THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

CENTRE FOR ECOLOGY & HYDROLOGY

Amended by written resolution passed on 18 September 2019
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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
CENTRE FOR ECOLOGY & HYDROLOGY

1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

1.1.1 Act: means the Companies Act 2006;

1.1.2 Articles: means the Company’s articles of association for the time being in force;

1.1.3 Business Day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

1.1.4 Charities Act: means the Charities Act 2011;

1.1.5 Charity Commission: means the Charity Commission for England and Wales;

1.1.6 Chief Executive Officer: means the person appointed chief executive officer of the Company by the Directors;

1.1.7 Circulation Date: in relation to a written resolution, has the meaning given to it in the Act;

1.1.8 Clear Days: in relation to a period of notice means a period of days not including the day on which notice was given or deemed to be given and the day for which it is given or on which it is to take effect;

1.1.9 Company: means Centre for Ecology & Hydrology, which is a charitable company regulated by the Articles;

1.1.10 Connected Person: means any person falling within one of the following categories:

1.1.10.1 any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of a Director;

1.1.10.2 the spouse or civil partner of any person in 1.1.10.1;

1.1.10.3 any person who carries on business in partnership with a Director or with any person in 1.1.10.1 or 1.1.10.2;

1.1.10.4 an institution which is controlled by either a Director, any person in 1.1.10.1, 1.1.10.2 or 1.1.10.3, or a Director and any person in 1.1.10.1, 1.1.10.2 or 1.1.10.3, taken together; or
1.1.10.5 a corporate body in which a Director or any person in 1.1.10.1, 1.1.10.2 or 1.1.10.3 has a substantial interest, or two or more such persons, taken together, have a substantial interest.

Sections 350 to 352 of the Charities Act apply for the purposes of interpreting the terms used in this article;

1.1.11 Director: means a director of the Company. The Directors are charity trustees as defined in the Charities Act;

1.1.12 document: includes, unless otherwise specified, any document sent or supplied in electronic form;

1.1.13 electronic form and electronic means: have the meaning given to such terms in section 1168 of the Act;

1.1.14 Financial Expert: means a person who is reasonably believed by the Directors to be qualified to give advice on investments by reason of their ability in and practical experience of financial and other matters relating to investments;

1.1.15 Member: means a person who is a subscriber to the Memorandum or who is admitted to membership in accordance with the Articles;

1.1.16 NERC: means the committee of UK Research and Innovation called the Natural Environment Research Council as set out at section 92 of the Higher Education and Research Act 2017;

1.1.17 NERC Observer: means such person as is appointed by NERC in accordance with article 28;

1.1.18 Objects: means the objects of the Company as stated in article 3;

1.1.19 Physical Directors’ Meeting: means a meeting of the Directors in person when at least a quorum of Directors is in the same place and at which at least a quorum of Directors is not participating in the meeting by means of video conference, telephone or electronic (or equivalent) means;

1.1.20 Senior Management Team: means the senior management team set out at article 32;

1.1.21 Special Resolution: has the meaning given in section 283 of the Act;

1.1.22 Treasurer: means the Director appointed as treasurer of the Company in accordance with article 31;

1.1.23 UK Research and Innovation: means UK Research and Innovation (UKRI), an executive non-departmental public body sponsored by the Department for Business, Energy and Industrial Strategy and any body which replaces it;

1.1.24 United Kingdom: means Great Britain and Northern Ireland; and

1.1.25 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, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

1.5.1 any subordinate legislation from time to time made under it; and

1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.6 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. EXCLUSION OF MODEL ARTICLES

The Articles are to be interpreted without reference to the model articles under the Act, which do not apply to the Company.

3. OBJECTS

3.1 The Company's objects are for the benefit of the public, within the United Kingdom and overseas:

3.1.1 To advance science, in particular, through:

3.1.1.1 carrying out pure and applied scientific research in terrestrial and aquatic environments (nationally and internationally) including their interactions with the atmosphere, and publishing the useful results of such research; and

3.1.1.2 delivering scientific expertise in terrestrial and aquatic environments (nationally and internationally) including their interaction with the atmosphere.

3.1.2 To advance education in the environment and environmental sciences, and sustainable development, in particular through the promotion of research, the publication and dissemination of the useful results of such research, the training of research scientists of the future, and the distribution of materials that educate the public about these subjects.

3.1.3 To promote sustainable development for the benefit of the public by:

3.1.3.1 promoting the preservation, conservation, protection and improvement of the environment and the prudent use of natural resources; and

3.1.3.2 the promotion of sustainable means of achieving economic growth and regeneration.
"Sustainable development" means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

3.2 Nothing in these Articles shall authorise an application of the property of the Company for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005.

4. **POWERS**

In pursuance of the Objects, but not further or otherwise, the Company has the power to:

4.1 make grants to third parties;

4.2 carry out or cause to be carried out or fund (in any way) research and disseminate or otherwise use the results of any such research;

4.3 undertake training and education of any persons engaged in or associated with any aspect of the Company's research programme;

4.4 accept (or disclaim) any gift of money, legacy or other property;

4.5 accept a transfer of any funds, property or assets;

4.6 raise funds by way of subscription, donation or otherwise;

4.7 trade in the course of carrying out the Objects and carry out any other trade which is not expected to give rise to taxable profits;

4.8 establish or acquire companies to further the Objects or to carry on any trade and to establish or acquire the same as wholly owned subsidiaries of the Company or jointly with other persons or companies and to finance such companies by way of loan or share subscription or by other means;

4.9 sell, lease or otherwise dispose of all or any part of the Company's real or personal property and any and all rights of the Company, subject to such consents as may be required by law;

4.10 borrow or raise money and to give security for money borrowed or grants or other obligations by mortgage, charge, lien or other security on the Company's property and assets, subject to such consents as may be required by law;

4.11 lend and give credit to, take security for such loans or credit and enter into guarantees or give security for the performance of contracts by any person or company;

4.12 buy, lease, hire or otherwise acquire and deal with any real or personal property and any rights or privileges of any kind over or in respect of any real or personal property and maintain, alter, improve, manage, develop, construct, repair or equip it for use;

4.13 set aside funds for particular purposes or as reserves against future expenditure;

4.14 deposit or invest funds with all the powers of a beneficial owner, but to invest only after obtaining advice from a Financial Expert, having regard to the suitability of investments and the need for diversification;

4.15 delegate the management of investments to a Financial Expert, but only on terms that:
4.15.1 the Company's investment policy is set down in writing by the Directors for the Financial Expert;

4.15.2 all transactions are reported regularly to the Directors;

4.15.3 investment performance is reviewed regularly with the Directors;

4.15.4 the delegation arrangement may be cancelled by the Directors at any time;

4.15.5 a review of the investment policy and the delegation arrangement shall be carried out at least annually;

4.15.6 all payments due to the Financial Expert fall within a scale or a level which is agreed in advance and are notified promptly to the Directors on receipt; and

4.15.7 the Financial Expert must not do anything outside the powers of the Company;

4.16 arrange for the investments or other property of the Company to be held in the name of a nominee (meaning a corporate body registered or having an established place of business in the United Kingdom) which is either under the control of the Directors or of a Financial Expert acting on their instructions, and to pay any reasonable fee required;

4.17 co-operate with other bodies and to exchange information and advice with them;

4.18 establish or support or aid in the establishment and support of any organisation formed for objects similar to any or all of the Objects;

4.19 enter into collaborations and partnerships with charitable and non-charitable bodies;

4.20 acquire, amalgamate or merge with, or undertake all or any of the property, liabilities and engagements of any body with objects similar to any or all of the Objects;

4.21 enter into contracts to provide services to or on behalf of other bodies;

4.22 provide or procure the provision of advice;

4.23 publish and distribute books, pamphlets, reports, leaflets, journals, films, tapes, instructional matter and any other form of information in or on any media;

4.24 promote, undertake and commission research, surveys, studies or other work and to disseminate the useful results;

4.25 subject to article 5.2:

4.25.1 employ and remunerate any person or persons as necessary for the proper pursuit of the Objects; and

4.25.2 make reasonable provision for the payment of pensions for employees and their dependents;

4.26 take out such insurance policies as are necessary to protect the Company;

4.27 provide indemnity insurance for the Directors or any other officer of the Company in accordance with and subject to the conditions in section 189 of the Charities Act;

4.28 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
4.29 alone or with other organisations, seek to influence public opinion and make representations
to and seek to influence governmental and other bodies and institutions regarding the
reform, development and implementation of appropriate policies, legislation and regulations,
provided that all such activities are confined to those permitted by law;

4.30 organise and assist in the provision of conferences, courses of instruction, exhibitions,
lectures and other educational activities;

4.31 provide and assist in the provision of money, materials or other aid;

4.32 act as trustee and to undertake and execute charitable trusts;

4.33 pay out of the funds of the Company the costs incurred in connection with the formation
and registration of the Company as a company and as a charity; and

4.34 do anything lawful which is calculated to further the Objects or is conducive or incidental to
doing so.

5. APPLICATION OF INCOME AND PROPERTY

5.1 The income and property of the Company shall only be applied to promote the Objects.

5.2 Except as provided below, no part of the income or property of the Company may be paid or
transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to
any Member of the Company. This shall not prevent any payment in good faith by the
Company of:

5.2.1 a benefit to any Member in the capacity of a beneficiary of the Company;

5.2.2 reasonable and proper remuneration to any Member for any goods or services
supplied to the Company, provided that article 6 applies if such a Member is a
Director;

5.2.3 interest on money lent by a Member to the Company at a reasonable and proper
rate;

5.2.4 reasonable and proper rent for premises demised or let by a Member to the
Company; and

5.2.5 any payment to a Member who is also a Director which is permitted under article
6.

6. BENEFITS AND PAYMENTS TO DIRECTORS AND CONNECTED PERSONS

6.1 A Director:

6.1.1 is entitled to be reimbursed reasonable out-of-pocket expenses properly incurred
when acting on behalf of the Company;

6.1.2 may benefit from trustee indemnity insurance purchased by the Company in
accordance with section 189 of the Charities Act;

6.1.3 may receive payment under an Indemnity from the Company in the circumstances
set out in article 37;

6.1.4 may not receive any other benefit or payment from the Company unless it is
authorised by this article 6.
6.2 Unless the benefit or payment is permitted under article 6.3 or article 6.5, no Director (including a Member who is also a Director) or Connected Person may:

6.2.1 buy any goods or services from the Company on terms preferential to those applicable to members of the public;

6.2.2 sell goods, services, or any interest in land to the Company;

6.2.3 receive any remuneration from the Company;

6.2.4 be employed by the Company, save that the Chief Executive Officer, to the extent they are a Director, may be employed by the Company provided that their employment and/or remuneration is/are subject to the procedure and conditions in article 6.7; or

6.2.5 receive any other financial benefit from the Company.

6.3 A Director or a Connected Person may:

6.3.1 receive a benefit from the Company in the capacity of a beneficiary of the Company provided that a majority of the Directors do not benefit in this way;

6.3.2 enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Company where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act;

6.3.3 subject to article 6.4, enter into a contract for the supply of goods to the Company that are not supplied in connection with services provided to the Company by the Director or Connected Person;

6.3.4 receive reasonable and proper rent for premises let to the Company;

6.3.5 receive interest at a reasonable and proper rate on money lent to the Company;

6.3.6 take part in the normal trading and fund-raising activities of the Company on the same terms as members of the public; and

6.3.7 receive or retain any payment for which prior written authorisation has been obtained from the Commission.

6.4 The Company and its Directors may only rely on the authority provided by article 5.3.3 if each of the following conditions is satisfied:

6.4.1 the amount or maximum amount of the payment for the goods:

6.4.1.1 is set out in an agreement in writing between the Company and the Director or Connected Person supplying the goods (the Supplier) under which the Supplier is to supply the goods in question to the Company; and

6.4.1.2 does not exceed what is reasonable in the circumstances for the supply of the goods in question;

6.4.2 the other Directors are satisfied that it is in the best interests of the Company to contract with the Supplier rather than someone who is not a Director or Connected Person. In reaching that decision, which must be recorded in the
minutes of the meeting, the Directors must balance the advantages of contracting with a Director against the disadvantages of doing so;

6.4.3 the Supplier:

6.4.3.1 is absent from the part of the meeting at which there is discussion of the proposal to enter into a contract or arrangement with regard to the supply of goods to the Company by them;

6.4.3.2 does not vote on any such matter and is not counted when calculating whether a quorum of Directors is present at the meeting; and

6.4.4 a majority of the Directors then in office are not in receipt of remuneration or payments authorised by article 6.

6.5 Subject to Article 6.6:

6.5.1 a Director (or Directors) on the authority of a Directors’ meeting may be paid an annual fee for acting as a Director of the Company;

6.5.2 and the prior written authorisation of the Commission a Director may be paid an annual fee for acting as a director of a subsidiary of the Company.

6.6 The Company and its Directors may only rely on the authority provided by article 6.5 if each of the following conditions is satisfied:

6.6.1 no Director shall participate in any decision concerning the payment of fees to them or relating to the level of their own fee;

6.6.2 the Directors shall in every case determine that the qualifications of the Director concerned and their particular responsibilities in their capacity as a non-executive Director of the Company are such as to justify payment of a fee;

6.6.3 the fee payable shall be not be more than is reasonable in the circumstances;

6.6.4 in assessing pay increases, the Directors shall be entitled to increase payments to Directors on an annual basis in line with the Consumer Prices Index, but in the event that it assesses that a larger increase is merited it will make an application to seek the consent of the Commission;

6.6.5 a majority of the Directors then in office are not in receipt of remuneration or payments authorised by article 6.

6.7 The Company and its Directors may only rely on the authority provided by article 6.2.4 if each of the following conditions is satisfied:

6.7.1 the Chief Executive Officer declares their employment by the Company as an interest;

6.7.2 the Chief Executive Officer is absent from the part of any meeting at which there is discussion of:

6.7.2.1 their employment, the terms and conditions thereof, or any matter concerning a payment or benefit to them; or

6.7.2.2 their performance as Chief Executive Officer;
6.7.3 the Chief Executive Officer does not vote on any such matter and is not to be counted when calculating whether a quorum of Directors is present at the meeting;

6.7.4 in assessing pay increases, the Directors shall be entitled to increase payments to the Chief Executive Officer provided that the remuneration paid to the Chief Executive Officer does not exceed an amount that is reasonable in the circumstances;

6.7.5 a majority of the Directors then in office are not in receipt of remuneration or payments authorised by article 6.

6.8 In article 6.3, article 6.4, article 6.5 and article 6.7, the "Company" includes any company in which the Company:

6.8.1 holds more than 50% of the shares; or

6.8.2 controls more than 50% of the voting rights attached to the shares; or

6.8.3 has the right to appoint one or more directors to the company.

6.9 A Director's duty under the Act to avoid a conflict of interest with the Company does not apply to any transaction authorised by this article 6.

7. WINDING UP

7.1 On the winding up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remain (the Company's remaining assets) shall not be paid or distributed to the Members but shall be applied or transferred:

7.1.1 directly for one or more of the Objects;

7.1.2 to any charity or charities for purposes similar to the Objects; or

7.1.3 to any charity or charities for particular purposes falling within the Objects.

7.2 The decision on who is to benefit from the Company's remaining assets, pursuant to article 7.1, may be made by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the Directors at or before the time of winding up or dissolution.

7.3 In the event that no resolution is passed by the Members or by the Directors in accordance with this article, the Company's remaining assets shall be applied for charitable purposes as directed by the court or the Charity Commission.

8. 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 its being wound up while they are a Member or within one year after they cease to be a Member, for:

8.1 payment of the Company’s debts and liabilities contracted before they cease to be a Member,

8.2 payment of the costs, charges and expenses of the winding up, and

8.3 adjustment of the rights of the contributories among themselves.
9. **MEMBERS**

9.1 The Directors from time to time shall be the only Members. A Director shall become a Member on becoming a Director.

9.2 The Company shall maintain a register of Members and any person ceasing to be a Member shall be removed from the register.

9.3 Membership is not transferable.

10. **TERMINATION OF MEMBERSHIP**

A Member shall cease to be a Member if they:

10.1 cease to be a Director; or

10.2 die.

11. **GENERAL MEETINGS OF MEMBERS**

11.1 The Directors may call a general meeting of the Members at any time and such a meeting shall be held in accordance with the Act.

11.2 The Company may but need not hold an annual general meeting in any year.

11.3 General meetings shall be called on notice in accordance with the Act and proceedings at a general meeting shall not be invalidated because a person entitled to receive notice of the meeting did not receive it due to an accidental omission by the Company.

11.4 No business shall be transacted at any general meeting unless a quorum is present. A quorum at a general meeting is 70% of the Members who are present in person or by proxy or through their duly authorised representatives and who are entitled to vote on the business to be conducted at the meeting and where 70% does not produce a whole number the quorum shall be the next higher whole number.

11.5 A Member is entitled to appoint another person as their proxy, in accordance with the Act, to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company.

11.6 The chair of Directors shall chair general meetings of the Company or, if they are absent, the vice-chair of Directors shall act as chair. If neither the chair nor the vice-chair of Directors is present within 15 minutes of the time appointed for the meeting, a Director elected by the Directors present shall chair the meeting.

11.7 A vote on a resolution proposed at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded.

11.8 On a show of hands or on a poll, every Member, whether an individual or an organisation, shall have one vote.

11.9 Any objection to the qualification of any voter must be raised 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 such objection must be referred to the chair of the meeting whose decision is final.
11.10 Unless a poll is demanded, the declaration of the chair of the result of the vote and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact and the number or proportion of votes cast in favour or against need not be recorded.

12. **WRITTEN RESOLUTIONS**

12.1 Subject to article 12.4, a written resolution of the Members passed in accordance with this article 12 shall have effect as if passed by the Members in a general meeting. A written resolution is passed:

12.1.1 as an ordinary resolution if it is passed by a simple majority of the eligible Members; or

12.1.2 as a Special Resolution if it is passed by Members representing not less than 75% of the eligible Members. A written resolution is not a Special Resolution unless it states that it was proposed as a Special Resolution.

12.2 Where a resolution is proposed as a written resolution of the Company, the eligible Members are the Members who would have been entitled to vote on the resolution on the Circulation Date of the resolution.

12.3 Any resolution of the Members for which the Act does not specify whether it is to be passed as an ordinary resolution or as a Special Resolution, shall be passed as an ordinary resolution.

12.4 A Members' resolution under the Act removing a Director or an auditor before the expiration of their term of office may not be passed as a written resolution.

12.5 A copy of the written resolution must be sent to every Member together with a statement informing the Member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse.

12.6 A Member signifies their agreement to a proposed written resolution when the Company receives from them (or from someone acting on their behalf) an authenticated document identifying the resolution to which it relates and indicating the Member's agreement to the resolution. A Member's agreement to a proposed written resolution, once signified, cannot be revoked. For these purposes:

12.6.1 if the document is sent to the Company in hard copy form, it is authenticated if it bears the signature of the person sending it;

12.6.2 if the document is sent to the Company in electronic form, it is authenticated if the identity of the sender is confirmed in a manner specified by the Company or, where no such manner has been specified by the Company, if it is accompanied by a statement of the identity of the sender and the Company has no reason to doubt the truth of that statement.

12.7 A written resolution is passed when the required majority of eligible Members have signified their agreement to it.

12.8 A proposed written resolution shall lapse if it is not passed within 28 days beginning with the Circulation Date.

12.9 Communications in relation to written resolutions shall be sent to the Company's auditors in accordance with the Act.
12.10 The Members may require the Company to circulate a resolution that may properly be moved and is proposed to be moved as a written resolution in accordance with sections 292 and 293 of the Act.

13. DIRECTORS

13.1 The number of Directors shall not be subject to any maximum but shall not be less than four.

13.2 The first Directors shall be those persons whose names are notified to Companies House as the first Directors on incorporation.

14. NO ALTERNATE DIRECTORS

A Director may not appoint an alternate director or anyone to act on their behalf at meetings of the Directors.

15. POWERS OF DIRECTORS

15.1 Subject to the provisions of the Act, the Articles and any Special Resolution, the Directors shall be responsible for the management of the Company’s business and may exercise all the powers of the Company for that purpose.

15.2 No alteration of the Articles or any Special Resolution shall invalidate any prior act of the Directors.

15.3 A meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Directors.

16. APPOINTMENT OF DIRECTORS

Any person who is willing to act as a Director (including the Chief Executive Officer provided that they agree to act as a Director), and who is permitted by law to do so, may be appointed to be a Director by resolution of the Directors.

17. RETIREMENT OF DIRECTORS

17.1 The first Directors shall hold office for such terms as are set by the Directors at the Company’s first board meeting (with the exception of any post which is held ex officio) and shall retire at the end of such terms.

17.2 Any other Director shall be appointed for a term of three years, at the end of which they shall retire, save that this time limit shall not apply to any post which is held ex officio.

17.3 Subject to article 17.4, a Director shall be eligible for reappointment by the Directors for up to a further two terms, each of three years.

17.4 No Director shall serve for more than nine consecutive years, unless the Directors consider it would be in the best interests of the Company for a particular Director to continue to serve beyond that period and that Director is reappointed in accordance with the Articles save that this time limit shall not apply to any post which is held ex officio.

18. DISQUALIFICATION AND REMOVAL OF DIRECTORS

A Director shall cease to hold office if they:

18.1 in the case of the Chief Executive Officer resign, are removed from that role or for any other reason cease to continue in that role;
are removed by an ordinary resolution of the Company pursuant to the Act;

cease to be a Director by virtue of any provision in the Act or are prohibited by law from being a Director;

are disqualified from acting as a charity trustee by virtue of the Charities Act;

cease to be a Member of the Company;

have a bankruptcy order made against them or a composition is made with their creditors generally in satisfaction of their debts;

in the written opinion of a registered medical practitioner who is treating the Director, have become physically or mentally incapable of acting as a director and may remain so for more than three months;

resign by written notice to the Company, provided that at least three Directors will remain in office once the resignation takes effect;

are absent from all the meetings of the Directors held within a period of six consecutive months, without the permission of the Directors, and the Directors resolve that their office be vacated; or

are removed from office by a resolution of the Directors that it is in the best interests of the Company that their office be vacated passed at a meeting at which at least half of the Directors are present. Such a resolution must not be passed unless:

18.10.1 the Director has been given at least 14 Clear Days' notice in writing of the meeting of the Directors at which the resolution will be proposed and the reasons why it will be proposed; and

18.10.2 the Director has been given a reasonable opportunity to make representations to the meeting either in person or in writing. The other Directors must consider any representations made by the Director (or the Director's representative) and inform the Director of their decision following such consideration. There shall be no right of appeal from a decision of the Directors to terminate the directorship of a Director.

19. **PROCEEDINGS OF DIRECTORS**

19.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit.

19.2 The Directors shall hold at least three Physical Directors’ Meetings a year.

19.3 Acts done by a meeting of the Directors or of a committee or by a person acting as a Director shall not be invalidated by the subsequent realisation that:

19.3.1 the appointment of any such Director or person acting as a Director was defective; or

19.3.2 any or all of them were disqualified; or

19.3.3 any or all of them were not entitled to vote on the matter.
20. **CALLING A DIRECTORS' MEETING**

20.1 Any Director may call a meeting of the Directors by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.

20.2 Notice of a meeting of the Directors must be given to each Director, but need not be in writing. The notice must specify:

20.2.1 the time, date and place of the meeting;

20.2.2 the general particulars of the business to be considered at the meeting; and

20.2.3 if it is anticipated that the 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.

21. **PARTICIPATION IN DIRECTORS' MEETINGS**

21.1 Subject to Article 19.2 any Director may participate in a meeting of the Directors in person or by means of video conference, telephone or any suitable electronic means agreed by the Directors and by which all those participating in the meeting are able to communicate with all other participants.

21.2 Subject to Article 19.2 if all the Directors participating in the 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.

22. **QUORUM FOR DIRECTORS' MEETINGS**

22.1 A quorum at a meeting of the Directors is 50% of the Directors and where 50% does not produce a whole number the quorum shall be the next higher whole number.

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

22.3 If the total number of Directors for the time being is less than the quorum required for decision-making by the Directors, the Directors shall not take any decision other than a decision to appoint further Directors.

23. **CHAIR AND VICE-CHAIR**

23.1 The Directors shall appoint one of their number as chair of Directors and may determine the length of term for which the chair of Directors is to serve in that office, although that term may be renewed or extended. On the same basis, the Directors may also appoint one of their number as vice-chair of Directors.

23.2 If at any meeting of the Directors neither the chair nor vice-chair of Directors, if any, is participating in the meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair the meeting.

23.3 Neither the chair nor the vice-chair shall be an employee of the Company.

24. **DECISION-MAKING BY DIRECTORS**

24.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 25.
24.2 Each Director has one vote on each matter to be decided, except for the chair of the meeting who, in the event of an equality of votes, shall have a second or casting vote (unless, in accordance with the Articles, the chair of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes).

25. **UNANIMOUS DECISIONS BY DIRECTORS**

25.1 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.

25.2 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.

25.3 References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.

25.4 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.

26. **DELEGATION BY DIRECTORS**

26.1 The Directors may delegate, on such terms of reference as they think fit, any of their powers or functions to any committee comprising two or more Directors.

26.2 The Directors may delegate the implementation of their decisions or day-to-day management of the affairs of the Company to any person or committee.

26.3 The terms of reference of a committee may include conditions imposed by the Directors, including that:

   26.3.1 the relevant powers are to be exercised exclusively by the committee to whom the Directors delegate; and

   26.3.2 no expenditure or liability may be incurred on behalf of the Company except where approved by the Directors or in accordance with a budget previously agreed by the Directors.

26.4 Persons who are not Directors may be appointed as members of a committee, subject to the approval of the Directors.

26.5 Every committee shall act in accordance with the terms of reference on which powers or functions are delegated to it and, subject to that, committees shall 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.

26.6 The terms of any delegation to a committee shall be recorded in the minute book.

26.7 The Directors may revoke or alter a delegation.

26.8 All acts and proceedings of any committee shall be fully and promptly reported to the Directors.
CONFLICTS OF INTERESTS

27.1 A Director must declare the nature and extent of any interest, direct or indirect, which they have in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

27.2 A Director must absent themselves from any discussions of the Directors in which it is possible that a conflict will arise between their duty to act solely in the interests of the Company and any personal interest (including but not limited to any personal financial interest).

27.3 If a conflict of interests arises for a Director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted Directors may authorise such a conflict of interests where the following conditions apply:

27.3.1 the conflicted Director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person unless they are expressly invited to remain at the meeting to inform debate;

27.3.2 the conflicted Director does not vote on any such matter and is not to be counted when considering whether a quorum of Directors is present at the meeting; and

27.3.3 the unconflicted Directors consider it is in the interests of the Company to authorise the conflict of interests in the circumstances applying.

In this article 27.3 a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a Director or to a Connected Person.

27.4 Where the Directors authorise a conflict of interests pursuant to article 27.3 they can decide the manner in which the conflict of interest may be dealt with which may include providing that the conflicted Director:

27.4.1 can participate in discussions leading to the making of a decision;

27.4.2 be excluded from discussions, and not given documents or information, relating to the conflict of interests;

27.4.3 may disclose information that is confidential to the Company to a third party;

27.4.4 can participate in a vote on the matter and be counted in the quorum;

27.4.5 may refrain from taking any step to remove the conflict of interests.

NERC OBSERVER

28.1 NERC shall be entitled to appoint an observer who may attend such parts of the Directors' meetings as the Directors from time to time determine.

28.2 Subject to article 28.1 the NERC Observer may attend Directors' meetings but shall not be entitled to vote.

28.3 NERC shall appoint, and may remove, the NERC Observer by giving the Company notice in writing.
28.4 The Directors may require NERC to replace the person acting as NERC Observer by giving notice in writing to NERC.

29. **STAKEHOLDER GROUP**

29.1 The Directors may from time to time establish a consultative stakeholders’ group (on such terms as they think fit) which shall consist of representatives of groups and organisations identified by the Directors which have an interest in the activities of the Company.

29.2 The Directors shall consult with the stakeholders’ group from time to time in respect of the activities of the Company.

29.3 A member of the stakeholders’ group shall have no right to attend or vote at any meeting of the Company, unless they are also a member of the Company, nor any meeting of the Directors, unless they are also a Director.

30. **SECRETARY**

30.1 The Directors may appoint any person who is willing to act as the secretary for such term at such remuneration and on such conditions as the Directors think fit. From time to time the Directors may decide to remove such person and to appoint a replacement.

30.2 A secretary who is also a Director may not be remunerated, otherwise than as permitted by these Articles.

31. **TREASURER**

The Directors shall appoint one of their number as Treasurer and may determine the length of term for which the Treasurer is to serve in that office although that term may be reviewed or extended.

32. **SENIOR MANAGEMENT TEAM**

32.1 The Company shall have a senior executive team including the following employees:

32.1.1 the Chief Executive Officer (or the employee holding an equivalent position);

32.1.2 the People and Operations Director (or the employee holding an equivalent position);

32.1.3 the Finance Director (or the employee holding an equivalent position);

32.1.4 the Director(s) of Science (or the employee(s) holding an equivalent position); and

32.1.5 the Director of Impact and Innovation (or the employee holding an equivalent position)

and such other employees (if any) as the Directors shall from time to time determine.

33. **MINUTES**

The Directors shall cause the Company to keep the following records in writing and in permanent form:

33.1 minutes of proceedings at general meetings;
33.2 minutes of meetings of the Directors and of committees of the Directors, including the names of the Directors present at each such meeting;

33.3 copies of resolutions of the Company and of the Directors, including those passed otherwise than at general meetings or at meetings of the Directors; and

33.4 particulars of appointments of officers made by the Directors.

34. **RECORDS AND ACCOUNTS**

34.1 The Directors shall comply with the requirements of the Act and the Charities Act as to maintaining a Members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Charity Commission of:

34.1.1 annual reports;

34.1.2 annual returns; and

34.1.3 annual statements of account.

34.2 Accounting records relating to the Company must be made available for inspection by any Directors at any reasonable time during normal office hours.

34.3 A copy of the Company's latest available statement of account shall be supplied on request to any Director or Member, or to any other person who makes a written request and pays the Company's reasonable costs of fulfilling the request, within two months of such request.

35. **COMMUNICATIONS**

35.1 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 the Act to be sent or supplied by or to the Company.

35.2 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 the Director has asked to be sent or supplied with such notices or documents for the time being.

35.3 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.

36. **IRREGULARITIES**

The proceedings of any meeting or the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including by accidental omission to give or any non-receipt of notice) or want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

37. **INDEMNITY**

37.1 Subject to article 37.2, but without prejudice to any indemnity to which they may otherwise be entitled:
37.1.1 every Director or former director of the Company shall be indemnified out of the assets of the Company in relation to any liability they incur in that capacity; and

37.1.2 every other officer or former officer of the Company may be indemnified out of the assets of the Company in relation to any liability they incur in that capacity.

37.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.