

Governance – Bylaws

WCI Bylaws incorporating changes suggested at the WCI Board of Directors meeting on 11th November 2014 and approved by Board Ballot in February 2015.

BYLAWS OF WCI – WELL CONTROL INSTITUTE

ARTICLE I BOARD OF DIRECTORS

1. General Powers. The vision, mission, mandate, scope and work product of the Corporation shall be managed and controlled by its Board of Directors. The Board of Directors may by general resolution delegate to officers of the Corporation and to committees such powers as provided for in these Bylaws.

2. Number. The number of Directors with voting rights shall be nineteen, or such other number as shall be decided by the Directors from time to time. Representation on the Board of Directors shall be as follows:

- 6 – Oil and gas operators (both national and international)
- 8 – Drilling Contractors (both land and offshore, need not be members of the IADC Executive Committee)
- 2 – Wells services companies
- 2 – Equipment manufacturers
- 1 – Chairman of the Board

Additional non-voting members of the Board of Directors will include the following:

- President of IADC
- Executive Director of the International Oil & Gas Producers Association (IOGP)

The Directors may choose to invite other organizations to attend all or part of a Directors meeting as non-voting participants.

3. Selection. All Directors are reviewed, invited and appointed by the IADC Executive Committee, and are to be executives from key industry stakeholders in well control whose companies are members of IADC in good standing. For oil and gas operators, an individual invited to membership typically will be the senior person in charge of wells for his/her company worldwide. For drilling contractors, a candidate will typically be the Chief Executive Officer (CEO) of the company.

4. Chairman. The Chairman of the Board of Directors will be appointed annually by the IADC Executive Committee. The Chairman will be an industry-renowned and respected current or former senior management individual with extensive well control experience or operational experience with a drilling contractor. The Chairman will chair Board of Directors meetings and work with the General Secretary to build Board of Directors meeting agendas. The Chairman will guide ongoing operations of the WCI, will be the official WCI/IADC interface and representative at respective IADC Executive Committee and WCI Board of Directors meetings, and will represent WCI at industry events. The Board of Directors instructs the Chairman to carry out the work it approves to be completed.

5. Terms. The initial Directors shall serve terms of two (2) years or until their successors are elected and qualified. Directors may succeed themselves in office. The Board of Directors shall establish a procedure so that, as near as possible, one-half of the membership of the Board of Directors is elected each year. During the start-up phase of the WCI, some members may be asked to serve three (3) year terms to help initialize the rotation cycle. Original members who will serve extended terms will be mutually agreed with the IADC Executive Committee.

6. Alternates. (a) Each Director may designate an alternate from his/her organization. However, it is expected that the Director, not the alternate, should be the regular participant in the Board of Directors meetings. Service as an alternate neither obligates nor entitles the alternate to serve as a future member of the Board of Directors.

(b) Each Director may give his or her designated alternate a proxy executed in writing authorizing him or her to vote in the Director's stead. Each proxy may limit the manner in which the alternate may vote, shall be revocable at will by the Director, and shall expire as of the earlier of three months after it was signed; or (b) the adjournment of the first meeting of the Board after the proxy was granted. An alternate may vote only if he or she has a proxy signed by the Director represented, and has presented the Proxy to the Secretary at the beginning of the meeting.

(c) For purposes of determining whether a quorum is present, a Director shall be counted as present in person if he or she is represented by an alternate, whether or not the alternate has a proxy. However, an alternate holding a proxy is not a director, and his or her presence at a meeting, with or without a proxy, shall not increase the number of Directors for any purpose in the Certificate of Formation or these Bylaws.

(d) An alternate shall discharge his or her duties as an alternate, including participation in the meeting and any voting, in accordance with the duties of care, loyalty, and obedience imposed on directors and other fiduciaries of the Corporation.

7. Resignation. Any Director may resign at any time by giving written notice to the Chairman or IADC President. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the President or Board of Directors.

8. Removal. A Director may be removed from office prior to the expiration of the term for which that Director has been elected by the vote of a majority of the number of the Directors established by these bylaws.

9. Vacancies. Vacancies among the Directors, whether caused by resignation, death, removal, expiration of a term, or any other reason shall be filled by individuals nominated by the Chairman and approved by the IADC Executive Committee.

10. Meetings. (a) The Board of Directors shall provide by resolution the time and place, whether within or without the State of Texas, for the holding of the annual meeting of the Board, and any other regular meetings of the Board. The meetings may be conducted through electronic video or audio teleconferences although best efforts will be made to assure that one of the meetings during the calendar year occurs as an in-person gathering at an appropriate location. In view of the international membership expected, and the significant resources committed by Directors for long-distance travel, best efforts will be made to schedule in-person group meetings in alignment with international industry conferences that might be part of travel plans for the majority of Directors. The Chairman and General Secretary will coordinate to plan and schedule meetings.

(b) Special meetings of the Board of Directors may be called by the President, or by a majority of the voting Directors then in office, who may fix any place, whether within or without the State of Texas, as the place for holding any special meeting.

(c) Each meeting will be documented through meeting minutes that will be prepared by the Chairman and vetted through post-meeting review and comment by Directors who attended the meeting. Final, vetted meeting minutes will be transmitted to all Directors (including those who did not attend the meeting.)

11. Notice. Notice of any special meeting of the Board of Directors shall be given at least seven days previous thereto by written notice delivered personally or sent by mail, facsimile transmission, or electronic mail to each Director at his address as shown by the records of the Corporation. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by facsimile transmission, the notice shall be deemed to be delivered when the transmission is completed. If notice is given by electronic mail, the notice shall be deemed to be delivered when it is received by the recipient's electronic mailbox. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

12. Quorum. The presence in person of a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, and that at least two oil and gas operators and two drilling contractors are among the voting members present; but

if less than a majority of the Directors are present in person at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

13. Manner of Acting. The act of three-fourths of the voting members of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. All acts affecting the WCI will be made by a ballot process involving nomination, seconding and voting-member votes.

14. Informal Action. Any action required by law to be taken at a meeting of Directors, or any action that may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

15. Compensation. Neither the Chairman or Directors shall ~~not~~ receive any stated salaries for their services as such. ~~not~~ Directors shall ~~they~~ not receive reimbursement for expenses of attendance for any meeting of the Board, though the Chairman may receive reimbursement for this and other travel if approved by the IADC Executive Committee.

ARTICLE II OFFICERS

1. Officers. The officers of the Corporation shall be a President, a Vice-President, a Secretary, a Treasurer, and such other officers as may be elected in accordance with other provisions of this Article. Any two or more offices may be held by the same person, except the offices of President and Secretary.

2. Selection. The officers of the Corporation shall be nominated by the IADC Executive Committee from IADC senior staff members and appointed annually by the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

3. Removal. Any officer nominated by the IADC Executive Committee may be removed by the IADC Executive Committee whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

4. Vacancy. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by an individual nominated by the IADC Executive Committee and approved by the Board of Directors for the unexpired portion of the term.

5. President. The President shall be the principal executive officer of the Corporation and shall exercise general supervision over the affairs of the Corporation, its officers, and personnel, consistent with policies established by the Board of Directors. The President may sign any deeds, mortgages, bonds, contracts, or other instruments, except in cases

where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors. The President may authorize and approve expenditures and take such other steps he or she shall deem necessary to advance the purposes of the Corporation, provided such steps do not exceed the scope of authority granted him by the Board of Directors.

6. Vice President. The Vice President shall perform such duties as may be assigned by the President or the Board of Directors.

7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. The Treasurer shall be responsible for the administration and oversight of the Corporation's financial records, initiation of an annual audit, compliance with statutory reporting requirements, tax returns, and tax payments. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

8. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and shall oversee the keeping, preparation, and filing of all other records required by law or by the policies of the Board; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

9. Assistant Treasurers and Secretaries. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

10. General Secretary. The General Secretary of the Corporation is an IADC employee spending approximately 50% of his/her time directly supporting the WCI. The efforts of the General Secretary are directed by the Chairman of the Board of Directors. The General Secretary reports to the IADC President and CEO. The General Secretary will not be a member of the Board of Directors; however, unless otherwise stipulated by the Board of Directors, the

General Secretary will be expected to participate in Board of Directors meetings and to provide some types of administrative support.

11. Compensation. Officers shall not receive any stated salaries for their services as such, nor shall they receive reimbursement for expenses of attendance for any meeting of the Board; however, nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

ARTICLE III INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS (IADC)

1. Authority. The WCI is operated and managed under the direct auspices of the IADC, which retains oversight, legal and financial responsibility for the WCI.

2. Support. The IADC will provide certain programmatic and administrative support functions, including staff time and access to IADC standing committees. IADC standing committees may support WCI efforts with subject matter expertise and development resources as requested by the WCI Chairman and as directed by the WCI General Secretary.

3. Finances. (a) The WCI Mandate and Scope, combined with the support from IADC administration, allow for WCI to have a modest cost structure. Thus, IADC will fund WCI baseline operations in its entirety without additional Board of Directors levy or alternative funding structure.

(b) WCI may use IADC infrastructure and resources without additional cost. Should WCI incur additional or specific costs, such as costs related to a special project approved by the Board of Directors, the Board of Directors must consider a levy or alternative funding mechanism.

4. IADC Executive Committee. The IADC Executive Committee provides top-level governance of the WCI through nomination and selection of the membership of the Board of Directors as well as the nomination and selection of the Chairman of the Board. The IADC Executive Committee reviews and approves the WCI Charter and Bylaws, including any changes proposed to either of these governance documents. In addition, the IADC Executive Committee receives, reviews and decides the direction of proposals received from the Board of Directors for IADC to take any specific action such as validation, endorsement or implementation regarding the Board's recommendations. Financial management of the WCI, including budget oversight, resides with the IADC Executive Committee as part of IADC's overall organizational financial management.

ARTICLE IV COMMITTEES

1. Authority. (a) The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees of its members, each of which shall consist of two or more persons, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon it or him by law.

(b) Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the Chairman as authorized by a like resolution of the Board. Membership on such committees need not be limited to Directors.

2. Term. Each member of a committee shall continue as such until the next annual meeting of the Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

3. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

5. Manner of Acting. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

6. Work Groups. The Directors may choose to appoint ad hoc Work Groups to support the development of WCI work products. The Directors will appoint Work Group leaders from IADC member companies in good standing. WCI Work Groups may comprise Director members and/or nominees from relevant companies and organizations, including technical standards organizations such as API, ISO, IOGP and others. Work Groups may be formed to

provide technical advice and support to the WCI regarding definition and development of WCI work products.

ARTICLE V CONTRACTS, CHECKS, DEPOSITS AND FUNDS

1. Contracts. The Board of Directors may authorize any officer or officers, agent, or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

2. Checks. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent, or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or Vice President of the Corporation.

3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

4. Funds. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VI WORK PRODUCT

1. Definition of effort. To fulfill its Charter, The WCI will design, develop and deploy certain work products that will provide guidance to the drilling industry on improvements to well control performance. Work products are WCI-branded documents that:

- a. Provide industry well control leadership, counsel and guidance
- b. Champion the identification and sharing of industry good practices
- c. Map improvement efforts to identify gaps and prevent duplication
- d. Review improvement efforts and make recommendations
- e. Recognize and endorse global industry well control standards

There are certain types of work products which WCI expressly will NOT generate. WCI will not:

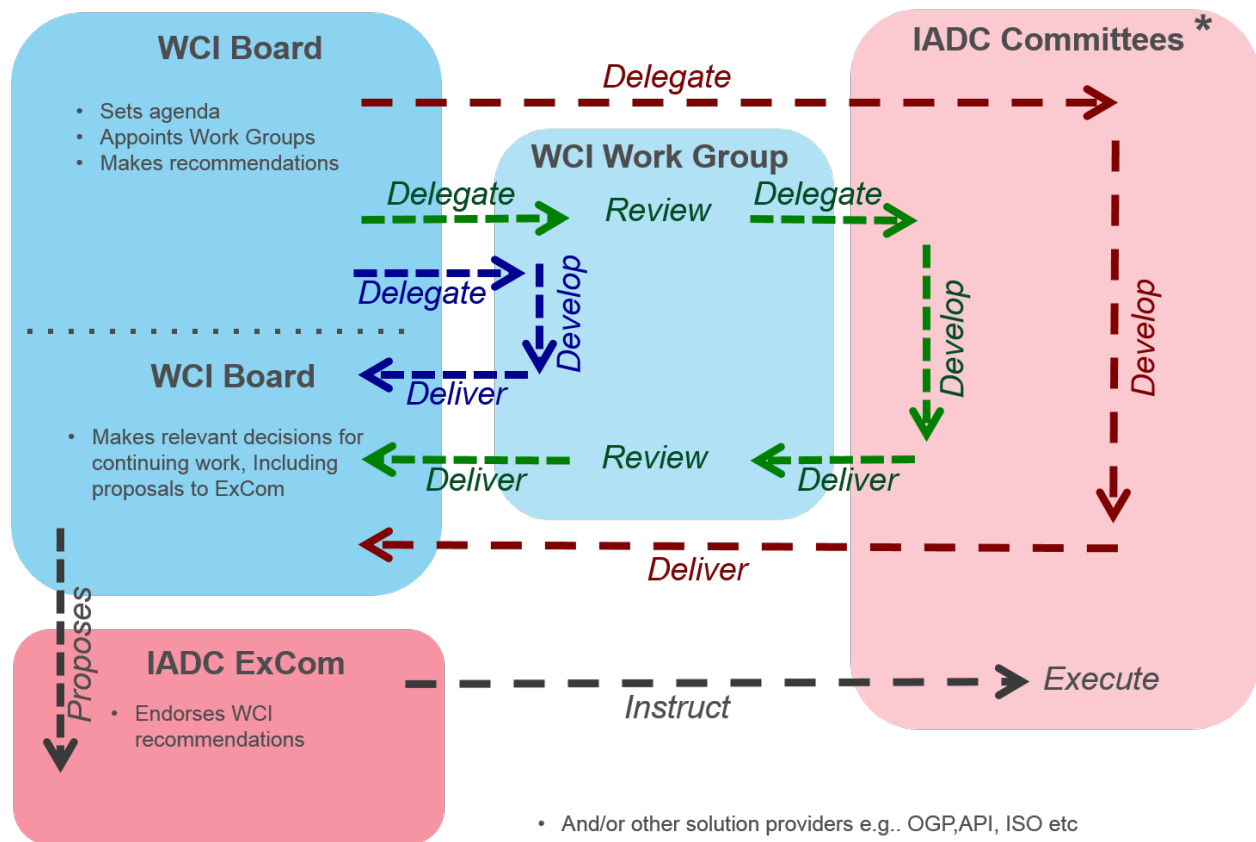
- f. Itself create or deliver programs
- g. Itself create or operationalize standards

- h. Cause or compel any organizations, bodies or companies to perform or implement any actions or activities.
- i. Usurp, replicate, or duplicate activities, responsibilities or authorities currently or more properly addressed by another organization, body or company.

2. Definition, development and approval of Work Product. Definition of the work product to be produced is determined by the Board of Directors. The Directors then instruct the Chairman of the Board to work with the General Secretary to develop the work product per the Directors’ instructions. Once the work product has been produced, the work product is returned to the Directors for their approval. If further action is proposed by the Directors, they may make that proposal to the IADC Executive Committee if the proposal is for the IADC, or to the governance body of the organizations to whom the Directors are making the proposal.

3. Operational structure. The WCI will maintain an operational structure for developing and delivering its work product, to include the WCI General Secretary and ad hoc Work Groups appointed by the Directors.

4. Functional design. See the chart below for the functional design of the WCI and its work product:



**ARTICLE VII
BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

**ARTICLE VIII
INDEMNIFICATION**

To the greatest extent permitted by Chapter 8 of the Texas Business Organizations Code, any present or former Director, officer, or employee of the Corporation, or any person who is serving or has served at its request as a Director or officer of another corporation, whether for profit or not for profit, or other such persons so designated in the discretion of the Board of Directors, or the legal representative of any such person, shall be indemnified by the Corporation against all reasonable costs, expenses, and counsel fees actually and necessarily paid or incurred in connection with any action, suit, or proceeding to which any such person or his legal representative may be made a party by reason of his being or having been such a Director, officer, or employee serving or having served the Corporation, except in relation to matters as to which he shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. No indemnification shall be approved by the Board of Directors or paid by the Corporation except after receiving an opinion from legal counsel regarding the propriety of doing so.

**ARTICLE IX
PROCEDURE**

The rules contained in the most recent edition of Robert's Rules of Order shall provide the rules of procedure for the Corporation where they are not inconsistent with the provisions of the Articles of Incorporation or these Bylaws.

**ARTICLE X
AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least seven days' written notice is given of intention to alter, amend, or repeal, or to adopt new Bylaws at such meeting. No alteration, amendment, or repeal of any Bylaw, nor any new Bylaw, shall be

effective unless and until it is approved by the Executive Committee of the International Association of Drilling Contractors.