**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY GUARANTEE**

**AND NOT HAVING A SHARE CAPITAL**

# ARTICLES OF ASSOCIATION OF
# THE ASSOCIATION FOR DECENTRALISED ENERGY

**Company Number**
**00917116**

**Incorporated on**
**4 October 1967**

**Heron House**
**10 Dean Farrar Street**
**6th Floor**
**London SW1H 0DX**

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# ARTICLES OF ASSOCIATION OF THE ASSOCIATION FOR DECENTRALISED ENERGY

## COMPANY NAME

1. The Company's name is "THE ASSOCIATION FOR DECENTRALISED ENERGY" (the "Company").

## OBJECTS AND POWERS

2. The objects of the Company are promoting and representing the interests of its members in the decentralised energy sector, including combined heat and power, district heating and cooling, energy management, demand response and demand services.

3. In order to achieve any of the objects of the Company the Company may:

   (a) raise funds by any means, including raising subscriptions from members, obtaining donations and grants from any persons or organisations and the holding of money-raising events of any kind;

   (b) open and operate one or more bank accounts;

   (c) borrow money on such terms and giving such security (if any) as the Directors think fit; and for these purposes the Company may execute any type of mortgage, charge, debenture or security over the Company's property;

   (d) lend money and give credit to any person, company or organisation on such terms and on such security (if any) as the Directors think fit;

   (e) invest any of the Company's money that is not immediately required in such investments, securities or property as the Directors think fit (but subject to any conditions or consents that may be imposed by law);

   (f) acquire any land or buildings (whether freehold, leasehold or on licence) and any rights over or connected with any property; construct, maintain, improve, develop and alter any such land or buildings; sell, grant leases or licences over, dispose of, mortgage or turn to account any such land or buildings;

(g) subject to the provisions of these Articles, employ full-time and part-time officers and employees and contract for services to be provided by any person, or organisation; and pay wages, salaries and fees for any services rendered to the Company and make reasonable provision for paying pensions, superannuation, sickness, redundancy and other benefits and make reasonable provision for the welfare of officers and employees and their relatives and dependants;

(h) engage solicitors, accountants and other professional advisers to advise and act for the Company and pay the fees and expenses of any such persons; pay the expenses of forming and registering the Company;

(i) join or co-operate with any other organisation having objects similar to or compatible with those of the Company, and support any such organisation (including by making grants or loans);

(j) do all such other things which are lawful and necessary or expedient for the promotion of the Company's objects; and

(k) form subsidiary companies providing their activities do not conflict with the objects of the Company,

provided that:

(1) nothing in this Article shall be constructed so as to make the Company a trade union within the meaning of the Trade Union Act, 1913 or any statutory modification or re-enactment thereof for the time being in force and accordingly the objects of the Company shall not extend to the regulation of relations between workers and employers; and

(2) the Company shall not enter into any agreement or arrangement or make any recommendation which would breach the Competition Act 1998 (or any amendment or modification thereto or any orders thereunder) and shall comply with the competition law of the European Union. Furthermore any activity (whether by way of express act, recommendation or otherwise) on the part of the Company which constitutes a contravention by the Company or its members of any applicable competition law (whether of the United Kingdom, the European Union or the United States of America or otherwise) shall be deemed to be ultra vires the Company.

It is hereby declared that, save as hereinbefore provided, the objects specified in the different paragraphs of this Article shall except where otherwise expressed in such paragraphs be in no way limited by reference to any other paragraph or to the name of the Company but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

## NO DISTRIBUTION OF ASSETS

4. The Company's income and property may be used only for the promotion of its objects and no part of the income or property may be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to any member or members of the Company.

   Nothing in this Article shall prevent:

   (a) the payment in good faith of reasonable and proper remuneration to any Director, member, officer or employee of the Company for any services rendered to the Company, or the reimbursement of reasonable and proper out-of-pocket expenses incurred by any such person;

   (b) the payment in good faith of interest at a reasonable and proper rate on any money lent to the Company by any member, officer or employee, or by any person, company or organisation with which any member, officer or employee is connected; or

   (c) the payment in good faith of reasonable and proper rent for premises demised or let to the Company by any member, officer or employee, or by any person, company or organisation with which any member, officer or employee is connected.

## LIMITED LIABILITY

5. The liability of the members is limited.

## MEMBERS' GUARANTEE

6. 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 s/he is a member or within one year after s/he ceases to be a member, for payment of the Company's debts and liabilities contracted before s/he 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 themselves.

## DISTRIBUTION OF ASSETS ON WINDING UP

7. If, when the Company is wound up or dissolved, there remains any property whatsoever after all the debts and liabilities have been satisfied, that property may not be paid to or distributed among the members of the Company, but shall be given or transferred to one or more organisations which have objects which are similar to or compatible with the objects of the Company, and which prohibit the distribution of income or property to at least as great an extent as is imposed on the Company by these Articles. The organisation(s) concerned shall be decided by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such decision, then to some charitable object.

## ADMISSION OF MEMBERS

8. The subscribers to the Memorandum of Association and such other persons shall be admitted to membership in accordance with the provisions hereinafter contained shall be members of the Company.

9. The Company shall be a private company and accordingly the Company shall not offer any debentures to the public for subscription.

10. Membership is open to all persons, companies and organisations which support the objects of the Company.

11. No person shall be admitted to membership of the Company unless:

    (a) its business, at the time of consideration of that person's application for membership gives, or may reasonably be expected to give, rise to interests of the kind referred to in the objects of the Company and/or otherwise contributes, or is conducive, to the attainment of those objects;

    (b) it has sent to the [Company/ Company Secretary] an application for admission framed in such terms as the Directors shall from time to time prescribe;

    (c) it has supplied the Directors with such further information and particulars, in addition to those contained in its application for admission, as the Directors may require; and

    (d) its has been elected to membership by the Directors whose decision shall be final.

## CLASSES OF MEMBERS

12. The Directors may from time to time establish different classes of membership, and the membership of the Company may be separated into different classes for this purpose.

13. The Directors may at such a time as they may deem fit, and for such purposes as they may determine, determine the rights (including without limitation, any rights as to voting), responsibilities and other such matters which shall accord to a particular class of membership and these shall be set out in the Rules made in accordance with Article 84.

14. The Directors may admit any applicant to membership of such class as the Directors in their absolute discretion determine or may, in their absolute discretion and without assigning any reason decline such application and may, in their absolute discretion, vary the class of membership of any existing member by notice in writing to such member provided that the accidental failure to give notice in accordance with this Article 14 or the non-receipt of any notice so given shall not invalidate any variation of the class of membership of any relevant member(s).

## RESIGNATION OF MEMBERS

15. A member may at any time resign from membership of the Company by giving written notice. Membership is not transferable to any other person or organisation.

## SUBSCRIPTIONS

16. (a) The Directors may make Rules for the payment of joining fees and/or subscriptions by members. The Rules may specify the amount of the fees or subscriptions, the method of payment and collection and all other arrangements. If there are different classes of members, the Rules may specify that different amounts of fees or subscriptions apply to different classes.

(b) Every member must pay to the Company any fees or subscriptions which are payable under the Rules.

(c) If a member fails to pay a fee or subscription within three months after it became due s/he is then no longer a member of the Company. On payment of all arrears of fees or subscriptions which became due while s/he was a member s/he may (subject to the Rules) apply to be re-admitted as a member.

## GENERAL MEETINGS

17. The Directors must call general meetings in accordance with these Articles. The following provisions shall apply to all general meetings unless the members resolve otherwise.

18. The Directors may call general meetings whenever they think fit.

## ANNUAL GENERAL MEETING

19. The Company shall hold a general meeting as its annual general meeting in each period of 9 months following its accounting reference date (in addition to any other general meetings held during that period).

## MEMBERS' RIGHT TO REQUISITION MEETINGS

20. The Directors must convene a general meeting if one is requisitioned by members in accordance with the provisions of section 303 of the Act by members representing at least 5% of the total voting rights of all the members having a right to vote at general meetings of the Company.

## NOTICE OF GENERAL MEETINGS

21. Subject to the provisions for meetings being held on short notice in Article 22 below not less than 14 clear days' notice is required to call a general meeting (other than an annual general meeting in which case 21 clear days' notice shall be required).

22. A general meeting (including an annual general meeting) may be called at short notice if this is agreed in writing by by members representing at least 90% of the total voting rights of all the members having a right to vote at general meetings of the Company in accordance with the provisions of section 307 of the Act.

23. (a) A notice calling a general meeting must be in writing and must specify the date, time and place of the meeting and the general nature of the business to be transacted.

(b) If any special or extraordinary resolution is to be proposed, the exact wording of that resolution must be stated in the notice.

(c) The notice must be given to all the members who are entitled to attend the meeting and to the Directors and the auditors (if any).

## QUORUM AT GENERAL MEETINGS

24. (a) No business may be transacted at any general meeting unless a quorum is present. The quorum is not fewer than 5 persons who are entitled to attend and vote representing not less than 10% of the total voting rights of all the members having a right to vote at general meetings of the Company.

(b) The persons who are entitled to attend and vote are:

(i) any member who has voting rights;

(ii) any representative of a corporate member; and

(iii) any proxy for a member.

25. A member, corporate representative or proxy who is not entitled to vote on the business to be transacted does not count as part of the quorum while that business is being transacted.

26. If a quorum is not present within half an hour after the time for the start of the meeting, or if during a meeting a quorum ceases to be present, the meeting must be adjourned to such reasonable time and place as the Directors decide.

## CHAIRING THE MEETING

27. The Chairperson shall chair any general meeting at which s/he is present. If the Company does not have a Chairperson, or the Chairperson is absent, then the Directors shall nominate a Director to chair the meeting. If no Director is present within fifteen minutes after the time for the start of the meeting, or if no Director is willing to act, the members present shall elect one of their number to chair the meeting.

## ADJOURNMENT

28. A general meeting may be adjourned by an ordinary resolution. No business may be transacted at an adjourned meeting except business which might properly have been transacted at the original meeting. If a meeting is adjourned for fourteen days or more, at least seven days' notice of the adjourned meeting must be given. Otherwise no notice of an adjourned meeting need be given. Notice of an adjourned meeting must be given in the same manner and contain the same information as the notice of any other general meeting.

## VOTING

29. (a) A resolution put to the vote of meeting shall be decided on a show of hands unless a poll is duly demanded.

(b) A poll may be demanded by the chairperson or by any two voting members. A demand by a proxy is as valid as a demand by the member who appointed the proxy. The demand for a poll must be made not later than the declaration of the result of the vote on a show of hands.

(c) If a poll is demanded, it must be taken in accordance with any Rules made by the Company in accordance with these Articles or, if there are no Rules which apply, in such manner as the chairperson directs.

30. A poll demanded on the election of a chairperson or on a question of adjournment must be taken straight away. A poll demanded on any other question must be taken either straight away or at such time and place as the chairperson directs, provided this is not more than thirty days after the poll is demanded.

31. No notice need be given of a poll not taken straight away if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

## CHAIRPERSON'S CASTING VOTE

32. If equal numbers of votes are cast for and against an ordinary resolution the chairperson is entitled to a second or casting vote in addition to any other vote he or she may have.

## WRITTEN RESOLUTIONS

33. A resolution in writing passed in accordance with the Act is as valid and effective as if it had been passed at a general meeting.

## VOTING RIGHTS

34. Subject to Article 35 below:

(a) on a show of hands every member who is present in person or by proxy or by corporate representative has one vote; and

(b) on a poll every member who is present in person or by proxy or by corporate representative shall have such number as votes exercisable by the relevant member as is prescribed by the Rules.

35. No member shall be entitled to vote (either in person, by proxy or by corporate representative) if they are in arrears of any amount due to the Company (whether by way of subscription or otherwise) in respect of their membership at the date of such resolution.

36. No objection as to the qualification of any voter may be raised except at the meeting at which that vote is tendered. The chairperson's decision as to any objection is final.

**PROXIES**

37. (a) Every member who is entitled to attend and vote at a meeting of the Company may, by notice in writing, appoint a proxy to attend and vote on her/his behalf. A proxy need not be a member of the Company.

(b) The notice appointing a proxy must be signed by the member appointing the proxy and may be in any usual or common form. It may be presented to the Company at its registered office or to the chairperson of the meeting at any time up to the start of the general meeting for which the appointment is made. The member appointing the proxy may withdraw the appointment.

**HONORARY OFFICERS**

38. The Honorary Officers of the Company shall be:

(a) the President; and

(b) the Vice-President(s).

39. The Honorary Officers of the Company shall not be directors of the Company.

40. Each Honorary Officer shall be appointed by the Company by ordinary resolution on the recommendation of the Directors in accordance with the Rules.

41. The Directors may fill casual vacancies amongst the Honorary Officers from time to time.

**DIRECTORS**

42. There shall be not less than one Director but unless otherwise decided by resolution the number of Directors shall not be subject to any maximum.

43. At each annual general meeting each Director (including each Honorary Board Officer) shall retire and shall (subject to Article 46) be eligible for reappointment.

44. The retirement of any Director retiring at an annual general meeting in accordance with these Articles shall not have effect until the conclusion of the

meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is reappointed will continue without a break.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

### Appointment by General Meeting

45. Subject to Articles 46 and 47 below, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.

46. No person may be appointed or reappointed a Director at any general meeting unless:

    (a) s/he is recommended by the Directors; or

    (b) not less than fourteen clear days before the date of the meeting a written nomination signed by a voting member and a notice in writing signed by the proposed Director has been given to the Company.

47. Not less than seven clear days before the date of the meeting notice must be given to all who are entitled to notice of the meeting of every person who is recommended by the Directors or nominated in accordance with the above provisions for appointment or reappointment as a Director at the meeting.

### Appointment by the Directors

48. The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed the maximum number of Directors. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for reappointment.

### Honorary Board Officers

49. The Honorary Board Officers (each of whom shall be a Director) shall be:

    (a) the Chairperson;

    (b) the Deputy Chairperson(s);

    (c) the Treasurer; and

    (d) the Immediate Past Chairperson.

50. The appointment of the Honorary Board Officers shall be recommended by the Directors and shall be approved by the members by ordinary resolution in accordance with Article 45.

51. The Directors may fill casual vacancies amongst the Honorary Board Officers from time to time subject to and in accordance with Article 48.

## DISQUALIFICATION AND REMOVAL OF DIRECTORS

52. The Company may by ordinary resolution remove any Director before the expiration of her/his period of office.

53. A person ceases to be a Director if:

    (a) s/he ceases to be a Director by virtue of any provision of the Companies Act or becomes prohibited by law from being a Director of a company; or

    (b) s/he becomes bankrupt or makes any arrangement or composition with her/his creditors generally; or

    (c) s/he resigns by notice to the Company; or

    (d) s/he has been absent from meetings of the Directors for more than six consecutive months and the Directors resolve that s/he ceases to be a Director.

    (e) s/he is an employee of a member and such employer ceases to be a member of the Company or s/he leaves the employment of such employer. For the avoidance of doubt, in the event of cessation of employment the employer shall not have any right to appoint a replacement Director, and any such replacement Director shall be appointed in accordance with Article 45 or Article 48, as the case may be.

## POWERS OF DIRECTORS

54. The business of the Company shall be managed by the Directors who may exercise all the powers of the Company, subject only to the provisions of the Companies Act, the Articles, to any Rules made in accordance with these Articles and to any directions given by special resolution of the general meeting.

55. No alteration of these Articles and no Rule or direction shall invalidate any prior act of the Directors which would have been valid if that alteration or Rule had not been made or that direction had not been given.

## DELEGATION OF POWERS

56. The Directors may delegate to any one or more Directors the transaction of any business or the performance of any act required to be transacted or performed and must ensure that all their acts and proceedings are fully and promptly reported to them.

## APPOINTMENT OF MANAGERS AND AGENTS

57. (a) The Directors may appoint managers and other employees and decide on their powers, duties and terms of service. No Director may be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company other than where (a) such appointment has been recommended to the Directors by the Chairperson and Treasurer and (b) the appointment is not of the Chairperson and the Treasurer and (c) such appointment is approved by the Directors (other than the Director in question who shall not be entitled to vote on such appointment of decision).

(d) The Directors may appoint any person to be the agent of the Company for any purpose and subject to any conditions imposed by them. The delegation may be in writing or by power of attorney. The delegation may permit the agent to delegate all or any of her/his powers.

## DIRECTORS' EXPENSES

58. The Directors may be paid all actual travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings of the Company or otherwise in connection with the discharge of their duties.

## MEETINGS OF THE DIRECTORS

59. Subject to the provisions of the Articles and any Rules, the Directors may regulate their meetings and procedures as they think fit.

### Calling Meetings

60. Any Director may call a meeting of the Directors.

### Voting

61. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairperson shall have a second or casting vote.

### Quorum

62. No business may be transacted at a meeting of the Directors unless a quorum is present. The quorum is three Directors.

63. If at any time the number of Directors is less than the minimum number, the continuing Directors may continue to act, but if the number of Directors is less than the number fixed as the quorum, the continuing Directors (even if there is only one) may act for the purpose of calling a general meeting, but for no other purpose.

64. The Chairperson presides at every meeting of Directors at which s/he is present. If s/he is not present within five minutes after the time for the start of the meeting, any Deputy Chairperson present within five minutes after the time for the start of the meeting Directors shall preside, failing which the Directors present may appoint one of their number to chair the meeting.

**Validity of Directors' Acts**

65. All acts done by a meeting of the Directors, or of a committee of the Directors, or by a person acting as a Director shall, notwithstanding that it is later discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

**Frequency**

66. The Directors shall meet together at a frequency decided by the participants and at reasonable notice provided that, unless otherwise determined by the Directors, meetings of the Directors shall be held not less than four times per year. Unless otherwise required due to the urgency of a particular matter, at least seven days' notice of such meetings shall be given to all members due to be in attendance of such meeting.

**WRITTEN RESOLUTIONS**

67. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors is as valid and effectual as if it had been passed at a meeting duly convened and held and may consist of several identical documents each signed by one or more Directors.

**MINUTES**

68. The Directors shall cause proper minutes to be recorded and kept in writing or electronic form for at least 10 years:

    (a) of all appointments of Directors and Officers made by Directors; and

    (b) of all meetings of the Directors including the names of the Directors present.

**CONFLICTS OF INTEREST**

**Authorisation of conflicts of interest**

69. Subject to and in accordance with the Act:

    (a) the Directors may authorise any matter or situation arising on or after 1 October 2008 in which a Director (the "conflicted Director") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation

to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "conflict situation");

(b) any authorisation given in accordance with this Article 69:

(i) may be made on such terms and subject to such conditions and/or limitations as the Directors may, in their absolute discretion, determine (including, without limitation, excluding the conflicted Director and any other interested Director from certain Directors' meetings, withholding from him or them certain board or other papers and/or denying him or them access to certain confidential company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and

(ii) shall be effective only if:

(A) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director; and

(B) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted); and

(C) in considering any request for authorisation in respect of a conflict situation, the Directors shall be entitled to exclude the conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such conflict situation and they shall also be entitled to withhold from such conflicted Director any board papers or other papers concerning the authorisation of such conflict situation.

70. If any conflict situation is authorised or otherwise permitted under these Articles, the conflicted Director (for as long as he reasonably believes such conflict situation subsists):

(a) shall not be required to disclose to the Company (including the Directors or any committee) any confidential information relating to such conflict situation which he obtains or has obtained otherwise than in his capacity as a Director of the Company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position;

(b) shall be entitled to attend or absent himself from all or any meetings of the Directors (or any committee) at which anything relating to such conflict situation will or may be discussed; and

(c) shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, Directors' papers (or those of any committee of the Directors)) relating to any such conflict situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such conflicted Director shall not be in breach of any general duty he owes to the Company pursuant to Sections 171 to 177 (inclusive) of the Act and the provisions of this Article 70 shall be without prejudice to any equitable principle or rule of law which may excuse the conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.

71. For the purposes of Articles 69 and 70, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected with a Director shall be treated as an interest of the Director.

**Directors may have interests and vote and count for quorum**

72. Provided permitted by the Act, and provided he has disclosed to the other Directors the nature and extent of his interest pursuant to Section 177 or 182 of the Act or otherwise pursuant to these Articles (as the case may be), a Director, notwithstanding his office:

(a) may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and may hold any other office or position of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in addition to the office of Director and may act by himself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange either in addition to or in lieu of any remuneration provided for by any other Article;

(b) may be a member, Director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any subsidiary of the Company or any other body corporate promoted by the Company or in which the Company is otherwise interested;

(c) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from:

(i) any matter, office, employment or position which relates to a conflict situation authorised in accordance with Article 69; or

(ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this Article,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with Article 61 or permitted pursuant to paragraphs (a) or (b) of this Article and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in the Act.

73. For the avoidance of doubt, a Director may be or become subject to one or more conflict situations as a result of any matter referred to paragraph (b) of Article 72 without requiring authorisation under the provisions of Article 69 provided he has declared, as soon as reasonably practicable, the nature and extent of his interest in the conflict situation. The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185 of the Act shall be applied (with any necessary modifications) in respect of any such declaration.

74. Subject to Section 175(6) of the Act and save as otherwise provided in these Articles, a Director may vote at any meeting of the Directors or any meeting of any committee of which he is a member on any resolution and a Director may participate in the transaction of the business of the Directors and count in the quorum at any such meeting of the Directors or meeting of any committee of which he is a member notwithstanding that it concerns or relates in any way to a matter in which has directly or indirectly any kind of interest or duty. This Article does not affect any obligation of a Director to disclose any such interest, whether pursuant to Section 177 or Section 182, of the Act or otherwise. Subject to Article 75 if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairperson whose ruling in relation to any Director other than the Chairperson is to be final and conclusive (except in a case where the nature or extent of any interest of the Director has not been fairly disclosed).

75. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairperson, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairperson is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

76. For the purposes of Articles 72 to 75 (inclusive), an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected

with a Director shall be treated as an interest of the Director.

## SECRETARY

77. The Directors may appoint a company secretary to hold office for such term, at such remuneration (if any) and upon such conditions as they think fit. Any secretary so appointed may be removed by them.

## AUDITORS

78. The Directors must ensure that the Company complies with the requirements of the Companies Act and any other statutory provision which applies to the Company with regard to the appointment of auditors and all provisions relating to the auditors' functions in relation to the Company.

## THE COMPANY SEAL

79. The Directors may decide from time to time whether the Company shall have a seal. If the Company has a seal it may be used only with the authority of the Directors. The Directors must decide who is to sign any document issued under seal. Unless the Directors decide otherwise a document issued under seal must be signed by a Director and by the secretary or by any two Directors.

## ACCOUNTS

80. The Company must keep such accounting records as are required by the Companies Act and any other statutory provisions which affect the Company. No member (as such) has any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the Directors or by ordinary resolution of the general meeting.

## NOTICES

81. (a) Any notice required to be given to or by the Company or any member or Director shall be in writing or shall be given using electronic communications to an address supplied for that purpose by the person to whom the notice is required to be given.

(b) The Company may give any notice to a member or Director either personally or by sending it by post to the member or Director at his/her registered address, or by leaving it at that address, or by giving it using electronic communications to an address supplied for that purpose by the member.

(c) A member or Director present at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

(d) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered

Secretaries and Administrators or in accordance with any reasonable and standard practice shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 96 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent, unless the Company receives notice of the fact that the electronic communication has not been delivered.

(e) For the purposes of this Article, "electronic communication" includes a communication by electronic mail (email) or facsimile transmission (fax), if this is so agreed by the member or Director concerned, or by any other means agreed by the Company and the member or Director concerned.

**INDEMNITY**

82. (a) Subject to paragraph (b), a Director shall be indemnified out of the Company's assets against:

(i) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

(ii) any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and

(iii) any other liability incurred by that Director as an officer of the Company.

(b) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

**INSURANCE**

83. (a) The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.

(b) In this Article:

(i) "relevant Director" means any Director or former Director of the Company; and

(ii) "relevant loss" means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company.

## RULES

84. (a) The Directors may from time to time make, alter and revoke Rules for the proper conduct and management of the Company and all other matters which may properly be made the subject of such Rules.

(b) Without prejudice to the generality of the above, the Rules may include Rules prescribing the rights attaching to the classes of membership of the Company, for the conduct of members, the use of the Company's assets and facilities, the procedures at general meetings and meetings of the Directors, and the admission, suspension, expulsion and general regulation of members.

(c) No Rule shall be inconsistent with these Articles or any provision of law. In the event of any inconsistency between the Rules and these Articles, the provisions of these Articles shall prevail.

(d) The Rules (as varied from time to time in accordance with the provisions of this Article 84) shall be binding upon all members unless and until such Rules are revoked by the Directors or set aside or varied by the Company by ordinary resolution. No member shall be absolved from such Rules by reason of not having received notice of the Rules or any amendment thereto, or having otherwise no notice of them.

(e) In the event that the Directors vary the rights exercisable by any member or class of member in accordance with Article 13, such amendment shall (subject to paragraph (g) below) take effect from the date of notification of such variation to the affected member(s) in accordance with Article 81 but otherwise shall (unless otherwise determined by the Directors) take effect from the date of the resolution of the Directors effecting such amendment.

(f) Notice of any amendment to the Rules shall (if not previously given by the Directors) be given simultaneously with the first notice of annual general meeting next following the date of the resolution of the Directors effecting such amendment.

(g) The accidental failure to give notice in accordance with this Article 84 or the non-receipt of any notice so given shall not invalidate any amendment to the Rules or the variation of the rights exercisable by any member or class of member.

## INTERPRETATION

85. In these Articles:

"the Act" and "the Companies Act" mean the Companies Act 2006.

"the Articles" means these articles of association of the Company.

"clear days" 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.

"Director" means a director of the Company for the time being.

"general meeting" means a general meeting of the Company (including an annual general meeting).

"Honorary Board Officers" means the Directors holding the offices specified in Article 49 for the time being.

"Honorary Officers" means those persons holding the offices specified in Article 38 for the time being.

"member" shall mean such persons as are admitted to membership of the Company.

"office" means the registered office of the Company.

"Rules" means any Rules made by the Directors in accordance with these Articles.

"the seal" means the common seal of the Company.

"secretary" means the company secretary or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

"the United Kingdom" means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Companies Act but excluding any statutory modification thereof not in force when these regulations became binding on the Company.

In these Articles, a reference to any statute or provision or schedule of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any modification, re-enactment or re-statement of it for the time being in force and the same principle of construction shall be applied to any order, regulations or other subordinate legislation.