

**THE COMPANIES ACT 1985-1989**

**ARTICLES OF ASSOCIATION**

**of**

**DCUSA LIMITED (the “Company”)**

**(Registered No. 5812381)**

(adopted by Special Resolution passed on 11<sup>th</sup> October 2006)

(adopted by Special Resolution passed on 16<sup>th</sup> March 2022)

**1. Adoption of Table A**

In these articles “Table A” means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of incorporation of the Company. The regulations contained in Table A shall, except where they are excluded or modified by these articles, apply to the Company and, together with these articles, shall constitute the articles of the Company. No other regulations set out in any statute concerning companies, or in any statutory instrument or other subordinate legislation made under any statute, shall apply as the regulations or articles of the Company.

**2. Interpretation**

2.1. Words and expressions which bear particular meanings in Table A shall bear the same meanings in these articles.

2.2. In these articles:

**Act** means the Companies Act 1985 (as amended from time to time).

**Affiliate** means, in respect of any body corporate, a body corporate which is its subsidiary or holding company, or a company which is a subsidiary of that holding company, and each such company.

**Authority** means the Gas and Electricity Markets Authority established by Section 1(1) of the Utilities Act 2000.

**Panel** means the panel appointed pursuant to the DCUSA.

**Panel Members** means the members of the Panel appointed pursuant to the DCUSA.

**DCUSA** means the Distribution Connection and Use of System Agreement designated as such by the Authority (as amended from time to time).

**Party** means a party to the DCUSA (other than the Company).

**Retiring Shareholder** has the meaning given to that expression in Article 10.4.

**Shareholder** means the holder of a share or shares in the Company.

- 2.3. References in these articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form.
- 2.4. Headings are for convenience only and shall not affect construction.
- 2.5. If, and for so long as, the Company has only one member, these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.

### **3. Share Capital**

The authorised share capital of the Company at the date of adoption of this article is £1,000 divided into 1,000 ordinary shares of £1 each.

### **4. Restriction on Share Ownership**

Save with the prior written consent of the directors, no person other than a nominee as referred to in Articles 9.4 and 9.5 shall be the holder of more than one share of the Company at any time.

## **5. Rights Attaching to Shares**

5.1. The Shareholders shall exercise all rights attached to their shares to procure, so far as they are able, that no action shall be taken or resolution passed by the Company in respect of those matters set out in Article 5.2 except pursuant to a decision of the Panel, taken in accordance with the provisions of the DCUSA. The right to vote on the matters set out in Article 5.2 shall constitute rights attaching to the Shares.

5.2. The matters referred to in Article 5.1 are:

5.2.1 the acquisition or disposal by the Company of any share capital or other securities of any person;

5.2.2 the reduction of the Company's share capital, any variation of the rights attaching to any class of shares in its capital, or any redemption, purchase or other acquisition by the Company of any shares or other securities of the Company;

5.2.3 the making of decisions relating to material contracts to which the Company is a party;

5.2.4 the making by the Company of a material claim, disclaimer, surrender, election or consent for tax purposes;

5.2.5 the incurring of costs in respect of any period which are not envisaged by a budget drawn up and approved pursuant to clause 8 of the DCUSA;

5.2.6 the making of any contract or guarantee with a member or an Affiliate of a Shareholder;

5.2.7 the making of any contract of a material nature;

5.2.8 the obtaining by the Company of finance from a third-party lender;

- 5.2.9 the making of any change to the Company's Memorandum of Association or these articles;
- 5.2.10 the presentation of any petition for the winding-up of the Company or the making of any application for an administration order in relation to the Company or for the appointment of an administrator or receiver of the Company;
- 5.2.11 the commencement, settlement or defence of any litigation, arbitration or other proceedings brought by or against the Company for an amount of more than £25,000;
- 5.2.12 the increase of the amount of debt with a maturity greater than three months owed by the Company; and
- 5.2.13 the entering into of an agreement of a type or length which is unusual in the context of the business of the Company.
- 5.3. Each Shareholder shall be entitled to dividends in respect of its share calculated in the same proportions as would be used to calculate that Shareholder's cost contribution in accordance with clause 8 of the DCUSA on the date the dividend is calculated (rather than in proportion to the amounts paid up on the shares). Regulation 104 of Table A shall be modified accordingly.
- 5.4. Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide. Regulation 2 of Table A shall not apply.

## **6. Unissued Shares**

Subject to the provisions of the Act and to these articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may (subject to Article 4) offer, allot, grant options over or otherwise dispose

of them to such persons at such times and for such consideration and upon such terms and conditions as they may determine.

## **7. Initial Authority to Issue Relevant Securities**

Subject to any direction to the contrary which may be given by the Company in general meeting and to Article 4, the directors are unconditionally authorised to exercise all powers of the Company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of incorporation of the Company or such other amount as may from time to time be authorised by the Company in general meeting, The authority conferred on the directors by this article shall remain in force for a period of five years from the date of incorporation of the Company but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act.

## **8. Exclusion of Rights to Offers on a Pre-emptive Basis**

Section 89(1) of the Act shall not apply to the allotment by the Company of any equity security.

## **9. Transfer of Shares**

9.1. The instrument of transfer of a subscriber's share which is not fully paid need not be executed by or on behalf of the transferee. Regulation 23 of Table A shall be modified accordingly.

9.2. Otherwise than in accordance with Articles 9.3 and 9.4, no Shareholder shall:

9.2.1 pledge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in its shares;  
or

(a) sell, transfer or otherwise dispose of any of such shares (or any legal or beneficial interest therein); or

- 9.2.2 enter into any agreement in respect of the votes attached to shares; or
- 9.2.3 agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing.
- 9.3. A member may transfer its share to an Affiliate in circumstances where such Affiliate becomes a Party at the same time as such member ceases to be a Party.
- 9.4. If any Shareholder ceases to be a Party for any reason (the **Retiring Shareholder**), then upon written notice to the Retiring Shareholder by any other Shareholder, the Retiring Shareholder shall transfer at par to a nominee for all the Shareholders (other than the Retiring Shareholder) selected by the directors the Share held by the Retiring Shareholder. All costs and expenses of such transfer shall be for the account of the Retiring Shareholder.
- 9.5. If a Retiring Shareholder shall fail or refuse to transfer any Shares in accordance with its obligations under Article 9.4, the directors may authorise the Company to execute and deliver a transfer from the Retiring Shareholder to a nominee on behalf of the Retiring Shareholder. The Company may accept the consideration for the transfer and hold it on trust for the Retiring Shareholder, which acceptance shall be a good discharge to the nominee and may set off such amount against the costs and expenses of the transfer. The directors shall cause the transferee to be registered as the holder of such shares and following the registration of the transfer the validity of the proceedings shall not be questioned by any person.
- 9.6. The nominee referred to in Articles 9.4 and 9.5 shall hold shares transferred to it until such time as it is directed by the directors to transfer them (or some of them) to one or more parties. For the avoidance of doubt, wherever in these Articles a percentage figure of the number of shares in issue is referred to, this figure shall be calculated as if all shares held by the nominee were not in issue.

## **10. Proceedings at General Meetings**

- 10.1. The quorum at any general meeting shall consist of six Shareholders present in person or by proxy: provided that at least two such Shareholders must be DNO Parties and at least two such Shareholders must be Supplier Parties (where the terms DNO Parties and Supplier Parties have the respective meaning given to them in the DCUSA). Regulation 40 of Table A shall be modified accordingly.
- 10.2. If, and for so long as, the Company has only one member, that member or the proxy for that member or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the Company or of the holders of any class of shares. Regulation 40 of Table A shall be modified accordingly.
- 10.3. The chairperson at any general meeting shall not be entitled to a second or casting vote. Regulation 50 of Table A shall not apply.
- 10.4. In the case of a corporation, a resolution in writing may be signed on its behalf by a director or the secretary of the corporation or by its duly appointed attorney or duly authorised representative. Regulation 53 of Table A shall be extended accordingly.

## **11. Votes of Members**

At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy for any member (regardless of the number or the holdings of the members for whom that member is a proxy) shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which that member is the holder. Regulation 54 of Table A shall not apply.

**12. Delivery of Proxies**

The instrument appointing a proxy shall be in writing from a duly authorised representative of the member. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be delivered to the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting of the members, not less than 24 hours before the time appointed for the meeting or adjourned meeting at which the person named in the instrument proposes to act or in the case of a poll taken subsequently to the date of the meeting or the adjourned meeting, before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid. Regulation 62 of Table A shall not apply.

**13. Alternate Directors** Each director shall have as their alternate for the purposes of these Articles the Alternate allocated to them pursuant to clause 6 of the DCUSA. Regulation 65 of Table A shall not apply.

**14. Delegation of Directors' Powers**

The Directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such person or persons (whether directors or not) as they may resolve. Any such committee shall exercise only powers expressly delegated to it and shall comply with any regulations imposed on it by the directors. Regulation 72 of Table A shall be modified accordingly and references in Table A to a committee of Directors or to a Director as a member of such a committee shall include a committee established under this article or such person or persons.

**15. No Age Limit or Share Qualification**

No Director shall be required to retire or vacate their office, and no person shall be ineligible for appointment as a director, by reason of

having attained any particular age. No shareholding qualification for directors shall be required.

**16. Exclusion of Rotation Requirements and Other Provisions**

The Directors shall be the Panel Members from time to time. Regulations 73 to 80 (inclusive) and the last sentence of Regulation 84 of Table A shall not apply.

**17. Disqualification and Removal of Directors**

The office of a Director shall be vacated if the Director ceases to be a Panel Member. Regulation 81 of Table A shall not apply.

**18. Directors' Gratuities and Pensions**

Regulation 87 of Table A shall not apply.

**19. Notice and Conduct of Board Meetings**

Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to them personally or sent in writing to the director them at the director's last known address or any other address given by the director to the Company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively. All resolutions of the board shall be made by unanimous vote of the Directors present or participating by conference telephone. In the case of an equality of votes, the chairperson shall not have a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

**20. Quorum for Board Meetings**

The quorum for meetings of the board shall be constituted by the attendance of four Directors, at least one of whom must have been elected as a Panel Member by the DNO Parties and at least one of whom must have been elected as a Panel Member by the Supplier

Parties (where the terms DNO Parties and Supplier Parties have the respective meaning given to them in the DCUSA). Directors can attend in person, by means of their alternate or by way of conference telephone or video call throughout such meeting. Regulation 89 of Table A shall not apply.

**21. Participation in Board Meetings by Telephone**

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or video call provided that participants acknowledge that they can speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairperson of the meeting is then situated.

**22. Resolution in Writing**

A resolution in writing executed by all the directors or by all the members of a committee for the time being shall be as valid and effective as a resolution passed unanimously at a meeting of the board or, as the case may be, of the committee properly convened and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned. A resolution signed by an alternate director need not also be signed by the director to whom they are appointed and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Regulation 93 of Table A shall not apply.

**23. Directors May Vote When Interested**

A director who to their knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of the interest at a meeting of the

directors in accordance with the Act. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which the director is interested and, if the director does so, that director's vote shall be counted and the director shall be taken into account in ascertaining whether a quorum is present. Regulations 94 and 95 of Table A shall not apply.

**24. Official Seal**

The company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

**25. Notices**

Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by post addressed to the member at that member's registered address or by fax or telex to a number provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall not apply.

**26. Time of Service**

Any notice or other document, if sent by the Company by post, shall be deemed to have been served or delivered 48 hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left by the company at a registered address otherwise than by post, or sent by fax or telex or other instantaneous means of transmission, shall be deemed to have been

served or delivered when it was so left or sent. Regulation 115 of Table  
A shall not apply.