Association Rules

(put into effect in accordance with the Articles of Association)



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CLAUSE 1 - THE BOARD OF DIRECTORS

The Board of Directors shall be elected from representatives of member organisations from Strategic and Executive member categories except at the discretion of the Board of Directors.

The Chair, Treasurer and Directors shall be appointed annually by the Association in accordance with the Articles of Association.

They shall assume their responsibilities and respective duties before the close of business at the Annual General Meeting. They shall serve until their successors are elected, and the period of office shall normally not be longer than two years unless otherwise agreed by the Board of Directors.

The Board of Directors shall undertake all the statutory duties required by law and by the Association's Articles of Association, including financial oversight and organisational strategy. The Board of Directors will also oversee the appointment of any other governance or strategic boards required by the Association and allocate their chair from among the Company Directors.

STRATEGY BOARD

To support and develop the Association's advocacy work, the Board of Directors may establish boards that report to the Board of Directors. The chair of any such board will be a member of the Board of Directors and will be proposed by the Board of Directors to the Membership at each Annual General Meeting. Executive or Strategic Members will be eligible to apply to join such boards. The Board of Directors may otherwise agree additional members to ensure such boards are aligned with the Association's strategy and member representation.

CLAUSE 2 – COMPANY SECRETARY AND CHIEF EXECUTIVE OFFICER OF THE ASSOCIATION

The Company Secretary shall normally be the Chief Executive Officer of the Association, or, where there is not a Chief Executive Officer, a person designated as such by the Board of Directors.

The Chief Executive Officer shall act under the direction of the Board of Directors.

The Chief Executive Officer shall make arrangements for the collection and custody of all funds of the Association; shall arrange for the notifying of officers, Board of Directors and members of meetings and other matters as required by the Articles of Association and these Rules; shall arrange for the placing on the records of Minutes of the meetings of the Association and its Committees in a form suitable for that purpose; shall make arrangements for the preparation for signature of cheques and authorisation of electronic payments drawn on the main account of the Association; shall keep a register of members; shall maintain contact with other organisations, as guided by the Board of Directors; shall make such reports and perform such duties as may be required by the Board of Directors from time to time.

Where urgent business issues arise between meetings and circumstances permit it, the Chief Executive Officer, in consultation with the Chair, may undertake such business as may be considered appropriate. In appropriate circumstances of urgency or otherwise between the appropriate meeting of the Association, the Chief Executive Officer must act, as the post-holder feels fit, in the best interests of the Association. All such delegated actions shall be reported to the next meeting of the Board of Directors.

The Chief Executive Officer will be responsible for the appointment and management of staff and subcontractors.

The Chief Executive Officer will be a member of the Board of Directors.

CLAUSE 3 - TREASURER

It is the duty of the Treasurer to ensure that proper and accurate accounts are kept of all the Association's transactions showing the receipts and expenditure of the Association and shall present accounts of the year's business at the Annual General Meeting.

CLAUSE 4 – PRESIDENT AND VICE PRESIDENTS

With the approval of the Board of Directors, the Chief Executive Officer may propose a President and Vice Presidents, subject to approval at the AGM. At the approval of the Board of Directors these positions may have an honorarium paid.

The Office of President and Vice President shall be occupied for not more than two years, after which they shall be eligible for re-appointment; normally this will be for a maximum of three re-elections, except at the discretion of the Board of Directors.

CLAUSE 5 – MEMBERSHIP: SUBSCRIPTIONS, DETERMINATION AND VARIATION

The amount of the annual subscription fees for the various categories of membership shall be set down by the Board of Directors on an annual basis.

The Association shall have the following categories of membership:

Strategic Members

This is the highest tier of membership and offers superior benefits for leading companies in the decentralised energy industry. On a members' resolution taken on a poll each Strategic Member present in person or by proxy or by corporate representative shall have 25 votes.

Executive Members

This category is for businesses with a strong stake in the maintenance and development of a robust decentralised energy market. On a members' resolution taken on a poll each Executive Member present in person or by proxy or by corporate representative shall have 20 votes.

Decentralised Energy Member

This category is tailored specifically for those organisations with strong commercial, managerial and operational interests in energy services. On a members' resolution taken on a poll each Decentralised Energy Member present in person or by proxy or by corporate representative shall have 15 votes.

Standard Members

This category is tailored towards new entrants seeking a better understanding of the decentralised energy market. It is also well suited for professional services organisations which will benefit from the Association's extensive network. On a members' resolution taken on a poll each Basic Member present in person or by proxy or by corporate representative shall have 10 votes.

Public Sector, Not for Profit & Social Housing Members

This category is tailored towards new entrants seeking a better understanding of the decentralised energy market. It is also well suited for professional services organisations which will benefit from the Association's

extensive network. On a members' resolution taken on a poll each Basic Member present in person or by proxy or by corporate representative shall have 10 votes.

SUBSCRIPTION SERVICES

In addition to the voting members above, the Association shall provide subscription services to the following categories of non-voting membership:

Associate (Organisation)

This category represents those organisations that have an interest in decentralised energy. Associate Organisations have no voting rights in the Association.

Associate (Individual)

This category is most suitable for individuals, and often but not exclusively represents those who are retired from the industry or academics, which are keen to remain in contact with the decentralised energy sector and the latest developments. Associate Individuals have no voting rights in the Association.

Associates are required to abide by the Rules of the Association applicable to voting Members.

Affiliates

This category is tailored to supply chain companies who are part of the sector but who do not wish to participate in strategic or advocacy work with ADE. Affiliates have no voting rights in the Association. Affiliates are required to abide by the Rules of the Association applicable to voting Members.

MEMBER APPOINTMENT AND RESIGNATION

Membership of the Association is continuous on payment of annual subscription fee unless terminated by resignation or withdrawal of membership status. Membership subscriptions will not be returned in whole or in part for any member that withdraws during the financial year.

Annual subscriptions from members become due for payment at the start of each financial year. The financial year commences on 1st April and ends on 31st March.

Any member wishing to resign their membership must do so by notice in writing to the Association in accordance with the Articles, such notice to be received no later than 31st January prior to the start of the relevant financial year. Subject to the remaining provisions of this clause 5, any member who resigns following this date shall be liable for the full annual subscription for the relevant financial year notwithstanding the termination of their membership prior to or at any time during the relevant financial year.

The amount of the annual subscription payable shall be appropriate to the category of membership.

Payment terms are 30 days net from the receipt of invoice, due date is stated on the invoice.

Members are required to give 2 months' notice of resignation in writing to the Chief Executive Officer.

If a member fails to pay the annual subscription fee within 3 months of the date on the invoice, the Board of Directors shall be informed at the following Board meeting. The Board of Directors may allow continued membership or may deem the member to have resigned. Resigning Members will be issued with an invoice for the remainder of the annual subscription fee.

It will be at the discretion of the Chief Executive Officer to reduce the invoiced period to cover the 3 months resignation period only.

Failure of a member to pay an outstanding amount (other than the annual subscription fee) to the Association duly incurred during the course of the Association’s activities, shall within 3 months of the invoice being issued, cause the Chief Executive Officer to give consideration to suspending them from the services

provided by the Association, and their participation in the Association's affairs. Such a period of suspension will be notified to the Board of Directors. The Association will have the right to charge interest at a rate of 3% over the current base rate of Barclays Bank per annum on any amount outstanding for more than 3 months from the due date.

Details of membership benefits will be set out in the membership pack which will be made available to new members joining the Association and existing members via the members' area of the website.

Annual certificates of membership will be provided on request to members who have paid their subscription fees.

The Board of Directors will be able to amend or remove any of the existing membership categories or add a new membership category at its discretion in accordance with the Articles of Association of the Company.

CLAUSE 6 – FORUMS AND WORKING GROUPS

To represent the widescale application of decentralised energy technologies, the interests of Association members are represented through a series of **Forums** that meet as required. The Board of Directors will be able to amend or remove any of the existing Forums or add a new Forum at its discretion. Forum Chairs will be proposed by the Board of Directors to the Membership at the next Annual General Meeting.

Industrial Forum

This forum provides a platform for the discussion and informing of the regulatory issues impacting on the industrial and utility scale CHP sector. The group also addresses policy around the use of renewable and carbon neutral CHP.

Heat Networks Forum

The core activities of the forum are: to increase the awareness and value of heat networks with government, policymakers and stakeholders; and to work with members to identify and overcome the barriers to the expansion and application of district heating and cooling technology in the UK.

Flexibility Forum

The main objective of the forum is to ensure that demand and supply-side energy services are treated in an integrated and equitable manner in UK energy policy, to ensure that the sector realises its full potential across the UK economy.

Membership of ADE Forums is open to all categories of membership with the exception of Affiliates and Associates who will be given access by invitation of the secretariat only.

CLAUSE 7 - CONDUCT OF MEETINGS, FORUMS AND WORKING GROUPS

All meetings, forums and working groups shall be conducted in accordance with the following rules:

(a) Minutes or recordings shall be kept of the proceedings of each such meeting, forum and working group of the Association;

(b) a member of the secretariat of the Company shall be present at each such meeting, forum and working group (unless otherwise agreed by the Chief Executive Officer); and,

(c) each such meeting, forum and working group shall observe the Guidelines for Compliance with Competition Rules in accordance with Clause 9 and such other codes of conduct as the Board of Directors may from time to time specify.

CLAUSE 8 – CODE OF ETHICS

Members shall agree to abide by the following code of ethics.

Members shall ensure that their claims for performance of products, provision of services and expertise are accurate, substantive and independently verifiable.

Members shall, in carrying out their activities, ensure that their commercial practice, standards and public statements reflect and maintain the highest standards of integrity and consideration for their clients and the public welfare.

Members shall so order their conduct as to uphold at all times the high reputation of the Association.

The Association is committed to promoting equality, diversity and inclusion (EDI). Members are expected to treat others with respect and to act in a fair, inclusive and non-discriminatory manner at all times as set out in our EDI policy which is available to members on the Association's website or by request from the Chief Executive Officer.

The Board reserves the right to suspend and remove from membership a member who does not abide by the code of ethics, including the EDI policy, of the Association. Any member whose membership is suspended or removed for not abiding by the code of ethics, including the EDI policy, may appeal such decision to President whose decision shall be final and binding.

Employees of the Association and the Board of Directors shall abide with the Association's Anti-Bribery and Corruption Policy in all their dealings relating to the Association.

CLAUSE 9 – COMPETITION LAW

The Association ensures that all its activities are conducted in strict compliance with all applicable competition laws. The Association has therefore developed and adheres to the Guidelines for Compliance with Competition Rules. The Guidelines apply to all communications, documents and all work, projects, meetings, action groups and events organised by the Association, its employees and all member companies and third parties representatives participating in such work in connection with the Association.

CLAUSE 10 – LEGAL SUPPORT

The Association will have a contracted legal advisor for all matters in connection with competition law. Support areas of the legal adviser will include, when appropriate, but shall not be limited to:

i) Reviewing and proposing updates and, where necessary, improvement on the Competition Law Guidelines.

ii) Training and guidance for the Association's employees to ensure appropriate awareness and knowledge of the applicable competition laws and on how to behave in case of an investigation by a Competition Authority.

iii) Formally monitoring the implementation of the Guidelines (through a periodic audit of agendas, minutes and other relevant documentation).

iv) If requested, act as the ADE's legal adviser in case of investigations, alleged or suspected violations of the competition rules or competition law proceedings or actions against the ADE.

CLAUSE 11 - SPONSORSHIP GUIDELINES

The Association welcomes and encourages the sponsorship of its events by members of the Association.

However, the Association recognises that sponsorship must be balanced and should not give undue emphasis to the extent that any event or programme could cease to be recognisable as an event organised in the name of the Association for Decentralised Energy.

In recognising both the benefits to particular members and to the Association of sponsorship, the Association will work to give all appropriate members of the Association the opportunity to support events and programmes of activity.

CLAUSE 12 - USE OF ASSOCIATION LOGO

The Association logo is a registered trademark. Members of the Association on request may display the Association logo on electronic and printed communication material linked to their membership. The Association logo cannot be used for commercial purposes to avoid the possibility of any misinterpretation of product endorsement, certification, or performance guarantee without a written permission of the Board of Directors.

The Association logo may only be used by other organisations with the delegated permission of the Chief Executive Officer.

All other logos created by the Association or affiliates of the Association in connection with its business are also subject to these restrictions.

CLAUSE 13 – FINANCIAL CONTROLS

The following financial controls shall apply for:

- order authorisation;
- invoice authorisation; and,
- payment authorisation.

Budgeted expenditure is identified as expenditure in the approved operational budget of the Association's business plan. Unbudgeted expenditure does not appear in the operational budget of the business plan.

No invoices shall be passed for payment until they have been correctly authorised in accordance with the Limits of Authority and Purchase Procedures below.

It is the responsibility of the Finance Manager[1] to maintain a table of Designated Others who are given authority to give secondary approval to payments as specified below. Designated others shall be permanent members of the ADE secretariat, other than the Chief Executive Officer or Finance Manager and shall be assigned at time to time by the Chief Executive Officer.

Unbudgeted Purchase & Payment Procedure

1. An order is approved by the Chief Executive Officer and the order placed with a supplier by the Finance Manager. Unbudgeted orders over £5,000 up to £25,000 require approval by the Association Chair. Unbudgeted orders over £25,000 require approval by the Board of Directors.
2. The receipt of goods or service is checked against the supplier's invoice by the Finance Manager who confirms full receipt by signing the invoice.

[1] The Finance Manager is the individual in the Association designated by the Chief Executive Officer as responsible for management of the Associations Finances.

3. For all payments over £1,000 a 'Designated Other' checks the details of the invoice and approves payment by signing the invoice.
4. Levels of authorisation for unbudgeted expenditure;
    a. For unbudgeted payments below £5,000 the invoice is approved for payment by the Chief Executive Officer by signing the invoice.
    b. For unbudgeted payments over £5,000 but below £25,000 the Association Chair approves the expenditure by the Finance Manager and the payment is approved for payment by the Chief Executive Officer.
    c. For unbudgeted payments over £25,000 approval shall be obtained from the Board of Directors and signed by both the Association Chair and Chief Executive Officer.
5. The Chief Executive Officer or 'Designated Other' (but not the same person as in step 3 above), logs onto the online banking system, checks the on screen amount and payment recipient's bank details and then authorises electronic payment and signs the invoice.

Budgeted Purchase & Payment Procedure

1. An order is approved by the Chief Executive Officer and the order placed with a supplier by the Finance Manager.
2. The receipt of goods or service is checked against the supplier's invoice by the Finance Manager who confirms full receipt by signing the invoice.
3. For all payments over £1,000 a 'Designated Other' checks the details of the invoice and approves payment by signing the invoice.
4. Levels of authorisation for budgeted expenditure;
    a. For all budgeted payments below £25,000 the invoice is authorised for payment by the Chief Executive Officer.
    b. For routine, statutory, or budgeted payments (such a rent, HMRC and utility payments) over £25,000 the invoice is authorised for payment by the Chief Executive Officer.
    c. For non-routine, budgeted payments over £25,000 approval shall be obtained from the Board of Directors and signed by the Association Chair and the payment approved for payment by the Chief Executive Officer.
5. The Chief Executive Officer or Designated Other (but not the same person as in step 3 above), logs onto the online banking system, checks the on screen amount and payment recipient's bank details and then authorises electronic payment and signs the invoice.

Month-end payments reconciliation

At the end of each month the Finance Manager will provide the Chief Executive Officer with a reconciliation of all monthly transactions.

The Chief Executive Officer will review the reconciliation for signature approval.

Credit Cards

Credit Cards will be issued to the Chief Executive Officer and may be issued to other senior managers of the Association subject to the discretion of the Chief Executive Officer. The maximum credit limit on each card is £4,500. Payment is made by direct debit.

Additional credit card applications must be approved by the Board of Directors.

If it is temporarily necessary to increase the credit limit in a month to cover expenses it will be arranged with the Credit Card issuer for a temporary period of one month only by the Finance Manager, after first obtaining approval from the Chief Executive Officer.

The monthly statement for each card is sent to the Finance Manager who reconciles purchase receipts to the monthly statement for issued credit cards.

The Finance Manager presents reconciled monthly statements to Chief Executive Officer for signature approval. During the Chief Executive Officers reconciliation of the statement the credit limit of each card shall be checked and confirmed as less than £4,500.

Chief Executive Officers reconciled monthly statement is signature approved by a Board Director, other than the Chief Executive Officer.

Cheques

The use of cheques payments shall be minimised. Any payments by cheque must first be authorised by the relevant authorisations listed above.

Authorised signatories under the Bank mandate are the Association Chair, Chief Executive Officer, Finance Manager.

Cheques up to £5,000 to be signed by any two authorised signatories.

Cheques over £5,000 to be signed by the Association Chair and Chief Executive Officer.

Bank Account Balance and Transfers

The Finance Manager will provide a weekly report of account balances to the Chief Executive Officer.

Bank Account transfers activated from email requests will be confirmed by a voice conversation to confirm authenticity.

The opening of any bank account in the name of the Association must be approved in advance by the Board of Directors.

Staff Payroll

Monthly payroll is prepared by the external Accountant and forwarded to Finance Manager for checking. BACS payments will be authorised by the Chief Executive Officer.

Staff Expenses

All staff expenses (other than for the Chief Executive Officer) will be authorised by the appropriate line manager or the Chief Executive Officer, save those of the Chief Executive Officer which shall be checked by the Finance Manager and authorised by either the Chair or a Board Director. In the event that an expense is incurred by two or more members of staff together the payment and subsequent claim shall be made by the most senior member of staff present.

CLAUSE 14 – AMENDMENTS

Any Rules may be amended or repealed and new Rules may be adopted as required by the Board of Directors as provided for in the Articles of Association.

December 2025