the present Article, the Executive Director shall, in exceptional cases, and in order that the work of the Society may be carried on, take decisions on all matters that are normally within the competence of the Board. Before taking such decisions, the Executive Director shall consult, insofar as may be possible, the President and any members of the Board who remain accessible and shall keep them informed of the action taken.

As soon as circumstances permit, the Executive Director shall take steps to convene the Board. When the Board meets, the Executive Director shall submit to it a report on all measures he/she has taken since the last ordinary session of the Board.

Article 41 Dissolution

Decisions on the dissolution of the Society can be taken only by the Society with a quorum of seventy-five percent and a qualified majority of seventy-five percent of the Board members present and voting. In this case, the net assets of the Society, after settlement of the debts, will be transferred to a body with legal capacity set up by the Board with the purpose of endowing the capital of the Society if reconstituted within a year from the effective date of its dissolution, or of distributing the assets to any body or organization the objectives of which are as close as possible to those of the Society.

Article 42 Amendments to the Constitution

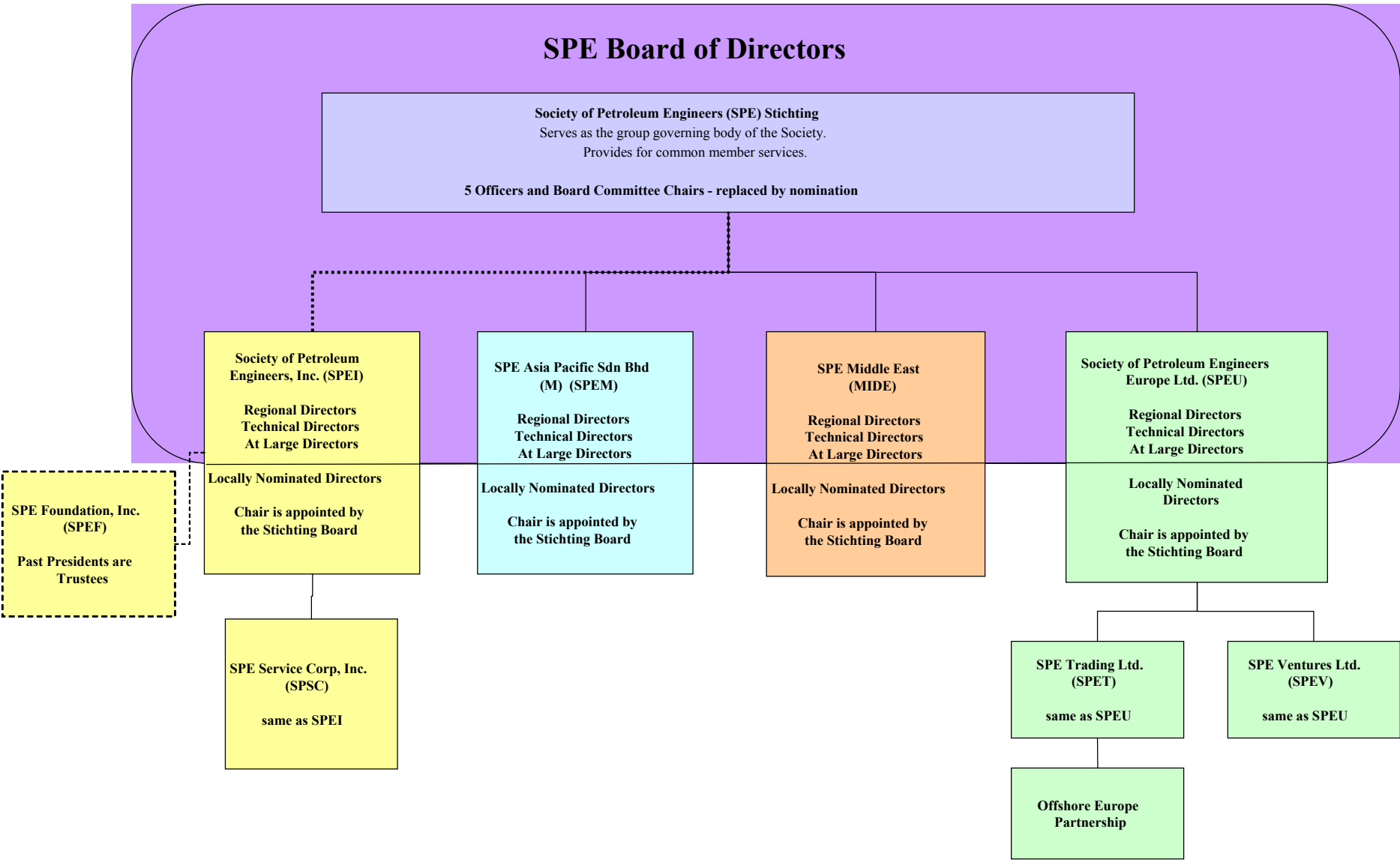
The provisions of the Constitution can be amended only by the Board with a quorum of seventy-five percent and a qualified majority of seventy-five percent of the Board members present and voting.

Proposals to amend the Constitution may be put to the vote only when submitted by a Board member supported by at least three other Board members.

Article 43 Entry into force

Subject to Article 42, this Constitution shall come into force on the 25th day of September 2004.

Table A SPE Legal Entities



SPE Board of Directors

Society of Petroleum Engineers (SPE) Stichting
Serves as the group governing body of the Society.
Provides for common member services.
5 Officers and Board Committee Chairs - replaced by nomination

Society of Petroleum Engineers, Inc. (SPEI)
Regional Directors
Technical Directors
At Large Directors

SPE Asia Pacific Sdn Bhd (M) (SPEM)
Regional Directors
Technical Directors
At Large Directors

SPE Middle East (MIDE)
Regional Directors
Technical Directors
At Large Directors

Society of Petroleum Engineers Europe Ltd. (SPEU)
Regional Directors
Technical Directors
At Large Directors

Locally Nominated Directors
Chair is appointed by the Stichting Board

Locally Nominated Directors
Chair is appointed by the Stichting Board

Locally Nominated Directors
Chair is appointed by the Stichting Board

Locally Nominated Directors
Chair is appointed by the Stichting Board

SPE Foundation, Inc. (SPEF)
Past Presidents are Trustees

SPE Service Corp, Inc. (SPSC)
same as SPEI

SPE Trading Ltd. (SPET)
same as SPEU

SPE Ventures Ltd. (SPEV)
same as SPEU

Offshore Europe Partnership