

**Company No: 04844678**



**The Companies Act 1985**

**COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**ENERGY RETAIL ASSOCIATION LIMITED (the "Company")**

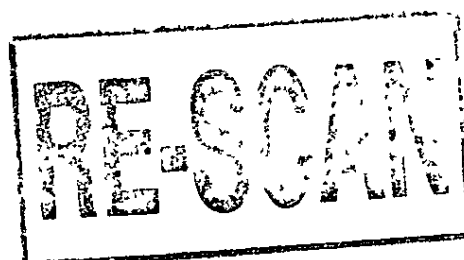
**Passed 19<sup>TH</sup> SEPTEMBER 2003**

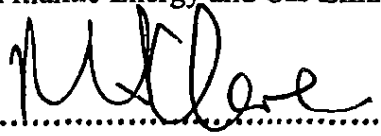
*(Passed pursuant to Section 381A of the Companies Act 1985)*

We the undersigned, being or representing all the members of the Company, HEREBY RESOLVE as follows:

**RESOLUTIONS**

1. THAT with effect from the passing of this resolution the regulations contained in the document attached hereto and marked "A" for the purposes of identification are approved and adopted as the new Memorandum of Association of the Company in substitution for and to the exclusion of all existing Memoranda of Association of the Company.
2. THAT with effect from the passing of this resolution the regulations contained in the document attached hereto and marked "B" for the purposes of identification are approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.



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Mark Clare	 ..... For and on behalf of British Gas Trading Limited	19/9/03 .....
Peter Hofman	..... For and on behalf of EDF Energy plc	.....
Nick Horler	..... For and on behalf of Powergen Retail Limited	.....
Andrew Duff	..... For and on behalf of Npower Limited	.....
Willie MacDiarmid	..... For and on behalf of ScottishPower Energy Retail Limited	.....
Alistair Phillips-Davies	..... For and on behalf of SSE Energy Supply Limited	.....

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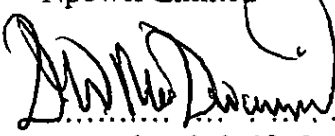
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1. CONSIDERATION

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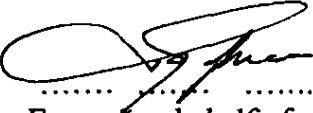
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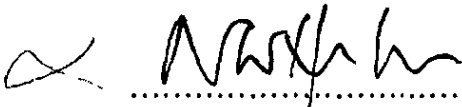
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"A"

**THE COMPANIES ACT 1985**  
**PRIVATE COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING A SHARE CAPITAL**

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**ENERGY RETAIL ASSOCIATION LIMITED**

*(Company Number 4844678)*

*(Adopted by Special Resolution passed on 19/9 2003)*

- 1 The Company's name is "Energy Retail Association Limited"
- 2 The Company's registered office is to be situated in England and Wales
- 3 The Company's **objects** are to act as a representative body and trade association for certain companies or organisations involved in the supply of gas or electricity to, or for the benefit of, domestic customers within the United Kingdom
- 3.1 In particular, the Company's objects are to formulate policies and ideas and liaise with Ofgem, Energywatch (and any other similar body or bodies from time to time), and United Kingdom and EU Governments on matters pertinent to the supply of gas or electricity to domestic customers within the United Kingdom, including but not limited to addressing the following areas:
  - 3 1 1 Energy Selling Experience and Process,
  - 3 1 2 Energy Efficiency,
  - 3 1 3 Customer Transfer Process,
  - 3 1 4 Fuel Poverty,
  - 3 1 5 Debt and Customer Credit issues; and
  - 3 1 6 Renewable Energy

3 2 In addition, the Company's objects are

3 2 1 to promote, stimulate and manage the combined efforts of the Company, government and other institutions to promote the interests, growth and competitiveness of the United Kingdom energy industry,

3 2 2 to stimulate United Kingdom and overseas markets for the benefit of the United Kingdom energy industry,

3 2 3 to promote and enhance the reputation and good standing of the United Kingdom energy industry,

3 2 4 to provide a forum for the discussion among members and with others of issues which concern or may affect the interests of the United Kingdom energy industry and to disseminate and transmit informed opinion on these matters to government and other institutions, and

3 2 5 subject to the above, to promote and protect the common interests of the members of the Company

3 3 In furtherance of the said objects but not further or otherwise the Company shall have the powers set out below

3 3 1 to advertise and promote the Company and its objectives,

3 3 2 to publicise and inform members of the activities of the Company and to provide information to them on matters relating or of interest to the energy industry, whether in the United Kingdom or overseas,

3 3 3 to provide or obtain expert advice and consultancy services (either directly or through third parties) on energy retail related matters and to assist with making such resources available on a commercial, gratuitous or subsidised basis to its members or to others, as appears to the Company to be appropriate,

3 3 4 to provide education, training, instruction and carry out research, analysis, and investigation in reference to any matter which concerns or may affect the interests of the United Kingdom energy industry,

3 3 5 to promote, arrange, organise, participate in, and conduct, lectures, seminars, meetings, discussions, trade missions, export activities,

receptions, debates, conferences and exhibitions in reference to the Company's objects,

- 3 3 6 to establish and maintain libraries, databases and information storage and retrieval systems and to produce and disseminate publications and trade, commercial, scientific, technical, regulatory and other material of any nature (whether gratuitously or otherwise);
- 3 3 7 to monitor, seek to influence and campaign for or against policies, proposals, decisions, and legislative or regulatory instruments, of government and other institutions which concern or may affect the interests of the United Kingdom energy industry, to make government and other institutions aware of those interests and of the views of members of the Company and to establish and foster such contacts with representatives of government and other institutions as appear to the Company to be appropriate for those purposes,
- 3 3 8 to establish subsidiaries or enter into joint ventures or cooperation agreements for the purposes of furthering the objects of the Company,
- 3 3 9 to establish, assist, promote or co-operate with any other organisation having or including objects similar to those of the Company,
- 3 3 10 enter into any arrangement and co-operate with any governments or authorities (supreme, municipal, local or otherwise), or with any corporations, companies or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, corporation, company or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable for the achievement of its objects and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions,
- 3 3 11 subject to such consents as may be required by law, to solicit, receive and accept financial assistance, grants, donations, endowments, gifts (both inter vivos and testamentary) and loans of any property whatsoever, real or personal and subject or not to any specific charitable trust or condition for the benefit of the Company or any other person in furtherance of the Company's objects,

- 3 3 12 to engage and pay upon such reasonable and proper terms as may be thought fit any person or persons whether on a full time or part time basis or on secondment and whether as consultant or employee to supervise, or organise, carry on the work of and advise the Company;
- 3 3 13 to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property, undertaking and rights of the Company,
- 3 3 14 to apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any domain names, patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions, and to disclaim, alter, modify, use and turn to account, and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire,
- 3 3.15 to give financial support, either by means of payments under covenant or other agreement, or in such other manner as may be deemed expedient, to any organisations whether corporate or unincorporate wheresoever situated (notwithstanding that it may be a member of the Company) concerned with the furtherance of all or any of the objects of the Company;
- 3 3.16 to borrow or raise money and grant security by way of mortgage or debenture or other charge over any or all of its assets to secure the payment of its obligations,
- 3 3.17 to enter into contracts (including contracts to acquire or hire or lease property of any kind, and interests in or rights over such property) or take assignments of contracts or enter into novation agreements in relation to contracts that are in furtherance of the objects of the Company and to pay (in cash or by other lawful means) out of the Company's funds and resources any person firm or company rendering goods or services to or for the Company,
- 3 3 18 to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company,

- 3 3 19 to procure the Company to be registered or recognised in any part of the world,
- 3 3 20 to do all or any of the things or matters aforesaid in any part of the world and either as principal, agent, contractor or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others;
- 3 3 21 to purchase and maintain, for the benefit of any director (including an alternate director), officer of the Company or of any company which is a subsidiary of the Company, insurance against any liability as is referred to in section 310(1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director (including an alternate director), officer or auditor and, subject also to the provisions of the Act, to indemnify any such person out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto and, without prejudice to the foregoing, to grant any such indemnity after the occurrence of the event giving rise to any such liability, and
- 3 3 22 to do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them

PROVIDED that

- (a) in this **clause 3** the expression "subsidiary" shall have the meaning given by section 736 of the Act and the expression "subsidiaries" shall include a subsidiary undertaking as defined by section 258 of the Act, and
- (b) in this **clause 3** the expression "the Act" means the Companies Act 1985, but so that any reference in this **clause 3** to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision at the time this **clause 3** takes effect
- 4 The liability of the members of the Company is limited
- 5 Subject to the provisions of **clause 6** the income and property of the Company shall be applied solely towards the promotion of the objects of the Company as set forth in

this Memorandum of Association or distributed to the members in accordance with any provisions anticipated by the Company's Articles of Association

- 6 Nothing in this Memorandum of Association shall prevent any payment in good faith by the Company
- 6.1 of reasonable and proper remuneration to any member, officer or servant of the Company for any services rendered to the Company provided always that no director may be paid any remuneration or expenses for discharging their duties as a director,
- 6.2 of reasonable and proper interest on money lent by any member of the Company or director;
- 6.3 of reasonable and proper rent or licence fee for any premises demised, let or licensed to the Company by any member of the Company,
- 6.4 of any insurance premium for any insurance referred to in 3.3.21 above
- 7 Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while such person is a member or within one year after such person ceases to be a member, for payment of the Company's debts and liabilities contracted before such person ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves



" B "

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING A SHARE CAPITAL**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**ENERGY RETAIL ASSOCIATION LIMITED**

*(Company Number 4844678)*

*(Adopted by Special Resolution Passed on 19 September 2003)*

**1. PRELIMINARY**

The regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 in force at the time of adoption of these Articles shall not apply to the Company and these Articles alone shall constitute the regulations of the Company.

**2 OPERATIVE CLAUSES**

In these Articles the following expressions have the following meanings unless inconsistent with the context:

<b>"Act"</b>	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force,
<b>"Annual Budget"</b>	the budget and financial forecasts for the Company as agreed by the Board and the members from time to time;
<b>"Annual Membership Fee"</b>	the annual membership fee as agreed by the Board and the members from time to time,
<b>"Board"</b>	the board of directors of the Company,
<b>"Board Rules"</b>	any additional rules of the Company adopted pursuant to Article 8 1,

<b>“business day”</b>	any day (other than Saturday or Sunday or a bank or public holiday in England);
<b>“Chairman”</b>	the chairman of the Board appointed pursuant to Article 13 9,
<b>“clear days”</b>	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>“directors”</b>	the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company;
<b>“executed”</b>	includes any mode of execution;
<b>“Group”</b>	a company and any of its subsidiaries (as defined in Section 736 of the Companies Act 1985) and “Group company” shall be any of those companies;
<b>“members”</b>	the members of the Company from time to time admitted pursuant to these Articles,
<b>“office”</b>	the registered office of the Company;
<b>“secretary”</b>	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,
<b>“these Articles”</b>	these Articles of Association, whether as originally adopted or as from time to time altered by special resolution;
<b>“Qualifying Criteria”</b>	to qualify to become and to remain a member of the Company, a company or other legal entity must hold a valid and current licence or other authorisation under the Gas Act 1986 and/or the Electricity Act 1989 or any other relevant legislation or authority, to supply either gas or

electricity to domestic customers within the United Kingdom and also have at all times not less than 100,000 (or such other number as the Board shall by simple majority decide from time to time) domestic customers in the United Kingdom who have registered with them for their supply of either gas or electricity;

**“United Kingdom”**

England, Scotland, Wales and Northern Ireland.

Any reference in these Articles to a person, company, body or organisation is intended to be a reference to that body only and not (save where specifically provided in these Articles or by any law) to any successor body unless the members by special resolution, agree to the same.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company. References to the masculine or feminine shall include reference to the other gender and the neuter

Any reference to a statute, statutory provision or subordinate legislation shall be construed as referring to that statute, statutory provision or subordinate legislation as amended, modified, consolidated, re-enacted or replaced and in force from time to time whether before or after the date of adoption of these articles.

**3. MEMBERS**

- 3.1 Any company or other body, wheresoever situated may apply to become a member of the Company if (and only if) they satisfy the Qualifying Criteria. Any such application shall be made in writing and sent to the Board using an application form in such format as the Board may prescribe from time to time (including an agreement to adhere to any Board Rules, code of members' conduct, or other members' agreement that the Board may determine)
- 3.2 Any application for membership received in accordance with Article 3.1 shall be considered at the next Board meeting (unless such application is received within 14 days of the next Board meeting when it shall, unless all the Board agrees otherwise, be considered at the then following Board meeting)

- 3 3 After due consideration of the application (and in any event within 28 days of the Board meeting at which the application is considered) the Board must either:-
- 3 3 1 raise such further queries with the applicant as it may deem appropriate, including but not limited to seeking further evidence of satisfaction of the Qualifying Criteria,
  - 3.3 2 confirm its acceptance of the application (subject to receipt of any appropriate membership fee if not already paid), or
  - 3 3.3 confirm its rejection of such application in which case it shall give a written explanation for such rejection
- 3 4 Any acceptance of an application for membership must be decided by not less than 75% (rounded down) of the Board members and each Board member must not act unreasonably in coming to its decision and the Board must not unreasonably delay communicating its decision to the Applicant
- 3 5 Any company or other body whose application for membership is accepted must pay a first membership fee equal to the most recent annual membership fee paid by the existing members, or such lower sum as the Board may by simple majority agree. Such first membership fee is to be paid within 28 days of the Board communicating its acceptance of the new member's application
- 3 6 Within 28 days of agreement of the Annual Budget each member must pay to the Company the Annual Membership Fee
- 3 7 A member of the Company shall cease to be a member in the event of the member ceasing to satisfy the Qualifying Criteria, or in the event of.
- 3.7 1 such member's retirement or resignation as a member, by giving written notice to the Board, or
  - 3 7.2 such member's winding up or, being an unincorporated association, its dissolution,
  - 3 7 3 such member's Annual Membership Fee (or first membership fee) being more than 28 days overdue, or
  - 3 7 4 75% or more of the members (rounded down and excluding the member in question) resolving that such member be removed in the best interest of the Company

- 3.8 There shall be no minimum or maximum number of members
- 3.9 Membership shall not be transferable other than intra Group, and then only with the Board's consent.
- 3.10 Annual Membership Fees are not refundable in whole or in part if membership ceases part way through a year.
- 3.11 Forthwith following any member ceasing to be a member they shall procure that any director nominated by them shall immediately resign
- 3.12 Companies who are part of the same Group may only have one member of the Company among all Group companies notwithstanding that one or more Group company may satisfy the Qualifying Criteria. The qualifications of all Group members shall be aggregated in assessing whether or not an individual applicant for membership satisfies the Qualifying Criteria.

#### **4 GENERAL MEETINGS**

- 4.1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one annual general meeting and that of the next. Provided that so long as the Company holds its first annual general meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation. The annual general meeting shall be held at such time and place as the directors shall appoint. All general meetings other than annual general meetings shall be called extraordinary general meetings
- 4.2 The Board may call extraordinary general meetings
- 4.3 If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the Company may convene an extraordinary or annual general meeting in the same manner as nearly as possible as that in which such meetings may be convened by the directors
- 4.4 Pursuant to the provisions of Section 368 of the Act, one tenth of the members may requisition the Board to call an extraordinary general meeting

## 5 NOTICE OF GENERAL MEETINGS

- 5.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed in accordance with section 369(3) of the Act. The notice shall specify the time and place of the meeting and, only in the case of special business (see Article 5.2 below), the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
- 5.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the profit and loss account, balance sheet, and the reports of the directors and auditors and the appointment of and the fixing of the remuneration of the auditors.
- 5.3 Notwithstanding that the Company does not have a share capital every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies, and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to all members and directors and to the auditors for the time being of the Company

## 6. PROCEEDINGS AT GENERAL MEETINGS

- 6.1 Subject to Articles 6.2 and 6.3, no business shall be transacted at any general meeting unless a quorum is present. A **quorum** shall be half in number of all members from time to time (rounded up in the case of a fraction) present in person or by proxy or by duly authorised representative (where appropriate)
- 6.2 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed the member or members present in person or by proxy or by duly authorised representative (where appropriate) entitled to vote upon the business to be transacted shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place

- 6.3 The Chairman of the directors appointed pursuant to Article 13 shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if either shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, or unable to attend, the directors present shall elect one of their number to be chairman of the meeting. If no director is willing to act as chairman or if no director is present within 15 minutes after the time appointed for holding the general meeting, the members present shall choose one of their number to be chairman of the meeting.
- 6.4 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 6.5 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place.
- 6.6 At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by any member or the chairman.
- 6.7 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 6.8 In the case of an equality of votes, whether on a show of hands or on a poll the chairman of the meeting shall **not** be entitled to a **casting vote**.
- 6.9 Any member (including a proxy) may participate in a meeting of the members by means of a **conference telephone** or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

**7. VOTES OF MEMBERS**

7.1 On a show of hands every member (being an individual) present in person or by proxy (not being himself a member entitled to vote) or (not being an individual) present by a duly authorised representative or proxy (not being himself a member entitled to vote) shall have one vote and on a poll every member present in person or by proxy or by a duly authorised representative (as the case may be) shall have one vote.

7.2 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the form which the directors may approve from time to time.

**8 COMPLIANCE WITH BOARD RULES**

8.1 Subject to the provisions of these Articles (and the overriding objects of the Company described in the Company's Memorandum of Association from time to time) the Board may from time to time adopt (and amend or replace) such rules and protocols as they deem necessary or expedient or convenient for the proper conduct and management of the Company

**9 NUMBER OF DIRECTORS**

9.1 Unless and until otherwise unanimously agreed by the Board there shall be no minimum or maximum number of directors

**10 APPOINTMENT AND RETIREMENT OF DIRECTORS**

10.1 Subject to Article 10.3, each member of the Company may nominate one person to be a director of the Company and they may each remove and replace their nominated persons at any time and (for the avoidance of doubt) if their nominated person resigns or is otherwise removed they may similarly replace them. The person that is nominated by a member to be a director of the Company shall be the member's own Retail Managing Director or its Chief Executive Officer (or equivalent) or its Chief Operating Officer (or equivalent) or another person on the member's main board (in all such cases, such position being a "Qualifying Position"). Any director who is appointed by a member and who ceases to hold a Qualifying Position shall be deemed to have immediately resigned as a director of the Company (and of any Group company) upon such cessation and the relevant member shall consider its replacement as soon as reasonably practicable thereafter. In all cases such



nomination, removal or replacement by the member shall be notified to the secretary of the Company in writing and then endorsed by the Board at its next meeting

10.2 Subject to Article 10.3, the members may by ordinary resolution appoint any other person or persons who are willing to act to be a director either to fill a vacancy or as an additional director including the appointment of a director

10.3 Each new director must complete such agreement to adhere to any Board Rules, code of conduct or members' agreement as the Board may determine appropriate.

10.4 The directors shall receive no remuneration nor may they recover costs and expenses incurred on Company business unless in exceptional circumstances and then in accordance with any policy approved by a unanimous decision of the Board

## 11 **NO ALTERNATE DIRECTORS**

11.1 A director may by notice to the Chairman prior to commencement of a Board meeting appoint any person to attend a Board meeting, in his place. Such person shall have the right to speak but not vote at that meeting. Otherwise, unless the Board adopt a policy by unanimous decision to the contrary, then no director may appoint an alternative director to receive notice of meetings, attend meetings, or vote or do anything in his place.

## 12 **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

The office of a director shall (unless all of the directors agree otherwise) be immediately vacated if.

12.1 he dies or he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director; or

12.2 where such director is nominated by a member and that member ceases to be a member of the Company, or

12.3 he is, or may be, suffering from mental disorder and either

12.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

12.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his

detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or

12 4 he becomes bankrupt, or

12 5 he resigns his office by notice to the Company, or

12 6 the members determine by a majority of not less than 50% of such members, that such director shall vacate his office; or

12.7 in the case of a director appointed for a fixed term, at the end of that fixed term; or

12 8 if, in accordance with Article 10.1, he ceases to occupy a Qualifying Position:

### 13 PROCEEDINGS OF THE DIRECTORS

13 1 Subject to the provisions of these Articles and the Company's Memorandum of Association, the Board may meet together for the despatch of business, adjourn and regulate their meetings as they think fit Any two directors may, and the secretary at the request of any two directors shall, call a special meeting of the directors in accordance with Article 13 5 A minimum of four board meetings shall be held each year; with not more than four months between each meeting (unless all the directors agree otherwise) Subject to any agreement to the contrary by all the members, questions arising at any meeting shall be decided by a majority of votes and each director shall have one vote

13 2 Unless agreed otherwise by all the members, in the case of ordinary Board business all decisions shall be by simple majority In the case of deadlock over such ordinary business the Chairman shall call a poll of those present If the matter remains deadlocked the Chairman shall not be entitled to exercise a second **casting vote** to resolve the matter.

13 3 Subject to Article 13 4 no business shall be transacted at any Board meeting unless a quorum is present A **quorum** shall be half of the Board members from time to time (rounded up in the case of a fraction) present in person or by alternate director (if permitted). Continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies, or of calling a general meeting

13 4 If a quorum is not present within half an hour from the time appointed for a Board meeting the Board meeting shall stand adjourned to the same day in the next week at

the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned Board meeting a quorum is not present within half an hour from the time appointed the director or directors present in person or by alternate (if permitted) or (being a corporation) by duly authorised representative shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place

- 13.5 Unless all the directors agree otherwise, meetings of the Board of directors and any committee or sub-committee thereof shall be summoned by not less than ten business days' notice served on the directors and in the case of any committee or sub-committee meetings, on the members of such committee or sub-committee. Any such notice must either include an agenda of the matters to be discussed at any such meeting or one shall be circulated at least 5 business days before the meeting and, unless all the directors present at the relevant meeting so decide, no matter may be discussed or voted on which is not included in any such agenda. A director who is absent from the United Kingdom shall still be entitled to be sent notice of a meeting (and an agenda) to his usual United Kingdom address for such notices.
- 13.6 Any director (including any permitted alternate director) may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a **conference telephone** or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 13.7 A **written resolution** or memorandum signed by all members of the Board or of a committee or subcommittee shall have equal effect to any decision made at a properly convened meeting, and such resolution shall be deemed made on the date of the last signature. The written resolution or memorandum may be signed in more than one part.
- 13.8 The directors shall abide by such code of conduct or conflicts (or similar) policy or protocol as may be adopted by the Board (with the prior consent of all the members, from time to time).

## **Appointment of Chairman**

- 13 9 The Chairman shall remain in office for the period described in this Article after which he shall resign and be eligible (if willing to act) to be re-elected to the position. The Board shall appoint such of their number as they deem fit to be the Chairman by simple majority decision (and, subject to the last sentence of this Article 13.9, they shall consider, without obligation, any previous Chairman who has indicated a willingness to be re-appointed as Chairman). Upon acceptance such selected person shall (if willing to act) become the "Chairman" and shall remain in office until the Board meeting immediately prior to the annual general meeting following the meeting at which he is appointed (i.e. typically a one year term), when he shall resign and, subject to the last sentence of this Article 13.9, be eligible for reappointment. Unless the Board agree by unanimous decision no person is eligible to be re-elected as Chairman if he was the most recent Chairman.

## **Miscellaneous**

- 13 10 The Board shall procure the circulation to each member (at least every three months) of details of the Company's financial status and summary details of significant projects, in each case in such reasonable format as the Board may require. The Board shall also procure the circulation to each member of a copy of all minutes of all members' and all directors' meetings within 10 business days of each meeting.

## **14. POWERS AND OPERATION OF THE BOARD**

- 14 1 Subject to the provisions of the Act, the Memorandum of Association, any Board Rules and these Articles the business of the Company shall be managed by the directors who (unless agreed otherwise) may exercise all the powers of the Company.
- 14 2 In addition the Board may delegate any of its powers to committees or sub-committees consisting of such director or directors as the Board thinks fit. Any committee or sub-committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board. The meetings and proceedings of such committee or sub-committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board. The Board and any committee or sub-committee may instruct the Company's employed secretariat to administer and deliver upon its policy decisions.

**15. SECRETARY**

Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, and with such remuneration/honorarium and upon such conditions as they think fit, and any secretary so appointed may be removed by them, provided always that no director may hold office as secretary where such office is remunerated

**16. THE SEAL**

The Company shall not (and shall procure that any subsidiaries shall not) use or adopt a seal. Any documents requiring execution as a deed may only be executed by any two directors

**17. MINUTES**

17 1 The directors shall cause minutes to be made in books kept for the purposes of

17 1.1 recording the names and addresses of all the members directors and the secretary,

17 1 2 all appointments to executive offices made by the directors,

17 1 3 directors' declared interests;

17.1 4 all proceedings at meetings of the Company and of the directors and of any committees constituted pursuant to Article 14 including the names of directors and members present at each such meeting

**18. NOTICES**

18.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing.

18 2 The Company or Board may give notice to a member or director either personally or by sending it by first class post in a pre paid envelope addressed to the member or director at his or its registered address or by leaving it at that address or (if it or he has no registered address in the United Kingdom) to or at that address, if any, within the United Kingdom supplied by it or him to the Company or Board for the giving of notices to it or him, but otherwise no such member or director shall be entitled to receive any notice from the Company.

- 18.3 Where a notice is sent by first class post, proof of the notice having been posted in a properly addressed, prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of 24 hours after the envelope containing the same is posted.

## 19 WINDING UP

- 19.1 The Company and its subsidiaries shall be wound up voluntarily only at such time as 75% of the members (rounded up) agree.

- 19.2 If the Company and its subsidiaries are to be wound up, whether pursuant to the provisions of this Article 19 or otherwise then subject to the discharge of all liabilities of the Company and members of its Group or the retention of sufficient reserves to discharge the same and to pay the costs of winding up the Company and members of its Group the remaining assets of the Company and members of its Group that are available for lawful distribution to the members ("the Distributable Assets") shall be distributed equally among the members. Where assets are not capable of division they shall be distributed jointly to all members, or otherwise as the members may unanimously determine.

## 20. INDEMNITY

- 20.1 Subject to the provisions of section 310 of the Act every director (including an alternate director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the court, and no director (including an alternate director) or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto

- 20.2 The directors shall have power to purchase and maintain for any director, (including an alternate director) officer or auditor of the Company insurance against any such liability as is referred to in section 310 (1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, (including as an alternate director) officer or auditor

20.3 The directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 20.1.