

**RESOLUTION OF THE
NAVAJO NATION COUNCIL**

23rd NAVAJO NATION COUNCIL - First Year, 2015

AN ACTION

**RELATING TO THE NAVAJO NATION COUNCIL; RATIFYING RESTATED
FEDERAL CHARTER FOR THE NAVAJO NATION OIL AND GAS COMPANY**

WHEREAS:

- A. The Navajo Nation Council is the governing body of the Navajo Nation, pursuant to 2 N.N.C §102 (A); and
- B. Pursuant to 2 N.N.C. § 164(A) statements of policy, enactments of positive law, intergovernmental agreements, budget resolutions, and reallocations, must be reviewed and approved by resolution by the appropriate standing committee and the Navajo Nation Council except as otherwise provided herein; the amendments to the Federal Charter of Incorporation falls outside the field of § 164(A) as the amendments are required to be approved by the Navajo Nation Council only; and
- C. Pursuant to the Federal Charter of Incorporation to the Navajo Nation for the Navajo Nation Oil and Gas Company, Article XX, Amendments (A), "The authority to petition for amendments to this Charter is vested in the Navajo Nation Council, but such amendments shall have no legal effect until approved by the Secretary of the Interior and ratified by the Navajo Nation Council in accordance with 25 U.S.C. § 477, as amended, and in accordance with applicable tribal law;" and
- D. By Resolution CAP-19-14 (May 1, 2014) the Navajo Nation Council petitioned the Secretary of the Interior to issue a Restated Federal Charter of Incorporation for the Navajo Nation Oil and Gas Company under 25 U.S.C. §477; and
- E. The Secretary of the Interior, through the Navajo Regional Director, has issued a letter dated August 8, 2014, and a certificate of approval, attached hereto as Exhibits "A" and "A-1" respectively, approving the Restated Federal Charter of Incorporation for the Navajo Nation Oil and Gas Company as contained in Navajo Nation Council Resolution

CAP-19-14, "with the condition that references made to "member representatives" and "sole member" should be changed to indicate "shareholder representatives" and "owner" or "shareholder", to remain consistent throughout the document and provide clarity."; and

- F. The Navajo Nation Council has reviewed the Navajo Regional Director's August 8, 2014 letter and incorporates the Navajo Regional Director's language into the Restated Federal Charter of Incorporation, attached hereto as Exhibit "B" and "B-1." The changes are noted in an underlined and overstricken copy of the page two (2) of the Restated Federal Charter of Incorporation which is attached hereto as Exhibit "B."
- G. The Navajo Nation Council finds that it is in the best interest of the Navajo Nation to ratify the Restated Federal Charter of Incorporation with the changes identified in the Navajo Regional Director's letter of August 8, 2014.

NOW THEREFORE BE IT RESOLVED THAT:

The Navajo Nation Council hereby ratifies the Restated Federal Charter of Incorporation for the Navajo Nation Oil and Gas Company, Exhibit "A-1", with the Navajo Regional Director's condition, issued pursuant to 25 U.S.C. §477 and attached hereto in final form as Exhibit "B-1".

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 9 in favor and 8 opposed, this 5th day of October 2015.



LoRenzo Bates, Speaker
Navajo Nation Council

Oct 6, 2015

Date

Motion: Honorable Jonathan L. Hale
Second: Honorable Walter Phelps



United States Department of the Interior

Bureau of Indian Affairs
Navajo Region
P. O. Box 1060
Gallup, New Mexico 87305



Reply to: N101

AUG 08 2014

Honorable Lorenzo Bates
Office of the Speaker,
Navajo Nation Legislative Branch
P.O. Box 3390
Window Rock, Arizona 86515

Dear Honorable Bates:

On May 6, 2014, we received a request to approve amendments to the Charter for the Navajo Nation Oil and Gas Company, a federally chartered corporation. The petition for approval of the proposed amendments was submitted to the Bureau of Indian Affairs in accordance with Section 17 of the Indian Reorganization Act, 25 U.S.C. § 477. The request included Navajo Nation Council Resolution No. CAP-19-14, approving the proposed amendments. As stated in the Charter, the authority to request approval to amend the charter is vested in the Navajo Nation Council which acts as the governing body for the Navajo Nation.

We have reviewed the proposed amendments to the Charter, find them not contrary to federal law, and that they have been submitted for approval in accordance with 25 U.S.C. § 477 and Article XX of the original Charter. As a result, pursuant to the authority delegated to me, I approved the amendments to the Charter with the condition that references made to "member representatives" and "sole member" should be changed to indicate "shareholder representatives" and "owner" or "shareholder", to remain consistent throughout the document and provide clarity.

Pursuant to the Charter, the proposed amendments must be ratified by the Council before they become effective. To the extent that there are internal disagreements regarding the amendments, I anticipate that these disagreements will be resolved through the appropriate tribal institutions.

Thank you for providing us with this opportunity to review the proposed amendments with the goal of promoting tribal self-determination and economic development. The signed amendment is enclosed with this letter.

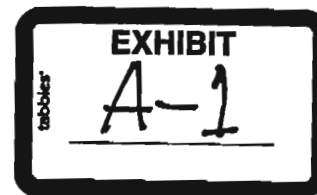
If you have any questions, please contact me at (505) 863-8221.

Sincerely,

Regional Director, Navajo

Enclosure

cc: President Shelly, Navajo Nation
Assistant Secretary – Indian Affairs
Director, Bureau of Indian Affairs
Chief Executive Officer, Navajo Nation Oil & Gas Company



**RESTATED
FEDERAL CHARTER OF INCORPORATION**

**ISSUED BY THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS**

**TO
THE NAVAJO NATION**

**FOR THE
NAVAJO NATION OIL AND GAS COMPANY
A Federally Chartered Corporation**

ARTICLE I. – Name.

The name of the Corporation is Navajo Nation Oil and Gas Company.

ARTICLE II. – Principal Office and Registered Office.

A. Principal Office. The principal office of the Corporation shall be located within the Navajo Nation. The Corporation may have such other offices, either within or without the Navajo Nation, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

B. Registered Office. The registered office of the Corporation required to be maintained by any state in which the Corporation shall transact business outside of Navajo Indian Country may be, but need not be, identical with the principal place of business of the Corporation within that state, and the registered office may be changed from time to time by the Board of Directors.

ARTICLE III. – Authority for Charter.

The Corporation is organized, incorporated and chartered under the laws of the United States as a Federally Chartered Corporation under 25 U.S.C. § 477, as amended, and shall have the powers, privileges and immunities granted by that statute embodied in this Charter.

ARTICLE IV. – Status of Corporation.

A. The Corporation is a legal entity wholly-owned by the Navajo Nation, a federally recognized Indian tribe. As an instrumentality of the Navajo Nation, the Corporation and its wholly owned subsidiaries, including without limitation limited liability companies, are entitled to the privileges and immunities of the Navajo Nation, however, the activities, transactions, obligations, liabilities and property of the Corporation are not those of the Navajo Nation.

B. The Corporation and its wholly owned subsidiaries, including without limitation limited liability companies, shall have the same tax status and immunities under federal law as the Navajo Nation.

ARTICLE V. – Ownership of the Corporation.

A. The aggregate number of shares which the Corporation shall have authority to issue is 1,000,000 shares of common stock and 1,000,000 shares of preferred stock.

B. All shares in the Corporation shall be owned by the Navajo Nation for the benefit of the Nation and its enrolled members. No individual or legal entity other than the Navajo Nation shall acquire any shares in the Corporation.

C. The Navajo Nation's shares in the Corporation shall not be sold, transferred, pledged or hypothecated, voluntarily or involuntarily, and any purported sale, transfer, pledge or hypothecation shall be void and of no effect.

D. All rights of the shareholder of the Corporation shall be exercised by the appointed shareholder representatives, composed of one member from each of the standing committees of the Navajo Nation Council or their successor committees, in accordance with this Charter and the applicable tribal law; provided that the Directors of the Corporation shall be elected as provided in Article XI of the Charter. Each standing committee shall select its own shareholder representative. At the meetings of the member representatives, the member representatives shall, in all instances, subordinate their personal interests and political interests as members of the Navajo Nation Council to those of the company in acting in their capacity as the member representatives of the sole member and membership interest holder and owner, the Navajo Nation.

ARTICLE VI. – Period of Duration.

The period of the Corporation's duration is perpetual, or until this Charter is revoked or surrendered by Act of Congress, pursuant to 25 U.S.C. § 477, as amended.

ARTICLE VII. – Corporate Purposes.

The purposes for which the Corporation is organized are:

A. To own and operate, directly or through subsidiary corporations and limited liability companies, joint ventures, associations, partnerships or otherwise, any oil and/or gas exploration and production, operating, refining, drilling, transporting, or marketing business; and any motor or fossil fuel, distributing, trucking, jobber, wholesale, or retailing and related business.

B. To form subsidiary corporations and to enter into and form partnerships, joint ventures, associations, and other business arrangements.

C. To conduct activities in all phases of the oil and gas industry either within or outside of Navajo Indian Country.

D. To engage in any lawful business with the powers permitted to a corporation organized pursuant to 25 U.S.C. § 477.

E. To pursue the above purposes for the benefit of the Navajo Nation government, and to return all dividends and distributions of profit to the Navajo Nation government to be devoted to essential governmental functions.

ARTICLE VIII. – Corporate Powers.

The Corporation is authorized:

A. To engage in any lawful business permitted to a corporation organized under 25 U.S.C. § 477, as amended.

B. To have a corporate seal which may be altered at the discretion of the Board of Directors.

C. To buy, sell, lease and otherwise acquire and maintain buildings, offices, shops and other appurtenances proper and necessary for the carrying on of said business.

D. To carry on its business either within or without Navajo Indian Country.

E. To guarantee, purchase, hold, assign, mortgage, pledge or otherwise dispose of capital stock of, or any bonds, securities or other evidences of indebtedness created by any other corporation or organization that is in existence under the laws of the United States, any state, Indian tribe, nation, government or country, and to exercise all the rights, privileges and powers of ownership.

F. To enter into and make contracts of every kind and nature with any person, firm, association, corporation, municipality, nation, Indian tribe, state or body politic, without the approval of the Navajo Nation or the Secretary of the Interior, except when the use of trust or federally-restricted Indian property requires such approval.

G. To purchase, take by gift or bequest, acquire, own, lease, manage, operate, deal in and dispose of real and personal property of all kinds and descriptions, wherever situated.

H. Subject to the limitations imposed by Article V of this Charter, to incur debts and raise, borrow and secure the payment of any money in any lawful manner, including the issue and sale or other disposal of bonds, indentures, obligations, negotiable and transferrable instruments and evidence of indebtedness of all kinds, whether secured by mortgage, pledge, deed of trust or otherwise, without the approval of the Navajo Nation or the Secretary of the Interior, except when the use of trust or federally-restricted Indian property requires such approval.

I. To apply for, obtain, register, purchase, lease or otherwise acquire, own, hold, use, operate and introduce, and to sell, assign or otherwise dispose of any trademark, trade name, patent, invention, improvements and processes used in connection with or secured under letters patent, and to use, exercise, develop, grant and give licenses in respect thereto.

J. To apply for, purchase or acquire by assignment, transfer or otherwise, and to exercise, carry out and enjoy any license, power, authority, franchise, concession, right or privilege which any government or authority or any corporation or other public body may be empowered to enact, make, or grant, and, subject to the limitations imposed by Article V of this Charter, to pay for and to appropriate any of the company's assets to defray the necessary costs, charges and expenses thereof.

K. To sue and be sued in its Corporate name to the extent provided in Article XVI of this Charter, and to that extent only.

L. To employ or appoint employees, attorneys and agents of the Corporation and define their

duties and fix their compensation.

M. To lend money for its corporate purposes, invest and reinvest its funds and take and hold real and personal property as security for the payment of funds so loaned and invested.

N. To sell, convey, mortgage, pledge, lease, exchange, transfer or otherwise dispose of all or any part of its corporate property or assets to the extent permitted by Article IX(F) of this Charter.

O. To adopt bylaws for the regulation of the internal affairs of the Corporation consistent with this Charter, without the approval of the Navajo Nation Council or the Secretary of the Interior.

P. To pay pensions and establish pension plans, pension trusts, profit-sharing plans, and other incentive plans for any or all of its directors, officers and employees.

Q. To obtain a certificate of authority to transact business outside of Navajo Indian Country in any state as a foreign corporation, and to comply with applicable state law governing foreign corporations.

R. To have and exercise all lawful powers incidental, necessary or convenient to effect any or all of the purposes for which the Corporation is organized.

ARTICLE IX. – Limitations on Corporate Powers.

The Corporation shall have no power:

A. To expressly or by implication enter into any agreement of any kind on behalf of the Navajo Nation.

B. To pledge the credit of the Navajo Nation.

C. To dispose of, pledge, or otherwise encumber real or personal property of the Navajo Nation.

D. To waive any right, privilege or immunity of, or release any obligation owed to, the Navajo Nation.

E. To sell, lease, assign, exchange or otherwise dispose of all or substantially all of the Corporation's assets to third parties, other than in the usual and regular course of its business,

without the prior written consent of the Navajo Nation Council. Prior to any such proposed sale or disposition, the Corporation shall give reasonable notice to the Navajo Nation Council. The shareholder's consent to any such proposed sale or disposition shall be in the form of a resolution of the Navajo Nation Council, duly adopted in accordance with applicable tribal law.

ARTICLE X. – Shareholder Action.

A. Annual Meeting. The annual meeting of the shareholder shall be held on the date and hour specified in the bylaws of the Corporation, after the end of the Corporation's fiscal year and after the annual audit is completed, for the purpose of presenting such audit and the transaction of any business that may come before said meeting. The Chairperson of the Board or, in his or her absence, the Vice Chairperson of the Board, shall preside over the shareholder's meetings. If the day fixed for the annual meeting shall be a legal holiday within the Navajo Nation, such meeting shall be held on the next succeeding business day. To the extent authorized by applicable law, the Corporation may, under such rules and procedures as the Navajo Nation Council may lawfully prescribe, make an annual report to the Navajo Nation Council or its authorized standing committee in lieu of holding an annual meeting.

B. Special Meetings. Special meetings of the shareholder, for any purpose or purposes, unless otherwise prescribed by applicable law, may be called by the Chairperson of the Board of Directors or by the Board of Directors, and shall be called by the Chief Executive Officer ("CEO") of the Corporation at the request of the Speaker of the Navajo Nation Council on behalf of the shareholder representatives.

C. Notice. All meetings shall require written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. Such notice shall be delivered not less than seven (7) or more than thirty (30) days before the date of the meeting, either personally or by mail, to each of the directors of the Corporation and shareholder representatives, to the Speaker of the Navajo Nation Council and to the President of the Navajo Nation. Any business in addition to that specified in the notice of the meeting may be transacted at any meeting of the shareholder with the consent of the shareholder representatives.

D. Voting. At all meetings of the shareholder, whether an annual meeting or a special meeting, the shareholder representatives shall sit in their capacity as representatives of the sole shareholder and not as members of the Navajo Nation Council. Matters within the scope and legal authority of the shareholder under this Charter shall only be discussed and decided by the shareholder representatives present at a shareholder meeting duly called as provided in this Charter. On any issue or question presented to the shareholder, a vote shall be taken of those shareholder representatives present, if a quorum is present. All of the stock owned by the Navajo

Nation shall be voted in the manner decided by a majority of those shareholder representatives present.

E. Quorum. A majority of the shareholder representatives shall constitute a quorum for any meeting of the shareholders.

ARTICLE XI – Board of Directors.

A. Authority. The Board of Directors shall provide governance and oversight of the Corporation, subject to the restrictions of this Charter and applicable law. The Navajo Nation shall have no authority to direct the business affairs of the Corporation, except through its status as the sole shareholder of the Corporation and as provided in this Charter.

B. Number. The Board shall consist of seven (7) Directors. The number of directors may be increased or decreased at any time by a duly adopted resolution of the shareholder representatives at an annual or specially called meeting. The Board shall elect a Chairperson, Vice Chairperson and Secretary from its membership. The Chairperson shall preside at Board meetings. The Vice Chairperson shall assume the duties of the Chairperson in the absence of the Chairperson.

C. How Elected; Vacancies. Candidates for the Board of Directors shall possess the qualifications set forth in Paragraph E of this Article. The Nominations Committee of the Board of Directors (“Committee”), or its successor or designee, shall recruit, interview, and screen all candidates and shall nominate up to three successful candidates per board position for confirmation by the shareholder representatives at a duly called meeting. The shareholder representatives shall consider and vote on each nominee individually, and a majority vote in favor of a nominee shall constitute confirmation of the nominee as a Director. If any nominee is not accepted, the shareholder representatives shall notify the Committee, which shall make a new nomination for consideration in conformity with this paragraph. Whenever any vacancy shall occur in the Board of Directors by death, resignation, removal or otherwise, a replacement shall be nominated and confirmed in conformity with the procedures established by this paragraph.

D. Term of Office. The Directors shall serve staggered terms of three (3) years each as provided for in the bylaws.

E. Qualifications of Directors.

1. Each Director shall have substantial knowledge, understanding, and competency in the oil and gas industry, and the Board of Directors as a whole shall possess substantial

knowledge, understanding and competency in the oil and gas industry; commercial management and operation experience in the oil and gas industry; substantial knowledge, understanding, and competency in corporate finance, accounting, economics, law, business management, engineering, geophysics, geology, or similar disciplines; substantial knowledge, understanding, and competency in oil and gas production, and mechanics of production operations; and substantial knowledge, understanding, and competency of commercial and oil and gas production operations within Navajo Indian Country. It is preferred that at least one Board member have substantial oil field and production experience and knowledge of the general regulatory framework for oil and gas operations within Navajo Indian Country, and that each Director have knowledge of corporate financial statements and capital investment planning. Each Director shall possess at least a Bachelor's degree from a recognized and accredited four-year institution of higher learning, and advanced degrees are preferred. Subject to these qualifications, a majority of the Directors shall be enrolled members of the Navajo Nation.

2. No Director shall be: (a) a public official of the Navajo Nation as defined in 2 N.N.C. § 3743, as amended (including but not limited to Council delegates, Chapter officials, grazing committee members, commissioners, and members of land, farm, and school boards); (b) an employee of any federal, state, county, municipal, or other government; or (c) a director or commissioner of any other Navajo Nation owned enterprise, industry, authority, corporation, or instrumentality.

3. No Director shall: (a) have been convicted or entered a plea of *nolo contendere* to any felony or gross misdemeanor in any court, including without limitation those involving dishonesty or moral turpitude, extortion, embezzlement, theft, violation of fiduciary duty, bribery, perjury, or fraud; provided, that any misdemeanor shall be limited to the last ten (10) years of such person's history and provided that the Board of Directors shall have discretion to waive any misdemeanor upon presentation of reasonable evidence or justification; or (b) be any person who violates or has violated the requirements of the Navajo Nation Ethics in Government Law, 2 N.N.C. § 3741 *et seq.*, as amended, provided that any such violation shall be limited to the last ten (10) years of such person's history; or (c) be any person who has been dismissed for cause from employment with the Corporation; or (d) be any person who, within the last two years, has worked as a full time employee for the Corporation; or (e) be any person who has declared bankruptcy or been adjudicated bankrupt or insolvent, has sought appointment of a receiver, trustee, or similar official for all of any substantial part of his or her assets; has made a general assignment for the benefit of creditors; or has been the subject of a proceeding commenced by others in the nature of bankruptcy or insolvency that either has resulted in an order of relief against such person or, if pending, has remained undischarged, undismissed, or unbonded for a period of sixty (60) days (provided, however, that any of the above in subsection (e) shall be limited to the last seven (7) years of such persons' history, and provided further, that the Board of

Directors shall have discretion to waive these issues upon presentation of reasonable evidence or justification).

4. No one who fails to meet the requirements of this Article XI(E) shall serve as a board member.

5. The Board of Directors shall have the right not to seat any person nominated and confirmed in violation of the above requirements or who refuses to cooperate reasonably in any due diligence. The shareholder representatives shall have the right to remove any director who is found to have violated the above requirements after having been seated. Any person who the Board of Directors determines not to seat or who is removed pursuant to this provision shall be deemed to have been properly removed for cause.

F. Duties of Directors. The Board of Directors shall have overall responsibility for the business affairs of the Corporation. The Directors shall in all cases act as a Board, regularly convened, by a majority vote, and they may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, not inconsistent with this Charter, the bylaws of the Corporation and applicable tribal or federal law. A director shall perform his or her duties as a director in good faith, in a manner the director believes to be in or not opposed to the best interests of the Corporation, and with such care as an ordinarily prudent person would use under similar circumstances in a like position. Unless the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted, in performing such duties a director shall be entitled to rely on factual information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

1. One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

2. Legal counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or

3. A committee of the Board upon which the director does not serve, duly designated in accordance with a provision of the bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

G. Directors' Meetings. The annual meeting of the Board of Directors shall be held following the annual meeting of the shareholder and regular meetings shall be held on at least a quarterly basis. Special meetings of the Board of Directors may be called by the CEO of the

Corporation after consultation with the Chairperson of the Board or in his absence the Vice-Chairperson, and shall be called by the CEO upon the request of three (3) or more Directors.

H. Notice of Meetings. Notice of meetings shall be given to each Director in person or by mailing at least seven (7) days before the date therein designated for such meeting, including the day of mailing, of a written or printed notice thereof specifying the time and place of such meeting, and the business to be brought before the meeting. No business other than that specified in such notice shall be transacted at any special meeting. At any meeting at which every elected member of the Board of Directors shall be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

I. Quorum. At a meeting of the Board of Directors, a majority of the Board shall constitute a quorum for the transaction of business; but in the event of a quorum not being present, a lesser number may adjourn the meeting from time to time without further notice.

J. Voting. At a meeting of the Board of Directors, each Director has one vote. A majority of a quorum of the Board of Directors carries any issue.

K. Meeting Options. Except as otherwise restricted by the Bylaws of the Corporation, members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board or committee by means of a conference telephone call or similar communications equipment by which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting. Except as otherwise restricted in the Bylaws of the corporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting by orally polling the Directors or by a consent in writing, setting forth the action so taken, signed by all of the Directors, and the polling or consent shall have the same effect as a regular vote.

L. Resignation and Removal of Directors. Any Director may resign at any time by giving written notice to the Chairperson of the Board, except that the Chairperson shall provide written notice to the CEO, and such resignation shall be effective on the date specified in the notice. Any one or more of the Directors may be removed with cause at any time by a vote of the shareholder representatives at any special meeting called for that purpose, or at the annual meeting.

M. Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless such dissent shall be entered in the minutes of the meeting or unless the Director

shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary/Treasurer of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

N. Compensation. The Board of Directors shall receive such reasonable compensation as set forth in the Bylaws and not inconsistent with Navajo law.

O. Liability of Directors. A Director shall not be personally liable to the Corporation or its shareholder for monetary damages for breach of fiduciary duty as a director unless:

1. The Director has breached or failed to perform the duties of the director's office as provided in Paragraph F of this Article XI, and
2. The breach or failure to perform constitutes willful misconduct or recklessness.

ARTICLE XII. – Officers of the Corporation.

A. Number and Positions. The Officers of the Corporation are defined herein as those who are elected by the Board at the annual meeting to the following positions: CEO, President, Vice-President, and Secretary/Treasurer. Any two or more offices may be held by the same person, except the offices of the CEO and/or President and Secretary/Treasurer may not be held by the same person at the same time. The Board of Directors may by resolution add additional Officers of the Corporation at any time.

B. Election. The Officers of the Corporation may be elected annually by the Board of Directors at its meeting held immediately after the annual meeting of the shareholder, and shall hold office for the term of one year or until their successors are duly elected.

C. Duties of Officers. The duties and powers of the Officers of the Corporation shall be provided in the Bylaws.

D. Compensation. The CEO shall receive such salary and/or incentive pay as may be determined by the Board of Directors. Any other Officer of the Corporation shall receive such salary and/or incentive pay as determined by the CEO, unless expressly provided otherwise in a written employment contract.

E. Resignation and Removal. Any Officer of the Corporation may resign at any time by giving written notice to the CEO of the Corporation, except that the CEO shall provide written

notice to the Chairperson of the Board, and such resignation shall be effective on the date specified in the notice. The CEO may be removed with cause, at any time by a vote of the Board of Directors, unless expressly provided otherwise in a written employment contract, at a special meeting called for that purpose, or at the annual meeting. Any other Officer of the Corporation may be removed with cause at any time by the Board of Directors, in consultation with the CEO, unless expressly provided otherwise in a written employment contract, at a special meeting called for that purpose, or at the annual meeting.

F. Vacancies. A vacancy in the office of the CEO shall be filled by the Board of Directors without undue delay, at its regular meeting or at a meeting specially called for that purpose. A vacancy in any other Officer of the Corporation shall be filled by the CEO without undue delay.

ARTICLE XIII. – Indemnification.

A. The Corporation shall indemnify any person against reasonable expenses actually and necessarily incurred by such person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation if:

1. Such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation; and
2. Such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent; and
3. Any legal fees paid or any settlements made are reasonable, provided that with respect to any criminal action or proceeding the Corporation shall not be liable to indemnify for any criminal fine for which such person is personally liable; and
4. The person seeking indemnification did not act beyond the scope of his or her employment or office.

B. By action of the Board of Directors, notwithstanding any interest of the Directors in the decision to purchase and maintain insurance, the Corporation may purchase and maintain insurance, in such amounts as the Board of Directors deems appropriate, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such a

person and incurred by such a person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power or would be required to indemnify that person against such liability under the provisions of this Article or the Navajo Nation Corporation Code.

ARTICLE XIV. – Dividends.

A. The Board of Directors may declare dividends from the surplus profits of the Corporation whenever, in its opinion, the condition of the Corporation's affairs will render it expedient for such dividends to be declared; provided that no distribution may be made if either:

1. The Corporation would not be able to pay its debts as they become due in the usual course of its business, or
2. The Corporation's total assets would be less than the sum of its total liabilities.

B. All dividends declared by the Board of Directors shall be paid to the Navajo Nation as the sole shareholder.

ARTICLE XV. – Reports to Shareholder.

A. The Corporation shall maintain its financial records in conformity with generally accepted accounting principles.

B. The Board of Directors of the Corporation shall, no less frequently than on an annual basis, report in writing to the shareholder representatives on the financial and operating condition of the Corporation, including the assets and liabilities of the Corporation and the official actions of the Corporation's officers.

C. The financial and operating records of the Corporation shall at all reasonable times be open to inspection by the shareholder representatives.

D. The Corporation shall, within 120 days following the close of the Corporation's fiscal year, submit to the shareholder representatives an audited financial statement showing the status of the Corporation as of the last day of the Corporation's fiscal year.

ARTICLE XVI. – Claims against the Corporation.

A. "Corporation" in this Article shall mean Navajo Nation Oil and Gas Company and its

wholly owned subsidiaries, including without limitation limited liability companies. The Corporation is an instrumentality of the Navajo Nation and is entitled to all of the privileges and immunities of the Navajo Nation, except as provided in this Article XVI. The Corporation and its directors, officers, employees and agents while acting in their official capacities are immune from suit, and the assets and other property of the Corporation are exempt from any levy or execution, provided that, notwithstanding any other provision of law, including but not limited to the Navajo Sovereign Immunity Act, 1 N.N.C. § 551, *et seq.*, the Board of Directors may waive the defenses identified in this Article, in conformity with the procedures established in this Article, in order to further the purposes of the Corporation. Any waiver of the defenses identified in this Article must be express and must be agreed to by the Board of Directors prior to the time any alleged cause of action accrues.

B. The Corporation is hereby authorized to waive, as provided in this Article XVI, any defense of sovereign immunity from suit the Corporation, its directors, officers, employees, attorneys or agents may otherwise enjoy under applicable federal, state or tribal law, arising from any particular agreement, matter or transaction as may be entered into to further the purposes of the Corporation, and to consent to alternative dispute resolution mechanisms such as arbitration or mediation or to suit in tribal, state and/or federal court. The Corporation is authorized, in conformity with 13 C.F.R. § 124.112(c)(1) (1992), to designate United States federal courts to be among the courts of competent jurisdiction for all matters related to the Small Business Administration's programs including but not limited to 8(a) Program participation, loans, advance payments and contract performance.

C. The Corporation is hereby authorized to waive, as provided in this Article XVI, any defense the Corporation, its directors, officers, employees, attorneys or agents may otherwise assert that federal, state or tribal law requires exhaustion of tribal court remedies prior to suit against the Corporation in a state or federal court otherwise having jurisdiction over the subject matter and the parties.

D. Any waiver by the Corporation authorized by Paragraph A, B or C of this Article XVI shall be in the form of a resolution duly adopted by the Board of Directors, upon thirty (30) days written notice to the Navajo Nation Council of the Board's intention to adopt the resolution. The resolution shall identify the party or parties for whose benefit the waiver is granted, the agreement or transaction and the claims or classes of claims for which the waiver is granted, the property of the Corporation which may be subject to execution to satisfy any judgment which may be entered in the claim, and shall identify the court or courts in which suit against the Corporation may be brought. Any waiver shall be limited to claims arising from the acts or omissions of the Corporation, its directors, officers, employees or agents, and shall be construed only to effect the property and income of the Corporation.

E. Nothing in this Charter, and no waiver of the Corporation's sovereign immunity pursuant to this Article shall be construed as a waiver of the sovereign immunity of the Navajo Nation or any other instrumentality of the Navajo Nation, and no such waiver by the Corporation shall create any liability on the part of the Navajo Nation or any other instrumentality of the Navajo Nation for the debts and obligations of the Corporation, or shall be construed as a consent to the encumbrance or attachment of any property of the Navajo Nation or any other instrumentality of the Navajo Nation based on any action, adjudication or other determination of liability of any nature incurred by the Corporation. The acts and omissions of the Corporation, its directors, officers, employees and agents shall not create any liability, obligation or indebtedness either of the Navajo Nation or payable out of assets, revenues or income of the Navajo Nation.

F. Nothing in this Charter, and no action taken by the Corporation pursuant to this Charter, shall be construed as permitting, recognizing, or granting any state any regulatory jurisdiction or taxing jurisdiction over the property or activities of the Corporation or its employees located within the boundaries of Navajo Indian Country.

ARTICLE XVII. – Seal.

The seal of the Corporation shall be as follows:

Navajo Nation Oil and Gas Company
Navajo Nation

ARTICLE XVIII. – Dissolution.

A. After issuance of this Charter by the Secretary of the Interior and ratification by the Navajo Nation Council, the Corporation may be dissolved only as provided in this Article.

B. The Corporation may be dissolved by the act of the Corporation as follows:

1. The Navajo Nation Council acting as shareholders' representative at a duly called meeting may require the Board of Directors to adopt, or the Board of Directors, on its own initiative and upon its determination that dissolution is advisable, shall adopt, a resolution recommending that the Corporation be dissolved and directing that the question of dissolution be submitted to a vote at a meeting of the shareholder representatives, which may be either an annual or special meeting.

2. Written notice shall be given to the shareholder representatives in the manner provided in this Charter for giving notice of meetings of the shareholder representatives, and shall state that the purpose, or one of the purposes, of the meeting is to consider the advisability of dissolving the Corporation.

3. At the shareholder representatives meeting, a vote shall be taken on a resolution to dissolve the Corporation.

4. Upon adoption of the resolution, a statement of intent to dissolve shall be executed by the Corporation by its CEO and by its Secretary/Treasurer and verified by one of the officers signing the statement, and shall be delivered to the Secretary of the Interior.

5. Upon filing with the Secretary of the Interior of the statement of intent to dissolve, the Corporation shall cease to carry on its business, except insofar as necessary for the winding up thereof, but its corporate existence shall continue until this Charter is revoked by act of Congress.

6. After filing the statement of intent to dissolve, the Corporation shall immediately cause notice thereof to be mailed to each known creditor of the Corporation; shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholder; pay, satisfy and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs; and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, to its shareholder.

7. By resolution of the Board of Directors or by resolution adopted by the Navajo Nation Council at any time prior to revocation of this Charter by act of Congress, the Corporation may revoke voluntary dissolution proceedings. Written notice of the revocation shall be filed with the Secretary of the Interior. Upon filing the notice of revocation of voluntary dissolution proceedings, the revocation shall be effective and the Corporation may again carry on its business.

8. If voluntary dissolution proceedings have not been revoked, when all debts, liabilities and obligations of the Corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the Corporation have been distributed to the Navajo Nation and the Secretary of the Interior shall take all actions necessary to obtain an act of Congress revoking this Charter and dissolving the Corporation.

ARTICLE XIX. - Amendments.

A. The authority to petition for amendments to this Charter is vested in the Navajo Nation Council, and such amendments shall be presented for approval by the Secretary of the Interior and ratified by the Navajo Nation Council in accordance with 25 U.S.C. § 477, as amended, and in accordance with applicable tribal law.

B. The Board of Directors may request the Navajo Nation Council to petition the Secretary of the Interior for amendments to this Charter, but the final decision on submitting any such petition shall be made by the Navajo Nation Council.

CERTIFICATE OF APPROVAL

I, Sharon Pinto, BIA, Regional Director, Navajo by virtue of the authority granted to the Secretary of the Interior by the Act of June 18, 1934 (48 Stat. 984, 25 U.S.C. § 477), as amended, and re-delegated to me by 3 IAM 4.1.4B. I do hereby approve this Restated Federal Charter of Incorporation for use by the Navajo Nation and its enterprise, the Navajo Nation Oil and Gas Company. The Restated Charter shall become effective upon ratification by the Navajo Nation Council, PROVIDED, that nothing in this approval shall be construed as authorizing any action under this document that would be contrary to Federal law.


Regional Director, Navajo

Date: **AUG 08 2014**



ARTICLE IV. – Status of Corporation.

A. The Corporation is a legal entity wholly-owned by the Navajo Nation, a federally recognized Indian Tribe. As an instrumentality of the Navajo Nation, the Corporation and its wholly owned subsidiaries, including without limitation limited liability companies, are entitled to the privileges and immunities of the Navajo Nation, however, the activities, transactions, obligations, liabilities and property of the Corporation are not those of the Navajo Nation.

B. The Corporation and its wholly owned subsidiaries, including without limitation limited liability companies, shall have the same tax status and immunities under federal law as the Navajo Nation.

ARTICLE V. – Ownership of the Corporation.

A. The aggregate number of shares which the Corporation shall have authority to issue is 1,000,000 shares of common stock and 1,000,000 shares of preferred stock.

B. All shares in the Corporation shall be owned by the Navajo Nation for the benefit of the Nation and its enrolled members. No individual or legal entity other than the Navajo Nation shall acquire any shares in the Corporation.

C. The Navajo Nation's shares in the Corporation shall not be sold, transferred, pledged or hypothecated, voluntarily or involuntarily, and any purported sale, transfer, pledge or hypothecation shall be void and of no effect.

D. All rights of shareholder of the Corporation shall be exercised by the appointed shareholder representatives, composed of one member of each of the standing committees of the Navajo Nation Council or their successor committees, in accordance with this Charter and the applicable tribal law; provided that the Directors of the Corporation shall be elected as provided in Article XI of the Charter. Each standing committee shall select its own shareholder representative. At the meetings of the ~~member representatives~~ shareholder representatives, the ~~member representatives~~ shareholder representatives shall, in all instances subordinate their personal interest and political interest as members of the Navajo Nation Council to those of the company in acting in their capacity as the ~~member representatives~~ shareholder representatives of the sole ~~member~~ shareholder and ~~member~~ interest holder and owner, the Navajo Nation.



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