

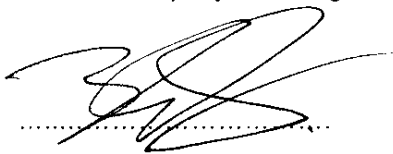
Company No. 09276929

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
WRITTEN RESOLUTION
OF
MARKET OPERATOR SERVICES LIMITED (THE "COMPANY")

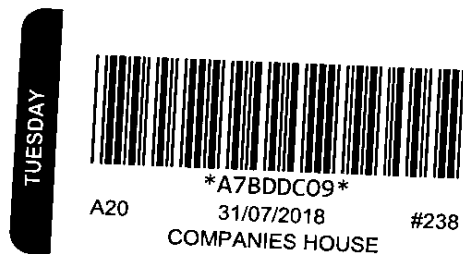
On 20 July 2018 the following special resolution was duly passed by the Company pursuant to section 288 of the Companies Act 2006:

SPECIAL RESOLUTION

THAT with effect from the conclusion of the meeting the draft articles of association produced to the meeting and, for the purposes of identification, attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.



Company Secretary



Companies Act 2006

Company Limited by Guarantee

ARTICLES OF ASSOCIATION

of

**MARKET OPERATOR SERVICES
LIMITED**

Company Number 09276929

Adopted by Special Resolution on 20 July 2018

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Companies Act 2006

Company Limited by Guarantee and not having a Share Capital

ARTICLES OF ASSOCIATION

of

MARKET OPERATOR SERVICES LIMITED

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. DEFINED TERMS

1.1 In these articles, unless the context requires otherwise:

"Act"	means the Companies Act 2006;
"articles"	means the company's articles of association;
"associated company"	means, in relation to a company, any company which is for the time being a subsidiary undertaking of that company or a parent undertaking of the first company or a subsidiary undertaking of any such parent undertaking;
"Associated Retailer"	has the meaning given in the Market Rules;
"Associated Retailer Director"	has the meaning given in article 12.2.3;
"Associated Retailer Member"	has the meaning given in article 7.6.2;
"bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
"chair of the meeting"	has the meaning given in article 36;
"chairperson"	means the person appointed to the office of chairperson of the board of directors in accordance with article 12.2.6;
"director"	means a director of the company, and includes any person occupying the position of director, by whatever name called;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"electronic form"	has the meaning given in section 1168 of the Act;
"Market Rules"	means the market rules for the non-household retail water and sewerage services market in England known as the "Market Arrangement Code" and "Wholesale Retail Code" as published in draft on the Company's website (www.mosl.co.uk/open-water/codes/) and thereafter as adopted and in force from time to time;
"member"	means a member of the company in accordance with section 112 of the Act;

"Nominations Committee"	means a committee comprising the chairperson, an independent director and two of either the Wholesaler Director, the Unassociated Retailer Director and the Associated Retailer Director;
"Nomination Meeting"	means a meeting of either the Unassociated Retailer Members or of the Associated Retailer Members or of the Wholesaler Members held with a view to nominating; in the case of the Unassociated Retailer Members, the Unassociated Retailer Director; in the case of the Associated Retailer Members, the Associated Retailer Director; and in the case of the Wholesaler Members, the Wholesaler Director in each case in accordance with the provisions of articles 12.3 to 12.7;
"Nominations Secretary"	means such person as shall be appointed by the board of directors to fulfil such role as set out in the articles together with such other associated tasks as the board of directors may determine from time to time and, in the absence of an individual being appointed to such role, notices to be delivered to the Nominations Secretary shall be addressed to the board of directors;
"parent undertaking"	has the meaning given in section 1162 of the Act;
"person"	means any natural or legal person;
"proxy notice"	has the meaning given in article 42;
"Retailer"	has the meaning given in the Market Rules;
"Retailer Business"	has the meaning given in the Market Rules;
"special resolution"	has the meaning given in section 283 of the Act;
"subsidiary"	has the meaning given in section 1159 of the Act;
"subsidiary undertaking"	has the meaning given in section 1162 of the Act;
"Unassociated Retailer"	has the meaning given in the Market Rules;
"Unassociated Retailer Director"	has the meaning given in article 12.2.2;
"Unassociated Retailer Member"	has the meaning given in article 7.6.3;

"Undertaker Wholesale Business"	has the meaning given in the Market Rules;
"Wholesaler"	has the meaning given in the Market Rules;
"Wholesaler Director"	has the meaning given in article 12.2.1;
"Wholesaler Member"	has the meaning given in article 7.6.1; and
"writing"	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Act as in force on the date when these articles become binding on the company.

2. EXCLUSION OF MODEL ARTICLES

The Regulations contained in the Model Articles for Companies Limited by Guarantee shall not apply to the company.

3. LIABILITY OF MEMBERS

The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of it being wound up while he is a member or within one year after he ceases to be a member, for:

- 3.1 payment of the company's debts and liabilities contracted before he ceases to be a member;
- 3.2 payment of the costs, charges and expenses of winding up; and
- 3.3 adjustment of the rights of the contributories among themselves.

PART 2

OBJECTS, FUNDING AND WINDING UP OF THE COMPANY

4. OBJECTS OF THE COMPANY

The objects for which the company is established are to be the company incorporated and appointed by the Wholesalers and Retailers (being private sector companies licensed or appointed under the Water Industry Act 1991) to fulfil the role

of the market operator under the Market Rules and in particular to commercially deliver and operate the central information systems and processes required for the non-household retail water and sewerage services market in England (and to the extent required Wales) as required to Implement the provisions of the Market Rules and if a successor body or bodies (whether incorporated or unincorporated) approved by the members to be the successor entity to the company is appointed to assume and perform that role under the Market Rules to transfer, assign or novate such systems (or the contracts, rights and obligations related to the procurement, delivery and operation of such systems and processes) together with any associated assets, rights and obligations of the company to such successor market operator in accordance with the Market Rules and to do all such other things as may seem incidental or conducive to the pursuit of the foregoing objects and the exercise of the powers of the company (whether express or implied).

5. FUNDING OF THE COMPANY

- 5.1 In order to fund the activities of the company and in addition to receipts by way of subscription or dues as set out in articles 5.2 and 5.3 below, the company shall have powers to obtain, collect and receive money and funds by way of contributions, donations, affiliation fees, subscriptions, grants, loans and any other lawful method, and to take, accept and receive legacies, gifts and bequests of property of any description (and whether subject to any special trust or not), and to issue and make appeals and to take such other steps as may be required for the purpose of procuring contributions to the funds of the company by any such method.
- 5.2 Subject always to the terms of the Market Rules once in force, the members of the company shall be required to pay to the company an annual subscription or other sums or dues requested relating to the budgeting and financial administration of the company as set out in article 5.3 below. The directors shall have discretion to fix the subscription year of the company, the subscription payment date or dates and the proportion of the annual subscription payable in respect of part only of a subscription year.
- 5.3 The board of directors of the company from time to time shall propose in each calendar year an annual budget for each financial year of proposed required expenditure for the running of the company which shall be put before the members for decision by a special resolution in accordance with article 39. The proposed budget shall be made available for public review for at least 14 days in advance of any decision by the members. If at the meeting called to propose the special resolution to approve the budget, members' approval is not given or if the meeting is not quorate then the previous year's budget plus an appropriate allowance for inflation shall apply each year until such time as member approval is given to a revised budget proposal. The annual budget (or any additional expenditure which the company may require) shall be funded by the Undertaker Wholesale Businesses and the Retailer Businesses through annual or other subscriptions or charges as set

out in the Market Rules.

6. PROHIBITION ON DISTRIBUTIONS TO MEMBERS

6.1 Subject to the following provisions of this article 6, the income and property of the company shall be applied solely towards the promotion of the objects of the company as set out in article 4, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members. Provided that nothing herein shall prevent any payment in good faith by the company:-

6.1.1 of interest on money lent by any member or by any director at a rate per annum not exceeding a commercial rate;

6.1.2 of reasonable and proper rent not exceeding open market rate for premises let to the company by any member or by any director;

6.1.3 of reasonable and proper fees, remuneration or other benefit in money or money's worth for any services (not being of a management nature) rendered, or goods supplied, to the company by any company in which a director is a member (provided that such director shall not hold more than one hundredth part of the capital of such company or, if such director is the holder of more than one hundredth part of the capital of such company, provided that such director absents himself or herself from any meeting at which the supply of any such services or goods is discussed and such services are rendered or such goods are supplied on terms and conditions which the other directors consider represent market value), and such director shall not be bound to account to the company for any share of profits he or she may receive in respect of such payment;

or the transfer of assets to any successor market operator in accordance with article 4.

6.2 To the extent that following upon the transfer of assets to any successor market operator as set out in article 4 there remains any surplus of funds provided by members in the bank accounts of the company (or held on behalf of the company by any third party), such funds after settlement of all liabilities shall be refunded to the members having advanced funding to the company pro rata to the aggregate funding contributions from such members.

6.3 To the extent that following upon the transfer of assets to any successor market operator as set out in article 4 there remains any surplus of funds in the bank accounts of the company (or held on behalf of the company by any third party) provided by any party other than the members then where such monies were provided to the company to support the funding of its activities the company shall refund such sums (or any remaining part thereof) to such party or where such refund is not possible or where the monies relate to income received by the company other than by way of support for such funding then the company shall apply such sums to

some charitable object or objects as determined by the board of directors.

- 6.4 To the extent that following upon the transfer of assets to any successor market operator as set out in article 4 there remains any non-cash assets of the company the board of directors shall have discretion to donate such assets to the successor market operator (where the transfer of such assets to the successor market operator would be consistent with the aims and operations of the successor market operator) or otherwise to dispose of such assets as they see fit and to apply any cash proceeds from the disposal of such assets to some charitable object or objects as they shall determine.

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

7. MEMBERSHIP

- 7.1 Membership of the company is not transferable.
- 7.2 The rights and privileges of a member of the company shall be personal and shall not be transferable or transmissible by any means.
- 7.3 There shall be no limit on the number of members.
- 7.4 A register of the members for the time being of the company shall be kept by the company secretary and shall contain each member's name, address and date of admission to membership of the company and such register shall, in so far as applicable, comply with the provisions of section 113 of the Act.
- 7.5 The members of the company shall be the members at the date of adoption of these articles and such other persons as are admitted to membership in accordance with the provisions of these articles and, in each case, who have not subsequently retired from membership or been removed in accordance with the provisions of the articles from time to time.
- 7.6 Subject to the provisions of articles 8.3 and 8.4, the membership of the company shall comprise the following classes of member:

7.6.1 Wholesaler Members

Wholesaler membership of the company shall be open to Wholesalers (such members to be known as "Wholesaler Members").

7.6.2 Associated Retailer Members

Associated Retailer membership of the company shall be open to Associated

Retailers (such members to be known as "Associated Retailer Members").

7.6.3 Unassociated Retailer Members

Unassociated Retailer membership of the company shall be open to Unassociated Retailers (such members to be known as "Unassociated Retailer Members").

- 7.7 Each of (i) Wholesaler Members, (ii) Associated Retailer Members and (iii) Unassociated Retailer Members shall constitute separate classes of membership for the purposes of voting and for the purposes of class rights as set out in these articles. The Wholesaler Members, the Associated Retailer Members and the Unassociated Retailer Members shall have voting rights in the company.

8. APPLICATIONS FOR MEMBERSHIP

- 8.1 No person shall be considered to become a member of the company unless that person has completed an application for membership in a form approved by the directors, lodged such evidence in support of the application as the directors require and complied with the provisions of the Market Rules relating to applications for membership.
- 8.2 Upon the company secretary receiving an application for membership, the company secretary shall add such application to the agenda for the next meeting of the board of directors. At that meeting the directors shall consider the application and, save where an applicant has failed to submit any requested supporting evidence or where the board of directors at its discretion shall determine that an applicant does not qualify to be admitted for the classification of membership applied for, shall admit such person to membership of the company.
- 8.3 No company shall hold membership as a Wholesaler Member and as a Retailer Member concurrently however where a member admitted as either such class of member ceases to meet the criteria to be such a category of member but meets the criteria to fulfil the other category of member they may be re-categorised as such alternate category of membership by resolution of the directors.
- 8.4 Where the directors determine to admit a person to membership the directors shall:
- 8.4.1 approve the issue of, and issue, a certificate of membership in the company to the applicant; and
 - 8.4.2 instruct the company secretary to enter the name of that applicant in the register of members.

9. TERMINATION OF MEMBERSHIP

- 9.1 A Wholesaler Member or Retailer Member of the company shall cease to be a

member of the company forthwith upon:

- 9.1.1 the dissolution of that member;
 - 9.1.2 the termination of that member's membership of the company in accordance with article 9.3 or 9.4 below;
 - 9.1.3 a member submitting written notification of withdrawal from membership to the company;
 - 9.1.4 the member ceasing to meet the relevant criteria for membership as set out in article 7.6.1, 7.6.2 or 7.6.3 (as applicable); or
 - 9.1.5 the agreement or determination of a continuing member in accordance with the provisions of article 8.4.
- 9.2 A person who ceases (for whatever reason) to be a member of the company shall not be entitled to any refund (in whole or in part) of any subscription or charges paid by that person to the company.
- 9.3 The directors shall be entitled (but shall not be bound) to terminate the membership of the company of any Wholesaler Member, Associated Retailer Member or Unassociated Retailer Member:-
- 9.3.1 who shall become insolvent or apparently insolvent or who shall suspend payment to or compound with that member's creditors;
 - 9.3.2 in respect of whose property and undertaking, or any part thereof, a receiver is appointed;
 - 9.3.3 in respect of whom an effective winding-up order is made or an effective winding-up resolution is passed (other than for the purpose of any amalgamation or reconstruction); or
 - 9.3.4 in respect of whom an administration order is made.
- 9.4 The directors shall be entitled (but shall not be bound) to terminate the membership of the company of any Wholesaler Member, Associated Retailer Member or Unassociated Retailer Member if any subscription or charges payable by that member to the company:-
- 9.4.1 is in excess of ten days from the payment due date; and
 - 9.4.2 on or after the day specified in article 9.4.1 above the directors have issued notice to that member to pay the outstanding amount; and
 - 9.4.3 the amount invoiced has remained unpaid for a further ten days after the date of the directors' notice under article 9.4.2 above; or
 - 9.4.4 the member fails to pay an amount properly due by it on three or more occasions in a twelve month period and fails to remedy such non- payment

upon the first two occasions within the following periods from the date of notice thereof from the directors:-

- (A) ten days in the first instance; and
- (B) five days in the second instance.

10. MEMBERS' REPRESENTATIVES

Each member may authorise such person as it thinks fit to act as its representative (a "member's representative") at any general meeting, in the manner provided in section 323 of the Act and section 323 of the Act shall apply mutatis mutandis to any member which is neither a corporation nor an individual as though such member were a corporation. Such member's representative shall be entitled to exercise the same powers on behalf of the member in question as that member could exercise if it were the member and such member shall for the purposes of the articles be deemed to be present in person at any such meeting if a member's representative so authorised is present.

PART 4 DIRECTORS COMPANY SECRETARY AND APPOINTMENT OF DIRECTORS

11. COMPANY SECRETARY

The company shall have a company secretary.

12. APPOINTMENT OF DIRECTORS

12.1 The maximum number of directors shall be 9.

12.2 The board of directors of the company shall comprise the following:-

- 12.2.1 1 director nominated by the Wholesaler Members in accordance with the provisions of articles 12.3 to 12.7 (such director to be an employee of a Wholesaler Member) (the "Wholesaler Director");
- 12.2.2 1 director nominated by the Unassociated Retailer Members in accordance with the provisions of articles 12.3 to 12.7 (such director to be an employee of an Unassociated Retailer Member) (the "Unassociated Retailer Director");
- 12.2.3 1 director nominated by the Associated Retailer Members in accordance with the provisions of articles 12.3 to 12.7 (such director to be an employee of an

Associated Retailer Member) (the "Associated Retailer Director");

- 12.2.4 1 chief executive officer nominated by unanimous decision of the Nominations Committee;
 - 12.2.5 At least 2 independent directors and up to a maximum of 4 independent directors appointed by the independent chairman having regard to the recommendations of the Nominations Committee; and
 - 12.2.6 an independent chairperson nominated by unanimous decision of the Nominations Committee as being an individual that they believe would enjoy the confidence of all stakeholders in the industry and who has not been employed or engaged by any Wholesaler Member or by an associated company of any such Wholesaler Member, by any Associated Retailer Member or by any associated company of any Associated Retailer Member, or by any Unassociated Retailer Member or by any associated company of any Unassociated Retailer Member during the period of 5 years prior to their date of appointment.
- 12.3 The Nominations Secretary shall fix: (a) the date of each Nomination Meeting for the appointment of the Wholesaler Director; (b) the date of each Nomination Meeting for the appointment of the Unassociated Retailer Director; and (c) the date of each Nomination Meeting for the appointment of the Associated Retailer Director. The appointment of the Wholesaler Director, the Unassociated Retailer Director and the Associated Retailer Director shall be for a period of 24 months unless he resigns or is removed from office in terms of article 12.9, and, for the avoidance of doubt, the relevant members may nominate the same individual as was nominated or appointed for the preceding period of appointment. Following the holding of the first Nomination Meeting for each class of membership the subsequent Nomination Meeting for that class of member shall be held no later than the date falling 24 months after the relevant preceding Nomination Meeting. Each Wholesaler Member shall be entitled to attend and vote at each Nomination Meeting in respect of the appointment of the Wholesaler Director, each Unassociated Retailer Member shall be entitled to attend and vote at each Nomination Meeting in respect of the appointment of the Unassociated Retailer Director, and each Associated Retailer Member shall be entitled to attend and vote at each Nomination Meeting in respect of the appointment of the Associated Retailer Director; however (i) a Wholesaler Member shall not be entitled to attend or vote at a Nomination Meeting in respect of the appointment of an Unassociated Retailer Director or an Associated Retailer Director, (ii) an Unassociated Retailer Member shall not be entitled to attend or vote at a Nomination Meeting in respect of the appointment of a Wholesaler Director or an Associated Retailer Director, and (iii) an Associated Retailer Member shall not be entitled to attend or vote at a Nomination Meeting in respect of the appointment of a Wholesaler Director or an Unassociated Retailer Director.
- 12.4 The Nominations Secretary shall give each member not less than twenty (20) Business Days' notice in writing of the date of the Nomination Meeting in relation to

that member's class of membership. Each member shall send one suitably authorised representative to attend each relevant Nomination Meeting or, where such member has no suitably authorised representative who is available to attend such Nomination Meeting, shall arrange for a suitably authorised representative to participate in the Nomination Meeting by way of a conference telephone call. In such circumstances, the member shall provide the Nominations Secretary with notice in writing confirming that no suitably authorised representative is available to attend the Nomination Meeting, such notice to be received not less than forty eight (48) hours before the stated commencement time for that Nomination Meeting.

- 12.5 Each member of the relevant class shall be entitled, by notice to the Nominations Secretary given no earlier than ninety (90) days before the date of and not later than five (5) Business Days before the stated commencement time of the relevant Nomination Meeting, to nominate one (1) individual to be: in the case of a Wholesaler Member, the Wholesaler Director; in the case of an Unassociated Retailer Member, the Unassociated Retailer Director; and in the case of an Associated Retailer Member, the Associated Retailer Director. Such nominated individual shall be employed by a Wholesaler Member, an Unassociated Retailer Member or an Associated Retailer Member (as appropriate) and shall be an industry representative with the requisite skills and experience to fulfil the role and to be involved in the delivery of the objects set out in article 4 and such nomination shall contain the name, address and details of the relevant skills and experience of the nominated individual. For any such proposal to be valid it shall require to be in writing and shall require to be accompanied by a written statement from the nominated individual stating that he is aware of the proposal and would be prepared to serve as the Wholesaler Director or as the Unassociated Retailer Director or as the Associated Retailer Director (as appropriate) if appointed.
- 12.6 At each Nomination Meeting the Nominations Secretary shall circulate to each member present a list of the names of all of the individuals nominated to serve as the relevant director. Where the authorised representative of a member entitled to vote at the meeting is participating in the Nomination Meeting by way of a conference telephone call and there is more than one nominated individual, the Nominations Secretary shall provide that member with a list of the names of all of the individuals nominated to serve as the relevant director and a voting paper (in the form to be provided pursuant to article 12.6.1) no earlier than twenty four (24) hours before the stated commencement time for the Nomination Meeting. Such member shall complete the voting paper in accordance with the provisions of article 12.6.2 and return the voting paper to the Nominations Secretary by email no later than one (1) hour in advance of the stated commencement time for the Nomination Meeting (with the original to follow in the post). In the event that there is only one individual nominated to serve as the relevant director then that person shall duly become the Wholesaler Director or the Unassociated Retailer Director or the Associated Retailer Director (as appropriate) for the forthcoming period of appointment. In the event that there is more than one individual nominated to serve as the relevant director and the members present at the Nomination Meeting (or participating by way of a conference

telephone call) cannot agree unanimously on the identity of the director to be appointed, the following procedures shall be applied in sequence:-

- 12.6.1 each member present and entitled to vote at the meeting shall be given a voting paper with the name of every individual nominated to serve as the relevant director on it;
- 12.6.2 each such member shall rank each and every nominated individual in order of preference by marking the nominated individual which is its first choice as the relevant director with the number "1" and continuing numbering sequentially in order of preference until all nominated individuals have been ranked;
- 12.6.3 the Nominations Secretary shall prepare a list ranking the nominated individuals in order according to the number of 1st preference votes cast for each with the individual with the greatest number of 1st preference votes at the head of the list;
- 12.6.4 the nominated individual whose name appears last on the list shall be removed from that list (in accordance with article 12.6.5 if necessary) and shall take no further part in the nomination process. The Nominations Secretary shall transfer the votes of all those members who voted for the nominated individual excluded in accordance with this article 12.6.4 to the next preference nominated individual on those members' voting papers. The Nominations Secretary shall then prepare a revised voting list in accordance with article 12.6.3 and the procedure set out in this article 12.6 (other than articles 12.6.1 and 12.6.2) shall be repeated as often as may be necessary until only one of the nominated individuals remains;
- 12.6.5 if, at any point in the procedure set out in this article 12.6 the 1st preference votes cast in favour of nominated individuals at the bottom of the voting list are equal then reference shall be made to the next preference on each and every voting paper in order to identify which of the nominated individuals at the bottom of the voting list has the fewest next preference votes and this shall be repeated in relation to each subsequent preference on each and every voting paper until either one of the nominated individuals at the bottom of the voting list can be eliminated or the preferences are exhausted. In the event that preferences are exhausted the nominated individual at the bottom of the voting list who is to be removed from the voting list shall be decided by the drawing of lots in a manner to be determined by the Nominations Secretary;
- 12.6.6 if the next preference expressed on a voting paper is for a nominated individual who has already been excluded then the next preference again shall be referred to in other words where a nominated individual has been excluded each voting paper is treated as though such individual had not been nominated;
- 12.6.7 once the procedure set out in this article 12.6 results in one individual remaining on the voting list then that individual shall duly become the

nominated relevant director.

- 12.7 A Nomination Meeting may consist of a conference telephone call between relevant members who are not all in one place but who are able to speak to each of the others and to be heard by the others simultaneously provided that where it is necessary to apply the procedures set out in articles 12.6.1 to 12.6.7 to select the relevant director any member who is not attending the Nomination Meeting in person shall only be permitted to take part in the Nomination Meeting if it has submitted voting papers to the Nominations Secretary under article 12.6 in advance of the Nomination Meeting.
- 12.8 A person appointed as an independent director or as the chairperson shall be appointed for a fixed term of up to 3 years, such term to be determined by the Nominations Committee, unless he resigns or is removed from office in accordance with the provisions of article 13.
- 12.9 The Wholesaler Members, the Unassociated Retailer Members and the Associated Retailer Members may each by unanimous agreement of their respective class of membership elect to remove and replace any director nominated by them by giving notice to the Nominations Secretary, such notice must contain the relevant class of member's replacement nomination(s) in accordance with article 12.10 below.
- 12.10 Where a director nominated by the Wholesaler Members, by the Unassociated Retailer Members or by the Associated Retailer Members ceases to be a director by reason of resignation or removal (including under article 13 or the Act), the Wholesaler Members, the Unassociated Retailer Members or the Associated Retailer Members (as appropriate) shall nominate a replacement director (such nomination to include the name, address, date of birth and relevant skills and experience of such nominee) in accordance with article 12.5 and where the relevant members do not unanimously nominate such an individual the Nominations Secretary shall call a Nomination Meeting in accordance with the provisions of article 12.3.
- 12.11 Individuals nominated as directors in accordance with article 12.2 shall be appointed at the next scheduled board meeting or at a board meeting called for the purpose of such appointment(s) at which evidence of each appointee's willingness to act is provided. The appointment of individuals at such meeting shall be with immediate effect unless otherwise agreed by the board of directors.
- 12.12 The board of directors shall have power at any time to appoint any person to be an adviser to the company in relation to a specific project or matter or where such person has skills to assist the company in carrying out its objects. Any adviser so appointed may be invited to attend and speak at board meetings and general meetings and may be retained by the company until the specific project concludes

or such other time as a majority of directors may agree.

13. TERMINATION OF DIRECTOR'S APPOINTMENT

13.1 A person ceases to be a director as soon as:

- 13.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- 13.1.2 a bankruptcy order is made against that person;
- 13.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 13.1.4 a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than six months;
- 13.1.5 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 13.1.6 in the case of an independent director or the independent chairperson where that person ceases to be independent in the reasonable opinion of the remainder of the board of directors; or
- 13.1.7 that person is absent (without permission of the directors) from more than three successive meetings of the directors and the directors resolve to remove that person from office.

14. DIRECTORS' REMUNERATION

The directors' remuneration shall be fixed from time to time by unanimous decision of the board of directors in line with the annual budgeting process.

15. DIRECTORS' EXPENSES

The company may pay any reasonable travelling, accommodation and other expenses which the directors properly incur in connection with their attendance at:

- 15.1 meetings of directors or committees of directors,
 - 15.2 general meetings, or
- otherwise in connection with the exercise of their powers and the discharge of their

responsibilities in relation to the company.

16. ALTERNATE DIRECTORS

- 16.1 (i) An Unassociated Retailer Director may by notice to the company secretary appoint an individual to be his/her alternate director provided that such individual is an employee of an Unassociated Retailer Member; (ii) an Associated Retailer Director may by notice to the company secretary appoint an individual to be his/her alternate director provided that such individual is an employee of an Associated Retailer Member; and (iii) a Wholesaler Director may by notice to the company secretary appoint an individual to be his/her alternate director provided that such individual is an employee of a Wholesaler Member, but in each case any such alternate director may only be appointed if (a) he/she is a current director of the company or (b) is a person approved by resolution of the directors and willing to act as an alternate director.
- 16.2 Each director who has nominated an alternate director in accordance with article 16.1 may at his discretion remove such alternate director and shall remove such an alternate director as soon as that individual ceases to be an employee of an Unassociated Retailer (in the case of an Unassociated Retailer Director) or an Associated Retailer (in the case of an Associated Retailer Director) or a Wholesaler (in the case of a Wholesaler Director).
- 16.3 An alternate director shall be entitled to:
- 16.3.1 receive notice of all meetings of the directors which take place while his appointor is a director; and
 - 16.3.2 attend at any such meeting at which the director appointing him/her is not personally present to:
 - (A) vote; and
 - (B) exercise and discharge all the functions, powers and duties of his appointor, as if a director.
- 16.4 Every person acting as an alternate director shall be entitled to exercise the voting rights of his appointor and execution by an alternate director of any resolution in writing of the directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.
- 16.5 When a director ceases to be a director for any reason then, provided that the alternate director's employer is still an Unassociated Retailer Member, an Associated Retailer Member or Wholesaler Member (as relevant) the alternate director shall discharge all the functions, powers and duties of his appointor until a replacement director is appointed in accordance with these articles.
- 16.6 No notice of a meeting of directors or of a meeting of a committee of directors need

be given to an alternate director who is absent from the United Kingdom.

- 16.7 An alternate director shall not be entitled to receive any remuneration from the company for her / his services as an alternate director.
- 16.8 If a director retires but is re-appointed at the meeting at which s/he retires, any appointment of an alternate director made by her / him which was in force immediately prior to retirement shall continue after her / his appointment.
- 16.9 An alternate director shall alone be responsible for her / his own acts and defaults; an alternate director shall not be deemed to be the agent of the director appointing her / him.
- 16.10 References in these articles to directors shall, unless the context otherwise requires, be construed as including alternate directors.

DIRECTORS' POWERS AND RESPONSIBILITIES

17. DIRECTORS' GENERAL AUTHORITY

Subject to the articles the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company and may regulate their proceedings as they see fit. The directors shall ensure that the business of the company is conducted in a manner that is transparent to members and with full financial disclosure to members.

18. ENGAGEMENT WITH WATER INDUSTRY

The directors shall engage and consult with those members of the water industry which are then eligible to become Wholesaler Members, Unassociated Retailer Members or Associated Retailer Members (irrespective of whether such companies have been admitted as members) in relation to matters relevant to the objects and activities of the company on a regular basis. The form and content of, and forum for, such consultation shall be at the discretion of the directors.

19. DIRECTORS MAY DELEGATE

- 19.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
 - 19.1.1 to such person or committee (whether directors or not);
 - 19.1.2 by such means (including by power of attorney);
 - 19.1.3 to such an extent;
 - 19.1.4 in relation to such matters or territories; and on such terms and conditions; as

they think fit.

- 19.2 If the directors so specify, any such delegation (by power of attorney or otherwise) may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 19.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

20. SIGNATURE ON CHEQUES

All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for monies paid to the company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.

21. COMMITTEES

- 21.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors however they may include persons who are not directors.
- 21.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

22. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 22.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision of those directors present at a meeting or a decision taken in accordance with article 23.
- 22.2 A director who is also an alternate director shall be entitled in the absence of her | his appointer to a separate vote on behalf of her | his appointer in addition to her | his own vote.
- 22.3 All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was 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.

23. UNANIMOUS DECISIONS

- 23.1 A decision of the directors is taken in accordance with this article when all eligible *directors indicate to each other by any means that they share a common view on a matter.*
- 23.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 23.3 References in this article to eligible directors are to directors who would have been entitled to receive notice of a meeting and vote on the matter had it been proposed as a resolution at a directors' meeting.
- 23.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.
- 23.5 The provisions of this article 23 shall also apply to a decision to be taken by a committee of directors save that references to eligible directors shall be to those directors eligible to receive notice of a meeting and vote on the matter had it been proposed as a resolution at a meeting of such committee.

24. CALLING A DIRECTORS' MEETING

- 24.1 Any director may call a directors' meeting by giving notice of the meeting to the directors.
- 24.2 Notice of any directors' meeting must indicate:
 - 24.2.1 its proposed date and time;
 - 24.2.2 where it is to take place; and
 - 24.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 24.3 Subject to article 16.4 and article 24.4, notice of a directors' meeting must be given to each director.
- 24.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the

meeting, or of any business conducted at it.

25. PARTICIPATION IN DIRECTORS' MEETINGS

25.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

25.1.1 the meeting has been called and takes place in accordance with the articles, and

25.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

25.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

25.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

26. QUORUM FOR DIRECTORS' MEETINGS

26.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

26.2 The quorum for directors' meetings may be fixed from time to time by a unanimous decision of the directors and, unless otherwise fixed at any other number, shall be four and which number must include the Wholesaler Director, the Unassociated Retailer Director, the Associated Retailer Director and either an independent director or the independent chairperson;

a person (other than a director) acting as an alternate director shall, if her / his appointer is not present, be counted in the quorum.

26.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

26.3.1 to appoint further directors, or

26.3.2 to call a general meeting so as to enable the members to appoint further directors.

The decision of the directors to take any action under articles 26.3.1 or 26.3.2 must be unanimous.

27. CHAIRING OF DIRECTORS' MEETINGS

27.1 Unless he/she is unwilling to do so, the chairperson shall preside as chair at every meeting of directors at which s/he is present.

27.2 If the chairperson is unwilling to act as chair or is not present within fifteen minutes

of the time appointed for the meeting, the directors present may appoint one of the independent directors to be chair of the meeting.

- 27.3 *If none of the independent directors are willing to act as chair, or none of the independent directors are present within fifteen minutes of the time appointed for the meeting, the directors present may appoint one of the other directors to be chair of the meeting.*

28. CASTING VOTE

- 28.1 If the numbers of votes for and against a proposal at a directors' meeting are equal, the chairperson shall have a casting vote.
- 28.2 Article 28.1 does not apply if, in accordance with the articles, the chairperson is not to be counted as participating in the decision-making process for quorum or voting purposes.

29. CONDUCT OF DIRECTORS AND CONFLICTS OF INTEREST

- 29.1 It is the duty of each director of the company, in exercising functions as a director, to act in such a way which they in good faith believe to be in the best interests of the company and in a way which is most likely to promote the success of the company in achieving its objects (as set out in article 4) irrespective of any duties they owe to any office, post, engagement or other connection they hold or may have with any other body.
- 29.2 In circumstances where there is a possibility of a conflict of interest between the duties under article 29.1 and the duties owed to, or interest in any other office, post, engagement or other connection which they hold or may have with any other body, the directors must put the interests of the company before that of the other party. Where the conflict prevents the directors from affecting their duty under article 29.1 they must disclose the conflicting interest and refrain from participating in, or attending, any deliberation or decision of the other directors with regard to the matter which gives rise to the conflict.
- 29.3 For the purposes of article 29.1 a conflict of interest will not arise if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.
- 29.4 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested and that proposed transaction or arrangement can reasonably be regarded as giving rise to a conflict of interest, that director is not to be counted as participating in the decision-making process for quorum or voting purposes unless article 29.5 applies. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 29.5 A director who is interested in an actual or proposed transaction or arrangement with

the company and whose interest can be reasonably regarded as likely to give rise to a conflict is to be counted as participating in the decision-making process for quorum and voting purposes when:

- 29.5.1 the company by ordinary resolution passed in accordance with article 39.2 dis-applies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision- making process; or
- 29.5.2 the directors authorise a director to vote in relation to an actual or proposed transaction or arrangement in which that director is interested, provided that:
 - (A) the interested director does not count towards a quorum at the meeting at which the authority is considered; and
 - (B) the authorisation was given without their voting, all in accordance with Section 175 of the Act; or

29.5.3 the director's conflict of interest arises from a permitted cause.

For the purposes of this article, the following are permitted causes:

- (A) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (B) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
- (C) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

29.6 Subject to article 29.7, 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.

29.7 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.

30. MINUTES

The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present.

31. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

PART 5 GENERAL MEETINGS ORGANISATION OF GENERAL MEETINGS

32. ANNUAL GENERAL MEETINGS

The company shall in each calendar year hold a general meeting as the company's Annual General Meeting in addition to any other general meeting of the company held in that calendar year and the company shall specify the general meeting as the Annual General Meeting in the notice calling it. Unless the members resolve otherwise by way of ordinary resolution passed in accordance with article 39.2, not more than 15 months shall elapse between the date of one annual general meeting of the company and that of the next, provided that so long as the company holds the company's first annual general meeting within 18 months of the company's incorporation, the company need not hold such first annual general meeting in the calendar year of the company's incorporation or in the following calendar year. Each annual general meeting of the company shall be held at such time and place as the directors shall appoint.

33. CONVENING OF GENERAL MEETINGS

33.1 The directors may, whenever they think fit, convene any general meeting of the company, and a general meeting of the company shall also be convened on requisition in accordance with the Act.

33.2 An annual general meeting of the company and a general meeting of the company shall be called by at least 14 clear days' notice in writing. The notice shall specify

the place, the day and the hour of the general meeting and the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to the members of the company, to the directors and to the auditors of the company; provided that a general meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed:-

33.2.1 in the case of a general meeting called as the annual general meeting of the company, by all the members of the company entitled to attend and vote thereat; and

33.2.2 in the case of any other general meeting, by a majority in number representing not less than 90 per cent of each of the Wholesaler Members and of the Unassociated Retailer Members and of the Associated Retailer Members having a right to attend and vote at the general meeting.

33.3 The accidental omission to give notice of any general meeting of the company to, or the non-receipt of a notice of a general meeting of the company by, any person entitled to receive notice shall not invalidate the proceedings at that general meeting.

34. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

34.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

34.2 A person is able to exercise the right to vote at a general meeting when:

34.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

34.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

34.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

34.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

34.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to

speak and vote at that meeting, they are (or would be) able to exercise them.

35. QUORUM FOR GENERAL MEETINGS

- 35.1 No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 35.2 There must be present at any general meeting at least two thirds (in number) of the Wholesaler Members, at least two thirds (in number) of the Unassociated Retailer Members and at least two thirds (in number) of the Associated Retailer Members (present in person or by proxy or representative) to constitute a quorum however for so long as the membership of the company is less than four then the quorum shall be such number of members as are admitted to membership at that time and where there are less than two members of either membership class then the quorum shall comprise any member of such class plus two members of the other membership class.

36. CHAIRING GENERAL MEETINGS

- 36.1 The chairperson shall chair general meetings if present and willing to do so.
- 36.2 If a chairperson has not been appointed, or if the chairperson is unwilling to chair the meeting or is not present within half an hour of the time at which a meeting was due to start:
- 36.2.1 the directors present, or
 - 36.2.2 (if no directors are present), the meeting,
must appoint a director or member to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.
- 36.3 The person chairing a meeting in accordance with this article is referred to as "the chair of the meeting".

37. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 37.1 All members and directors may attend and speak at general meetings.
- 37.2 The chair of the meeting may permit other persons who are not representatives of members of the company to attend and speak at a general meeting.

38. ADJOURNMENT

- 38.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a

quorum ceases to be present, the chair of the meeting must adjourn it.

- 38.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if:
- 38.2.1 the meeting consents to an adjournment, or
 - 38.2.2 it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 38.3 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 38.4 When adjourning a general meeting, the chair of the meeting must:
- 38.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - 38.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 38.5 If the continuation of an adjourned meeting is to take place more than 30 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 38.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and
 - 38.5.2 containing the same information which such notice is required to contain.
- 38.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

39. VOTING: GENERAL

- 39.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with article 41 and in each case the provisions of article 39.2 shall apply. On a show of hands or on a poll, every (i) Wholesale Member, (ii) Unassociated Retailer Member, and (iii) Associated Retailer Member present at the meeting shall have one vote.
- 39.2 Any resolution put to the vote of a general meeting on a show of hands or on a poll must be approved: (i) in the case of a resolution proposed as an ordinary resolution,

by a simple majority of the Wholesaler Members, by a simple majority of the Unassociated Retailer Members and by a simple majority of the Associated Retailer Members, in each case of those members of that class present at the meeting; and (ii) in the case of a resolution proposed as a special resolution by at least 75 per cent of the Wholesaler Members, by at least 75 per cent of the Unassociated Retailer Members and by at least 75 per cent of the Associated Retailer Members, in each case of those members of that class present and entitled to vote at the meeting.

39.3 Unless a poll is demanded in accordance with article 41, a declaration by the chair 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 votes recorded in favour of or against the resolution.

39.4 In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall be entitled to a casting vote in addition to any other vote he/she may have.

40. ERRORS AND DISPUTES

40.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

40.2 Any such objection must be referred to the chair of the meeting whose decision is final.

41. POLL VOTES

41.1 A poll on a resolution may be demanded:

41.1.1 in advance of the general meeting where it is to be put to the vote, or

41.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

41.2 A poll may be demanded by:

41.2.1 the chair of the meeting;

41.2.2 the directors;

41.2.3 three or more persons having the right to vote on the resolution; or

41.2.4 a person or persons representing not less than one tenth of the total voting

rights of all the members having the right to vote on the resolution.

41.3 A demand for a poll may be withdrawn if:

41.3.1 the poll has not yet been taken, and

41.3.2 the chair of the meeting consents to the withdrawal.

41.4 Polls must be taken immediately by means of a secret ballot of all persons present and entitled to vote and in such manner as the chair of the meeting directs.

41.5 The result of a poll shall be declared at the meeting at which the poll was demanded.

42. CONTENT OF PROXY NOTICES

42.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

42.1.1 states the name and address of the member appointing the proxy;

42.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

42.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and

42.1.4 is delivered to the company not less than 48 hours before the time for holding the meeting and otherwise complies with any instructions contained in the notice of the general meeting to which they relate.

42.2 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

42.3 An instrument of proxy which does not conform with the requirements of article 42.1 or any form set down by the company under article 42.2 shall be invalid.

42.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

42.5 Unless a proxy notice indicates otherwise, it must be treated as:

42.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

42.5.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

43. DELIVERY OF PROXY NOTICES

43.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the

company by or on behalf of that person.

- 43.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 43.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates and, unless a notice is so delivered, any vote given, or poll demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding the poll had terminated prior to the giving of such vote or demanding of such poll.
- 43.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

44. AMENDMENTS TO RESOLUTIONS

- 44.1 A resolution to be proposed at a general meeting as an ordinary resolution may be amended by ordinary resolution passed in accordance with article 39.2 if:
 - 44.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine), and
 - 44.1.2 the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.
- 44.2 A resolution to be proposed at a general meeting as a special resolution may be amended by ordinary resolution passed in accordance with article 39.2, if:
 - 44.2.1 the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 44.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

PART 6

ADMINISTRATIVE ARRANGEMENTS

45. MEANS OF COMMUNICATION TO BE USED

- 45.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Act provides for documents

or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

45.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

45.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

46. COMPANY SEAL

The company shall not have a common seal.

47. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Other than as provided by law or authorised by the directors or by an ordinary resolution of the company passed in accordance with article 39.2, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

48. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

49. INDEMNITY

49.1 Subject to article 49.3, a relevant director or other officer of the company or an associated company shall be indemnified out of the company's assets against:

49.1.1 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,

49.1.2 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 Act),

49.1.3 any other liability incurred by that director as an officer of the company or an

associated company.

49.2 The market operator shall, upon request, provide the relevant director or other officer with a written indemnity in accordance with article 49.1. For the avoidance of doubt nothing in this article 49 shall be deemed to allow any director recovery of personal charges and expenses incurred pursuant to his appointment as a relevant director or officer of the company.

49.3 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

49.4 In this article:

49.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

49.4.2 a "relevant director" means any director or former director of the company or an associated company.

50. INSURANCE

50.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director or other officer of the company in respect of any relevant loss.

50.2 In this article:

50.2.1 a "relevant director" means any director or former director of the company or an associated company; and

50.2.2 a "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, any associated company or any pension fund of the company or associated company or any employees' share scheme of any associated company.