

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**  
**ARTICLES OF ASSOCIATION**

of

**ENERGY INDUSTRIES COUNCIL**

**(As adopted by special resolution passed on 4 December 2014 and as amended  
by a special resolution passed on 27 June 2017)**

Company Number : 493459

Incorporated : 30 March 1951

Company Number: 493459

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#### ARTICLES OF ASSOCIATION

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#### ENERGY INDUSTRIES COUNCIL

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## 1 INTERPRETATION

### 1.1 In these Articles:

"**Act**" means the Companies Acts and every other statute, order, regulation or other subordinate legislation from time to time in force concerning companies and affecting the Company.

"**Alternative Director**" means a director appointed as an alternate to an Elected Director as described in Article 8.

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

"**Board**" means the board of Directors of the Company.

"**CA 2006**" means the Companies Act 2006.

"**Chairman**" means the person appointed in accordance with Article 7.4 to be the chairman of the Board.

"**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.

"**Chief Executive**" means the person appointed in accordance with Article 7.4 as the Chief Executive (or to a similarly titled position).

"**Company**" means Energy Industries Council.

"**Companies Acts**" means the Companies Acts (as defined in Section 2, CA 2006), in so far as they apply to the Company.

"**Companies House**" means the registrar of companies as defined in the Act.

"**Corporate Member**" means a Member who is not a natural person.

"**Director**" means a natural person appointed to be a director as defined in the Act in accordance with these Articles.

"**Elected Director**" means a Director appointed in accordance with Article 7.2.

**"executed"** includes any mode of execution of a document to give it legal effect.

**"Industry"** means the oil, gas, coal, nuclear and other energy industries, the electrical power generation, transmission and distribution industries and the chemical, refining and petrochemical processing industries throughout the world, or any other industry related thereto or further decided by the Board.

**"in writing"** means written, printed or lithographed, or partly one and partly another, and other modes of representing or reproducing words in a visible form, including electronically which, for the avoidance of doubt, shall include the media of e-mail and facsimile.

**"Member"** means a person who agrees to become a member of the Company, and whose name is entered in its register of members, in accordance with Article 2.

**"Membership Year"** shall be the twelve calendar months commencing on 1<sup>st</sup> April in any year.

**"Nominated Representative"** means an individual who must be a director, manager or executive of managerial status of a Corporate Member and who is appointed by that Corporate Member in the manner specified by Article 2.3 to be its nominated representative.

**"Non-Elected Director"** means a Director appointed in accordance with Article 7.3.

**"Office"** means the registered office of the Company.

**"Seal"** means the common seal of the Company, if any.

**"Secretary"** means 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.

**"Term"** means the period between an Elected Director's appointment or reappointment and retirement as described in Article 11.1.

**"Terms and Conditions of Membership"** means the Energy Industries Council Terms and Conditions of Membership as adopted by the Board from time to time.

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

- 1.2 Unless the context otherwise requires, words or expressions contained in the Articles 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.

## **2 MEMBERSHIP**

### **Members**

- 2.1 Any natural or legal person involved in the supply of goods and/or services to the Industry shall be eligible for membership subject to the approval of the Board and the provisions of these Articles.

- 2.2 Such persons as are admitted to membership in accordance with these Articles shall be Members. No person shall be admitted a Member unless he/she is approved by the Board or any person appointed in that regard under the delegated authority of the Board. Every person who wishes to become a Member shall deliver to the Company an application for membership in such form as the Directors shall require. The Board shall have full discretion to admit or, without assigning any reason, to refuse to admit any candidate to membership or to refuse renewal of membership after the end of any Membership Year.

### **Nominated Representatives**

- 2.3 Each Corporate Member shall upon becoming a Member of the Company or as soon as possible thereafter appoint a Nominated Representative. A Corporate Member shall be entitled from time to time to revoke the appointment of an individual as its Nominated Representative and appoint some other suitable individual in his/her place. All such revocations and appointments shall be in writing signed by an authorised officer of such Member and shall have effect only from the day upon which they shall be received by the Company at its Office. The Company has the power to refuse to recognise the appointment of any Nominated Representative for any reason whatsoever in its absolute discretion.
- 2.4 Subject and without prejudice to Section 323 CA 2006, a Nominated Representative shall be entitled to attend and vote on behalf of the Corporate Member by which he/she was appointed at all meetings of the Company and for the purposes of these Articles, a Nominated Representative shall have the normal rights and shall exercise all the normal powers of membership on behalf of such Corporate Member, including the right to hold office as a Director. Any act or thing done by a Nominated Representative shall have the like effect as if done personally by the Corporate Member by whom the Nominated Representative was appointed.
- 2.5 A Corporate Member may only act through its Nominated Representative.
- 2.6 If the appointment of a Nominated Representative shall be revoked, or if the Corporate Member appointing him/her shall cease for any reason to be a Member, the Nominated Representative shall ipso facto vacate any office he/she may hold in the Company and shall have no further right or interest in the Company.

### **Obligation of Members**

- 2.7 Every Member shall be bound by these Articles and shall from time to time give the Board such information as it may reasonably require to fulfil the objects of the Company and every Member shall at all times promote the interests and welfare of the Company.
- 2.8 Every Member shall, for so long as he/she is a Member, adhere to the Terms and Conditions of Membership.

### **Termination of Membership**

- 2.9 The Board may by resolution terminate the membership of any Member at any time if:
- (a) it shall default for a period of three months or more in paying its annual subscription or any part thereof;

- (b) it shall in the opinion of the Board have ceased to meet the criteria to be a Member as set out in the definition of "Member" or where such Member's business interests come into conflict with those of the Company;
- (c) it shall have been guilty of any breach of these Articles or of any regulations made under these Articles; or
- (d) the Board so determines at its sole discretion.

Immediately upon the passing of any such resolution, such person shall cease to be a Member. The decision of the Board as to whether or not a Member has been guilty of any breach of these Articles or of any regulation made under these Articles shall be final and conclusive and the Board shall not be bound to give any reason for its decision but no such resolution shall be passed without first giving the Member concerned a reasonable opportunity of attending before the Board or a sub-committee appointed by the Board and presenting its case in respect of the matter on which such resolution is proposed to be based.

- 2.10 The membership of any Member shall terminate with immediate effect in the event that such Member becomes insolvent or enters liquidation or has an examiner or receiver appointed over all or part of its assets or suffers any similar action in consequence of a debt.
- 2.11 The Board may create new categories of membership, or vary or amend existing categories of membership at any time. Members whose membership will be affected by any changes to their membership must be informed in writing of such change at least 3 months before such change is due to come into effect but shall then be bound by such changes.
- 2.12 Membership shall cease on issuance of a winding up order whether voluntary or otherwise or upon otherwise failing to meet the criteria for membership as set out in the definition of "Member".
- 2.13 A Member may at any time, by not less than three months' previous notice in writing, resign from membership, or, where such facility is available, downgrade its level of membership, but unless such notice is received by the Company by 31 December in any year the subscription due on 1 April for the subsequent Membership Year shall be payable in full.

### **Subscription**

- 2.14 Each Member shall be liable to pay by way of annual subscription such amount as the Board may from time to time determine, but no Member shall be liable without its consent to pay in any Membership Year any amount additional to the subscription in force at the commencement of that Membership Year.
- 2.15 The annual subscription shall be payable in respect of each Membership Year. The first subscription of a Member admitted after 1 April in any year shall be proportional to the period remaining of that Membership Year, calculated on a monthly basis and such subscription shall first be paid in order for membership to commence.

### **3 GENERAL MEETINGS**

- 3.1 The Company shall hold a general meeting in every calendar year as its annual general meeting ("AGM") at such time and place as shall be determined by the Board and shall specify the AGM as such in the notice calling it. The Board shall ensure that every AGM shall be held not more than fifteen months after the holding of the preceding AGM.
- 3.2 All general meetings other than AGMs shall be called general meetings ("GMs").
- 3.3 Provided that at least eight Directors so agree in writing, the Directors may call a general meeting and, on the requisition of Members pursuant to the provisions of the CA 2006 or this Article 3.3, shall forthwith proceed to convene a GM on a date not later than seven weeks after receipt of the requisition.
- 3.4 A GM may be requisitioned by Members provided that such number of Members as is required by the CA 2006 deposits at the Office a notice of requisition signed by all such Members and stating the business to be considered at the requisitioned meeting. If the Board fails within a period of forty two Clear Days after the receipt of a Members' notice of requisition to convene a GM those Member's requisitioning the GM may themselves convene a GM and the Secretary shall be obliged to render such assistance as is reasonable and appropriate.

### **4 NOTICE OF GENERAL MEETINGS**

- 4.1 An AGM or GM called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty-eight Clear Days' notice. All other GMs shall be called by at least twenty one Clear Days' notice but a GM may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety per cent in the total voting rights at that meeting of all the Members. The notice shall be given to all the Members and to the Directors and auditors.
- 4.2 The accidental omission to give notice of a meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### **5 PROCEEDINGS AT GENERAL MEETINGS**

- 5.1 No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business. Twenty five Members present in person or by proxy or by Nominated Representative, shall be a quorum.
- 5.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for the holding of the meeting the Members present shall be a quorum.
- 5.3 The Chairman or in his/her absence some other Director nominated by the Chairman or failing that by not less than two Directors shall preside as chairman of the meeting, but if neither the Chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present

shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he/she shall be chairman of the meeting. If no Director is willing to act as chairman of the meeting, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present (acting through their Nominated Representatives in the case of Corporate Members, in person in the case of a natural person, or in either case by proxy) and entitled to vote shall choose one of their number to be chairman of the meeting.

- 5.4 A Director shall, notwithstanding that he/she may not be a Nominated Representative or a proxy, be entitled to attend and speak at any general meeting.
- 5.5 The chairman of the meeting may, with the consent of a 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 an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 5.6 The chairman of the meeting may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him/her that
- (a) the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;
  - (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or
  - (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
- 5.7 A resolution put to the vote of a meeting shall be decided on a show of hands by a majority of the Members 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:
- (a) the chairman of the meeting; or
  - (b) at least two Members or Nominated Representatives; or
  - (c) Members or Nominated Representatives representing not less than one-tenth of the total voting rights of all those persons having the right to vote at the meeting and a demand by a person as proxy for a Member shall be the same as a demand by the Member.
- 5.8 Unless a poll is duly demanded a declaration by the chairman of the meeting 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 shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- 5.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 5.10 A poll shall be taken as the chairman of the meeting so directs and he/she may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 5.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he/she may have.
- 5.12 No poll shall be demanded on the election of a chairman of the meeting or on any question of adjournment. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman of the meeting so directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 5.13 No notice need be given of a poll not taken forthwith 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 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.

## **6 VOTES OF MEMBERS**

- 6.1 On a show of hands every Member present in person, by Nominated Representative or by proxy, shall have one vote but, save as otherwise expressly provided in these Articles or otherwise with the consent of the Board, any Member who has not paid all sums (if any) which are due and payable to the Company in respect of their membership at the date of the meeting shall not be entitled to vote.
- 6.2 No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 6.3 The proxy for a Corporate Member shall be either the chairman of the meeting or failing that a director, manager or executive of managerial status of that Corporate Member. In the case of the Member being a natural person then any other natural person being properly authorised by such Member may be the proxy.
- 6.4 A vote given or poll demanded by proxy or by a Nominated Representative of any Member shall be valid notwithstanding the determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.



- 6.5 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer or by his/her attorney duly authorised in writing and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

**"Energy Industries Council (the "Company")**

I/We, [ ], of [ ],  
being a Member of the Company, hereby appoint [ ]  
of [ ] and failing  
him/her [ ] of [ ]  
[ ] as my/our proxy to vote in my/our name[s] and on my/our behalf at the  
annual/extraordinary/adjourned general meeting of the Company to be held on  
[ ], and at any adjournment thereof.

Signed by [ ]<sup>1</sup> [ on behalf of [*insert name of Member*]]."

<sup>1</sup> Delete if not applicable

- 6.6 Where it is desired to afford Members an opportunity of instructing the proxy how he/she shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

**"Energy Industries Council (the "Company")**

I/We, [ ], of [ ],  
being a Member of the Company, hereby appoint [ ]  
of [ ] and failing  
him/her [ ] of [ ]  
[ ] as my/our proxy to vote in my/our name[s] and on my/our behalf at the  
annual/extraordinary/adjourned general meeting of the Company to be held on  
[ ], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 \*for \*against

Resolution No. 2 \*for \*against

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he/she thinks fit or abstain from voting.

Signed by [ ]<sup>1</sup> [for and on behalf of [*insert name of Member*]]."

<sup>1</sup> Delete if not applicable

- 6.7 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent

out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as stated in (a) above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

## **7 NUMBER OF DIRECTORS**

- 7.1 The number of Directors shall be limited to a maximum of twenty two but shall be not less than a minimum of four excluding the Non-Elected Directors. No more than two Directors employed or engaged by the same Corporate Member may hold office at the same time.
- 7.2 A maximum of eighteen of the Directors referred to in Article 7.1 shall be elected in accordance with Article 11 ("Elected Directors"). No person may be an Elected Director unless he/she himself/herself is a Member, he/she himself/herself is employed or engaged by a Member, or he/she himself/herself is a director (as defined in the Act) of such Member. In the event that a Director ceases to qualify to be a Director as set out herein this Article 7 then he/she shall retire no later than at the next annual general meeting.
- 7.3 A maximum of four of the twenty two Directors referred to in Article 7.1 shall be appointed by the Elected Directors for such term as the Elected Directors shall decide. Such Directors shall be referred to as "the Non-Elected Directors". The Elected Directors may terminate the term of the Non-Elected Directors at any time by resolution at any meeting of the Directors passed by a majority of Elected Directors present thereat.
- 7.4 The Non-Elected Directors shall occupy the respective positions of Chairman of the Board, Chief Executive (or a similarly titled position determined by the Board), Chief Financial Officer and one other position as directed by the Elected Directors and shall have such powers and authority as the Elected Directors shall decide or if not so decided as might be reasonably inferred from the respective positions they occupy. The Chairman shall be subject to the retirement provisions in Articles 11.1 to 11.3.
- 7.5 Save for the Non-Elected Director appointed to the position of Chairman, no person may be a Non-Elected Director unless he/she is an employee of the Company.

## **8 ALTERNATE DIRECTORS**

- 8.1 Any Elected Director (other than an Alternate Director) may appoint any other Elected Director, or any other natural person approved by resolution of the Directors and willing to act, to be an Alternate Director temporarily in the place of such Elected Director and may remove from office an Alternate Director so appointed by him/her. Whilst the Alternate Director remains appointed in office the relevant Elected Director shall not have any rights or duties as a Director.
- 8.2 An Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his/her appointer is a Member, to attend and vote at any such meeting at which the Director appointing him/her is not personally

present, and generally to perform all the functions of his/her appointer as a director in his/her absence but shall not be entitled to receive any remuneration from the Company for his/her services as an Alternate Director. But it shall not be necessary to give notice of such a meeting to an Alternate Director who is absent from the United Kingdom.

- 8.3 An Alternate Director shall cease to be an Alternate Director if his/her appointer ceases to be a Director; but, if a Director retires in accordance with Article 11 or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he/she retires, any appointment of an Alternate Director made by him/her which was in force immediately prior to his/her retirement shall continue after his/her reappointment.
- 8.4 Any appointment or removal of an Alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 8.5 Save as otherwise provided in the Articles, an Alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his/her own acts and defaults and he/she shall not be deemed to be the agent of the Director appointing him/her.

## **9 POWERS OF DIRECTORS**

- 9.1 Subject to the provisions of the Act, the memorandum and the Articles and to any directions given by the Members in general meeting, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 9.2 Without prejudice to the generality of Article 9.1 above, the powers of the Board shall include power, subject to these Articles:
- (a) to make, vary and revoke regulations binding upon the Members as to any matter or thing falling within the scope of these Articles;
  - (b) to determine any dispute or difference as to the validity of any appointment or election or as to the interpretation or meaning of any regulation made under these Articles;
  - (c) to affiliate the Company with other bodies and to collaborate and consult and enter into arrangements with other bodies;
  - (d) to appoint such officers and staff as the Board may deem requisite and, in the case of paid staff, upon such conditions as to remuneration and otherwise as the Board may determine and to remove any such officers or staff as the Directors deem appropriate;
  - (e) to make contributions to the funds of other associations or organisations, the assistance of which is deemed expedient in the interests and with a view to the promotion of the objects of the Company; and
  - (f) to invest any surplus funds of the Company as the Directors see fit.-

9.3 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his/her powers.

## **10 DELEGATION OF DIRECTORS' POWERS**

10.1 The Directors may delegate any of their powers to any committee consisting of two or more Directors. They may also delegate to any Chief Executive or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him/her. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more Members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

## **11 APPOINTMENT AND RETIREMENT OF DIRECTORS**

11.1 Subject to Article 15.1 below, each Elected Director and the Chairman shall retire from office at the third annual general meeting following his/her appointment or reappointment (the period between such appointment or reappointment and retirement being a "**Term**").

11.2 Subject to Article 11.3 below, an Elected Director or the Chairman who retires at an annual general meeting may, if willing to act, be reappointed. The Company may, at the annual general meeting at which an Elected Director or the Chairman retires, elect some other person to fill the vacated office, but if the Company does not fill the vacancy the retiring Elected Director or Chairman shall, subject to Article 11.3 below and if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Elected Director or Chairman is put to the meeting and lost. If an Elected Director or Chairman is not reappointed, he/she shall retain office until the meeting appoints someone in his/her place or, if the meeting resolves not to fill the vacancy, the Elected Director or Chairman shall retain office until the end of the meeting.

11.3 No Elected Director or Chairman shall serve more than two Terms without the consent of the majority of the Board.

11.4 No Member or Nominated Representative shall be entitled to give more than one vote to any one candidate.

11.5 No person other than an Elected Director retiring in accordance with Article 11.1 above shall be appointed or reappointed an Elected Director at any general meeting unless:

- (a) he/she is recommended by a majority of the Directors; or
- (b) not later than one calendar month before the date appointed for the meeting, notice executed by 25 Members and/or Nominated Representatives qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he/she were so appointed or reappointed, be required to be included in the Company's register of Directors' interests together with notice executed by that person of his/her willingness to be appointed or reappointed.

11.6 Not less than one calendar month before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of

any person (other than an Elected Director or Chairman retiring at the meeting in accordance with Article 11.1 above) who is recommended by a majority of the Directors for appointment or reappointment as an Elected Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him/her at the meeting for appointment or reappointment as an Elected Director. The notice shall give the particulars of that person which would, if he/she were so appointed or reappointed, be required to be included in the Company's register of directors.

11.7 Subject to approval of a majority of Directors, 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 any number fixed by or in accordance with the Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he/she shall vacate office at the conclusion thereof.

11.8 The provisions of this Article 11 shall be subject to the provisions of Article 7

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

12.1 The office of a Director or Alternate Director shall be vacated if:

- (a) he/she ceases to be a Director by virtue of any provision of the Act or he/she becomes prohibited by law from being a director; or
- (b) he/she becomes bankrupt or makes any arrangement or composition with his/her creditors generally; or
- (c) he/she is, or may be, suffering from mental disorder and either:
  - (i) he/she 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
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his/her property or affairs; or
- (d) he/she resigns his/her office by notice in writing to the Company; or
- (e) he/she fails to attend three consecutive meetings of the Board, having received the appropriate notices for such meetings; or
- (f) a resolution of the Board of Directors is passed to remove such Director from office, where:
  - (i) not less than 14 days notice has been given of the Board meeting at which the resolution to remove the Director is to be considered;
  - (ii) the quorum for such a meeting shall be at least two thirds of the number of Board members at that time; and

- (iii) such resolution is passed by a majority of not less than three quarters of those Directors present at the meeting.

12.2 The Company may at a general meeting (by a resolution passed by a majority of not less than three quarters of such Members as being entitled to do so attend and vote) remove from his/her office any Director before the expiration of his/her period of office and upon such removal of a Director may by resolution appoint some other qualified person in his/her place.

### **13 REMUNERATION OF DIRECTORS**

13.1 The Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

### **14 DIRECTORS' EXPENSES**

14.1 The Directors may be paid all reasonable out of pocket expenses incurred by them, as the board of Directors may determine, in or about the affairs of the Company, including, but without limiting the generality of the foregoing, all 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 or separate meetings of the holders of debentures of the Company or otherwise in connection with the discharge of their duties.

### **15 DIRECTORS' APPOINTMENTS AND INTERESTS**

15.1 Subject to the provisions of the Act, the Directors shall appoint a Chairman, Chief Executive, Chief Financial Officer and one further position as determined by the Elected Directors pursuant to Article 7 and may appoint to any other executive office under the Company and may enter into an agreement or arrangement with any Director for his/her employment by the Company or for the provision by him/her of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement shall be made upon such terms as the Directors determine and they may remunerate any such Director for his/her services as they think fit. Any appointment of a Director to an executive office shall terminate if he/she ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company. Save for the Chairman, neither the Non-Elected Directors nor an Elected Director holding any executive office shall be subject to the retirement provisions set out in Articles 11.1 to 11.3.

15.2 Subject to the provisions of the Act and these Articles, and provided that he/she has disclosed to the Directors the nature and extent of any material interest of his or hers, a Director notwithstanding his/her office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) shall not, by reason of his/her office, be accountable to the Company for any benefit which he/she derives from any such office or employment or from any

such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

15.3 For the purposes of Article 15.2:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his or hers.

## **16 DIRECTORS' GRATUITIES AND PENSIONS**

16.1 The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his/her family (including a spouse and a former spouse) or any person who is or was dependent on him/her, and may (as well before as after he/she ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

## **17 PROCEEDINGS OF DIRECTORS**

17.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Issues discussed at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A Director who is also an Alternate Director shall be entitled in the absence of his/her appointer to a separate vote on behalf of his/her appointer in addition to his/her own vote.

17.2 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be 5. A person, who holds office only as an Alternate Director shall, if his/her appointer is not present, be counted in the quorum.

17.3 The 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, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.

17.4 The Chairman of the Board shall be appointed as set out in Article 7. Unless he/she is unable/unwilling to do so, the Chairman so appointed shall preside at every meeting of Directors at which he/she is present. But if there is no Chairman holding that office or if the Chairman holding it is unable/unwilling to preside or is not present within fifteen minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

- 17.5 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards 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 has been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 17.6 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an Alternate Director need not also be signed by his/her appointer and, if it is signed by a Director who has appointed an Alternate Director, it need not be signed by the Alternate Director in that capacity.
- 17.7 Save as otherwise provided by the Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he/she has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his/her interest or duty arises only because the case falls within one or more of the following paragraphs:
- (a) the resolution relates to the giving to him/her of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him/her for the benefit of, the Company or any of its subsidiaries;
  - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) his/her interest arises by virtue of his/her subscribing or agreeing to subscribe for any debentures of the Company or any of its subsidiaries, or by virtue of his/her being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such debentures, by the Company or any of its subsidiaries for subscription, purchase or exchange;
  - (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the board of Inland Revenue for taxation purposes.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an Alternate Director, an interest of his/her appointor shall be treated as an interest of the Alternate Director without prejudice to any interest which the Alternate Director has otherwise.

- 17.8 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 17.9 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.



- 17.10 A meeting of the Directors may, subject to notice thereof having been given in accordance with these Articles, be for all purposes deemed to be held when a Director is or Directors are in communication by telephone or television or similar apparatus for communication with another Director or Directors and all of the said Directors agree to treat the meeting as so held, provided that the number of the said Directors constitutes a quorum of the board hereunder, and a resolution made by a majority of the said Directors in pursuance of this Article shall be as valid as it would have been if made by them at an actual meeting duly convened and held.
- 17.11 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he/she is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his/her own appointment.
- 17.12 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his/her ruling in relation to any Director other than himself/herself shall be final and conclusive.

## **18 POWERS OF DIRECTORS TO AUTHORISE CONFLICTS OF INTEREST**

- 18.1 The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a Director infringing his/her duty under section 175 CA 2006 to avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.
- 18.2 Authorisation of a matter under Article 18.1 is effective only if:-
- (a) the matter has been proposed to the Directors by its being submitted in writing for consideration at a meeting of the Directors or for the authorisation of the Directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve;
  - (b) any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and
  - (c) the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted.
- 18.3 Any authorisation of a matter under Article 18.1 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 18.4 The Board may authorise a matter pursuant to Article 18.1 on such terms and for such duration, or impose such limits or conditions on it, as it may decide and vary the terms or duration of such an authorisation (including any limits or conditions imposed on it) or revoke it. A Director shall comply with any obligations imposed on him/her by the Directors pursuant to any such authorisation.

- 18.5 Any terms imposed by the Board under Article 18.4 may include (without limitation):-
- (a) whether the Director may vote (or be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter;
  - (b) whether the Director is to be given any documents or other information in relation to the relevant matter; and
  - (c) whether the Director is to be excluded from discussions in relation to the relevant matter at a meeting of the Board or any committee or sub-committee of the Board or otherwise.
- 18.6 The Director shall not be required to disclose any confidential information obtained in relation to the relevant matter (other than through his/her position as a Director) to the Company or to use or apply it in performing his/her duties as a Director if to do so would result in a breach of a duty or obligation of confidence owed by him/her in relation to or in connection with that matter.
- 18.7 A Director does not infringe any duty he/she owes to the Company by virtue of sections 171 to 177 of the Act if he/she acts in accordance with such terms, limits and conditions (if any) as the Board may impose in respect of its authorisation of the Director's conflict of interest or possible conflict of interest under Article 18.1.
- 18.8 A Director shall not, save as otherwise agreed by him/her, be accountable to the Company for any benefit which he/she (or a person connected with him/her) derives from any matter authorised by the Directors under Article 18 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 18.9 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

## **19 SECRETARY**

- 19.1 Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. The Board may from time to time by resolution appoint an assistant or deputy secretary and any person so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting.

## **20 MINUTES AND REGISTER**

- 20.1 The Directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the Directors; and
  - (b) of all proceedings at meetings of the Company, and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.
- 20.2 The Directors shall cause to be kept:

- (a) a register of applicants for membership, showing the date of application and the decision; and
  - (b) a register of Members showing the names and registered addresses of Members and such other particulars as the Board may think desirable.
- 20.3 Minutes of a meeting signed by the chairman of such meeting or of the next meeting shall be prima facie evidence of the facts recorded in such minutes.

## **21 THE SEAL**

- 21.1 The Company need not have a seal, but if it does the seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

## **22 FUNDS**

- 22.1 All moneys received by the Company shall be deposited in any bank or banks as the Board may from time to time determine, but so that, subject as hereinafter mentioned, payments therefrom may not be made except by a cheque or other documentary authorisation signed by any two Directors or executive officers approved by resolution of the Board.
- 22.2 If the Board so determines it may open with any of the Company's bankers one or more disbursement accounts to which moneys may be paid from time to time from the other bank accounts of the Company. No payment shall be made from such disbursement accounts except by a cheque or other documentary authorisation signed by any two Directors or executive officers approved by resolution of the Board.

## **23 ACCOUNTS**

- 23.1 The Board shall cause accounting records to be kept in accordance with section 386 CA 2006.
- 23.2 Accounting records shall be kept at the Office, or subject to section 388 CA 2006, at such other place or places as the Board thinks fit and shall always be open to the inspection of the Board.
- 23.3 Subject to any reasonable conditions or regulations as to the time or manner of inspecting the same that may from time to time be prescribed by the Company in general meeting the accounts and books of the Company shall be open to the inspection of Members at all reasonable times during business hours.
- 23.4 The Board shall from time to time in accordance with sections 394, 415, and 475 CA 2006 cause to be prepared and to be laid before the Company in general meeting such income and expenditure accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
- 23.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Auditors' Report, shall not less than 21 Clear Days before the date of such meeting be sent to every Member of, and every holder of debentures of the Company who is

entitled to receive notices of general meetings, provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders of any debentures.

## **24 AUDITORS**

24.1 Auditors shall be appointed and their duties regulated in accordance with the Act.

## **25 NOTICES**

25.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

25.2 The Company may give any notice to a Member:

- (a) either personally;
- (b) by sending it by post in a prepaid envelope addressed to the Member at his/her registered address;
- (c) by leaving it at a Member's registered address;
- (d) by e-mail to an e-mail address supplied by the Member to the Company for that purpose; or
- (e) by a website the address of which shall be notified to the Member in writing, provided that the Member has agreed in writing that notices may be sent in this form ; or
- (f) by fax to a fax number supplied by the Member to the Company for that purpose.

A Member whose registered address is not within the United Kingdom and who gives to the Company a postal address or fax number within the United Kingdom or an e-mail address at which notices may be given to him/her shall be entitled to have notices given to him/her at that postal address, fax number or e-mail address, but otherwise no such Member shall be entitled to receive any notice from the Company.

25.3 A Member present, either in person or by proxy or Nominated Representative, 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.

25.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice sent to a Member (or other person entitled to receive notices under the articles) by post to an address within the United Kingdom is deemed to be given:-

- (a) 24 hours after posting, if pre-paid as first class, or
- (b) 48 hours after posting, if pre-paid as second class.

A notice given by fax or by e-mail shall be deemed to have been given when the message was sent. If a notice is sent by a website, it is treated as being delivered when the notice was first made available on the website, or if later, when the recipient received

(or is deemed to have received) notice of the fact that the notice was available on the website.

## **26 INDEMNITY AND INSURANCE**

26.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he/she may otherwise be entitled, every officer of the Company (excluding the auditor) shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him/her in the execution of his/her duties or the exercise of his/her powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:-

- (a) defending proceedings (whether civil or criminal) in which judgment is given in his/her favour or in which he/she is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his/her part; or
- (b) in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

26.2 Subject to the provisions of the Act, every officer of the Company (excluding the auditor) may, at the discretion of the Board, be provided with funds to meet any expenditure incurred by him/her as provided in Section 205 and/or Section 206, CA 2006 (or enable him/her to avoid incurring any such expenditure).

26.3 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him/her against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

## **27 WINDING UP**

27.1 The provisions of clause 9 of the Memorandum of Association relating to the winding up or dissolution of the Company shall have effect and be observed as if the same were repeated in these Articles.