



19 April 2010

Water UK
(A company limited by guarantee)

Notice of meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Water UK, 1 Queen Annes Gate, London, SW1H 9BT on Friday 21 May 2010 at 1pm for the following purpose:

1. To adopt new Articles of Association.

By order of the Council

Graham Saul

Company Secretary

SATURDAY



A12 30/10/2010 235
COMPANIES HOUSE

Minutes of Water UK's EGM Meeting

Time	1-00pm
Date	Friday 21 May 2010
Venue	Water UK, 1 Queen Anne's Gate
Present	Peter Antolik, Thames Water Richard Bienfait, Veolia Water Central Paul Butler, South East Water Roger Harrington, Bournemouth & West Hants. Water Colin Harley, Southern Water Jonathan Hodgkin, Yorkshire Water Ceri Jones, Northumbrian Water Stephen Kay, Cambridge Water Chris Loughlin, South West Water Peter Perry, Dwr Cymru (on behalf of Chris Jones) Neville Smith, Portsmouth Water (on behalf of Nick Roadnight) Jean Spencer, Anglian Water Matthew Wright, United Utilities
Apologies	Anthony Ferrar, Sutton & East Surrey Water Richard Ackroyd, Scottish Water Jack Carnell, South Staffs. Water David Elliot, Wessex Water Laurence McKenzie, NI Water Tony Wray, Severn Trent Water Alan Parsons, Bristol Water David Guest, Dee Valley Water Nevil Muncaster, Veolia Water East
Water UK	Pamela Taylor Barrie Clarke Jim Marshall Graham Saul Dawn Waterman Richard Venters

Item	Agenda item	Reference
	To adopt new Articles of Association	
<p>The Chief Executive gave a verbal summary of the main changes in the new Articles. The new Articles had previously been distributed and discussed with all members. The new Articles of Association were adopted following an unanimous vote</p>		



G SAUL

COMPANY SECRETARY

DATED 21 MAY 2010

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

**THE COMPANIES ACT 2006
Articles of Association
of
WATER UK**

**Company No: 0353960
Incorporated: 27/03/1998**

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION OF WATER UK

1. INTERPRETATION

1 1 In these Articles the following terms shall have the following meanings

"Act"	means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Association,
"Articles"	means these Articles of Association from time to time in force,
"Association"	means Water UK,
"Byelaws"	means the bylaws of the Association from time to time made under Article 14 1 2 below,
"Board"	means the board of directors of the Association constituted in accordance with the Articles,
"Chair"	means the individual from time to time appointed as chairman of the Association under Article 13,
"Chief Executive"	means the individual from time to time appointed as chief executive officer of the Association under Article 12,
"clear days"	in relation to the period of a notice means the period excluding the day when the notice is given or deemed to be given, and the day for which it is given or on which it is to take effect,
"Conflict"	has the meaning set out in Article 20 1,
"Council"	means the body of individuals appointed by Members of the Association from time to time in accordance with Article 15,
"Council Member"	has the meaning set out in Article 15 1,
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form,
"electronic form"	has the meaning given in section 1168 of the Companies Act 2006,
"electronic means"	means any means of electronic equipment for processing storage and transmission of data as defined in section 1168 of the Companies Act 2006,
"Eligible Director"	means a director who would be entitled to vote on a matter at a meeting of the Board (but excluding any director whose vote is not to be counted in relation to a

	particular matter),
"employee"	means a person who shall have a contract of employment with the Association whether on a full or part-time basis,
"Full Member"	means a member of the Association as described in Article 5 1 1,
"Interested Director"	has the meaning given in Article 20 1,
"Industry"	means the the provision of Water Services and/or Sewerage Services in the United Kingdom,"
"Specified Members"	means each of Anglian Water Services Limited, Dwr Cymru Cyfyngedig, Northumbrian Water Limited, Severn Trent Water Limited, South West Water Limited, Southern Water Services Limited, Thames Water Utilities Limited, United Utilities plc, Wessex Water Services Limited, Yorkshire Water Services Limited and Scottish Water,
"Member"	means a Full Member or Public Authority Member of the Association,
"Permitted Group"	means in relation to a company (wherever incorporated), any wholly-owned Subsidiary of that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company, and each company in a Permitted Group is a member of the Permitted Group Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time,
"Public Authority Member"	means a Member of the Association as described in Article 5 1 2 below,
"Office"	means the registered office of the Association,
"Secretary"	means any person appointed to perform the duties of the Secretary of the Association,
"Sewerage Services"	means the carrying out of all or any of the following functions <ul style="list-style-type: none"> (a) draining directly or indirectly any premises of any other person to any drainage, treatment or disposal system, (b) arrangements with any other person for the drainage from any premises to be discharged

into, conveyed by means of, or taken out of, any drainage, treatment or disposal system,

- (c) measuring, monitoring or controlling the quantity or composition of any drainage being drained directly or indirectly from any premises of any other person, at those premises, or at any point on a drainage, treatment or disposal system, when related to any of the above functions, and
- (d) the operation of any part of any drainage, treatment or disposal system used for any of the above purposes,

"Subscriptions"	means the subscriptions payable to the Association as may from time to time be determined in accordance with Article 15,
"Subscription Formula"	means the subscription formula determined by the Board from time to time,
"Subsidiary"	means in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time shall apply to the company as it is at that time,
"United Kingdom"	means Great Britain and Northern Ireland,
"Water Company"	shall mean a company (however incorporated) engaged in the Industry,
"Water Services"	means the carrying out of all or any of the following functions <ul style="list-style-type: none"> (a) the abstraction, impoundment or treatment of water for the purpose of supplying it to any other person by any of the following means, (b) conveying water through pipes to any premises of, or to a water supply system operated by, any other person, (c) supplying to any premises of any other person water which has been conveyed to those premises by pipes, (d) arrangements with any other person for water to be introduced into, conveyed by means of, or

taken out of, any water supply system,

- (e) measuring, monitoring or controlling the quantity or composition of any water being supplied to any, premises of any other person, at those premises, or at any point on the water supply system, when related to any of the above functions, and
- (f) the operation of any part of a water supply system used for any of the above purposes

"writing" means the representation or reproduction of words, symbols or other information in visible form by a method or combination of methods, whether sent or supplied in electronic form or otherwise

1 1 In these Articles, the reference to the the Competition Act 1998 shall be construed as a reference to it as amended and re-enacted, or as its application is modified by other provisions, whether before or after the date of these Articles

1 2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Companies Act 2006 as in force at the date at which these Articles become binding on the Association

1 3 Words importing gender shall mean and include any other gender and words importing persons shall include corporations and natural persons

2. LIMITATION OF LIABILITY

The liability of Members is limited

3. GUARANTEE

3 1 Every Member of the Association undertakes to contribute such amount as may be required (not exceeding £1 00) to the Association's assets if it should be wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the Association's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves

4. WINDING UP

If upon the winding-up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Association, but shall be given or transferred to some other institution or institutions not carrying on business for profit and having similar activities to the Association, to be determined by the Association in General Meeting at or before the time of dissolution, and if insofar as effect cannot be given to the aforesaid provision, then to some institution or company determined by the Board

5. MEMBERS

5 1 There shall be two classes of membership of the Association -

5 1 1 Full Members who shall be -

- 5 1 1 1 the existing members of the Association listed in the Schedule below, and
- 5 1 1 2 such other persons providing any Water Services or Sewerage Services in the United Kingdom as are in the opinion of the Board suitable to be full members of the Association,
- 5 1 2 Public Authority Members who shall be government or statutory authorities providing any Water Services or Sewerage Services in the United Kingdom
- 5 2 In deciding whether to admit any person to membership of the Association, the Board shall have regard to the provisions of the Competition Act 1998
- 5 3 Every person admitted to membership of the Association shall either sign a written consent to become a member or sign the register of members
- 5 4 Any person who is a Member or is admitted to membership under article 5 1 above shall be entitled to remain a Member for so long as he –
 - 5 4 1 provides any Water Services or Sewerage Services in the United Kingdom,
 - 5 4 2 observes and complies with –
 - 5 4 2 1 these Articles of Association and any Byelaws of the Association, and
 - 5 4 2 2 all resolutions of the Association and the Board from time to time in force, and
 - 5 4 3 pays to the Association all Subscriptions
- 5 5 On any qualifying person applying to the Secretary to become a Member and agreeing in writing to the terms set out in article 5 4 above, the Secretary shall place the application before the next meeting of the Board
- 5 6 If the Board is satisfied that the applicant is suitable for membership of the Association, it may admit that person as a Member and authorise the Secretary to enter his name in the books of the Association
- 5 7 If the Board is not satisfied that the applicant is suitable for membership of the Association and therefore does not approve the admission of the applicant as a Member, it shall provide such applicant with its reasons in writing
- 6. MEMBERS - GENERAL**
 - 6 1 Every Member shall belong to only one class of membership
 - 6 2 A Member may at any time withdraw from membership by giving at least 21 working days notice to the Association
 - 6 3 Membership shall not be transferable save in the event of a solvent amalgamation or reconstruction of a Member, in which case membership shall be transferable, provided and so long as the successor complies with all the relevant requirements for membership

- 6 4 The Board may determine that all or any of a Member's rights of membership shall cease while any Subscription or other monies payable by the Member to the Association are in arrears
- 6 5 Any Member ceasing to be a Member shall not have any claim upon or interest in the funds of the Association, but this Article shall be without prejudice to rights of the Association to any arrears and/or other monies due from the Member
- 6 6 If a Member withdraws from membership under Article 6 2, or is expelled from membership under Article 7 1, such Member shall (notwithstanding that he ceases to be a Member) be liable to pay and shall pay to the Association the whole of the Subscription for
- 6 6 1 the financial year of withdrawal or expulsion, and
- 6 6 2 the financial year following the financial year of withdrawal or expulsion, provided that if the rate of Subscription for such following year has not been set at the date of withdrawal or expulsion, the rate in force for the year of withdrawal or expulsion will apply

7. EXPULSION FROM MEMBERSHIP

- 7 1 If a Member is guilty of any act, practice or conduct which brings the Association into disrepute, or ceases to be in compliance with any relevant requirement of Article 5, then the Board may expel such Member from the Association, and all monies paid by the Member to the Association shall remain the property of the Association, but without prejudice to the right of the Association to recover from such Member any monies that may from time to time be due from such Member to the Association, including any monies due under Article 6 6 above. The Board may in place of expulsion substitute such lower penalty as it may think fit including (but not limited to) warning, reprimand, or suspension for a limited period
- 7 2 If the Board expels, or imposes some other penalty, on a Member, it shall provide that member with its reasons in writing
- 7 3 A Member shall cease to be entitled to membership if he
- 7 3 1 ceases to be in compliance with any relevant requirement under Article 5 above,
- 7 3 2 is expelled under Article 7 1 above,
- 7 3 3 withdraws from membership in accordance with Article 6 2 above,
- 7 3 4 fails to pay any Subscription within one month of being called upon by the Secretary to do so,
- 7 3 5 is guilty of any act, practice or conduct which brings the Association into disrepute,
- 7 3 6 enters into liquidation or receivership for any purpose other than solvent amalgamation or reconstruction, or has a receiving order made against him
- 7 4 The Board may at any time request any Member to provide it with evidence that he remains eligible to participate in the Association under Article 5 4 above

8. APPEALS

8 1 If

8 1 1 any applicant is refused full or public authority membership of the Association by the Board under Article 5 7 above,

8 1 2 any Full or Public Authority Member is expelled from the Association, or has some other penalty imposed on him, by the Board under Article 7 1 above, or

8 1 3 any other related dispute arises under these Articles,

that applicant or Member may appeal by giving written notice to the Secretary within ten working days from the sending of the notice of the refusal, expulsion or other related decision

8 2 Within ten working days of receipt of such appeal, the Secretary shall arrange with the Chief Executive for the appointment of a panel of between three and five members of the Board to determine the dispute

8 3 Within one calendar month of their appointment, the panel referred to in Article 8 2 (acting as experts and not as arbitrators) shall

8 3 1 ascertain the relevant facts,

8 3 2 seek the views of the appellant, Board and Council, and

8 3 3 determine the dispute by-applying such facts to the relevant provisions of these Articles, taking into account the reasons given by the Board for its decision, and any views expressed by the Council and the appellant

8 4 The panel shall provide the appellant with notice of its determination, together with its reasons in writing for its determination

9. GOVERNANCE

9 1 Subject to these Articles, the Board is responsible for the management of the Association's business, for which purpose they may exercise all the powers of the Association

9 2 The Council shall act as the forum by which Members shall take certain specified actions through their Council Members in accordance with Article 15

9 3 The Members may, by special resolution, direct the Board to take, or refrain from taking, specified action

10. CONSTITUTION OF THE BOARD

10 1 Unless otherwise determined by the Association, the Board shall consist of

10 1 1 the Chief Executive,

10 1 2 subject to Article 10 3, one individual appointed by each of the Specified Members, and

10 1 3 subject to Article 10 3, two individuals appointed by the Council

- 10 2 The Chair shall be elected from amongst the Board members in accordance with Article 13
- 10 3 For the purposes of the appointment referred to in Article 10 1 3, the Council Members appointed by the Specified Members shall not be entitled to vote
- 10 4 Each of the individual appointments referred to in Articles 10 1 2 and 10 1 3 above
- 10 4 1 shall be made by notice in writing to the Secretary signed on behalf of the relevant Member or Council Member (as the case may be), and
- 10 4 2 may be terminated and replaced on not less than 14 days notice in writing to the Secretary
- 10 5 To be eligible for appointment to the Board, an individual appointed under Article 10 1 2 or 10 1 3 must hold the office of "Managing Director" or "Chief Executive Officer" or "Chief Operating Officer", or equivalent of such Member. The Chairman, from time to time shall have absolute discretion to determine whether the post held by an individual to be appointed to the Board is equivalent to the offices listed or not
- 10 6 Subject to the Act, any Board member appointed in accordance with Articles 10 1 2 or 10 1 3 may be removed and replaced by the Specified Member or the Council (as the case may be) who elected such Board member

11. PROCEEDINGS OF THE BOARD

- 11 1 The Board shall meet a minimum of four times in each calendar year
- 11 2 Subject to the provisions of the Articles, the Board may regulate its proceedings as it sees fit. Subject to Article 11 3, questions arising at a Board meeting shall be decided by a majority of votes. In the case of an equality of votes on a proposed resolution, the Chair shall have a second or casting vote
- 11 3 Board members shall not be entitled to vote at Board meetings so long as any moneys are due and payable to the Association by the Member which nominated that Board member pursuant to Article 10 1 2 or 10 1 3 above provided that such moneys are at least one month overdue for payment (whether lawfully demanded or not)
- 11 4 Any Board member may call a Board meeting by giving notice of the meeting to the Board members. Notice of any Board meeting must indicate
- 11 4 1 its proposed date, time and subject matter,
- 11 4 2 where it is to take place, and
- 11 4 3 if it is anticipated that Board members 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
- 11 5 Notice of a Board meeting
- 11 5 1 need not be given in writing, but
- 11 5 2 must be communicated to each board member
- 11 6 In fixing the date and time of any Board meeting, the Board member calling it must try to ensure, subject to the urgency of any matter to be decided by the Board

members, that as many Board members as practicable are likely to be available to participate in it

- 11 7 Notice of a Board meeting need not be given to Board members who waive their entitlement to notice, prospectively or retrospectively Board members are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the company with the information necessary to ensure that they receive the notice before the meeting takes place
- 11 8 The quorum for the transaction of the business of the Board shall be eight Board members
- 11 9 The Board may act notwithstanding any vacancies in its number, but, if the number of Board members is less than the number fixed as the quorum, the continuing Board member or members may act only for the purpose of filling vacancies or of calling a general meeting
- 11 10 If and as long as the position of Chair is vacant, the Board may appoint one of their number to be chair The Chair shall be entitled to preside at all meetings of the Board at which he shall be present, but if at any meeting the Chair is not present within ten minutes after the time appointed for holding the meeting and/or is unwilling to preside, the Board shall choose one of their number to be chair of the meeting
- 11 11 Subject to the Articles, Board members shall be taken to participate in a Board meeting, or part of a Board meeting, when
- 11 11 1 the meeting has been called and takes place in accordance with the Articles, and
- 11 11 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- 11 12 In determining whether a Board member or members are participating in a Board meeting, it is irrelevant where any Board member is or how they communicate with each other
- 11 13 If all the Board members 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
- 11 14 No Board member may appoint any alternate to act in his place at any Board meeting

12. CHIEF EXECUTIVE

- 12 1 The Chief Executive (who need not on appointment be a Board member or Council Member nominated by a Member) shall be appointed by the Board for such time , at such remuneration and upon such conditions as they may think fit
- 12 2 The Chief Executive shall be appointed as a director of the Association and accordingly be a member of the Board
- 12 3 Notwithstanding any of the provisions of these Articles, the Chief Executive shall be entitled to notice of meetings of the Council of Members and shall have the right to attend, speak and vote thereat

13. CHAIR

- 13 1 The Board shall propose a chairman of the Association (from amongst the existing Board members) to the Council who shall either approve and elect such individual, by agreement of 75% of Council Members present in person at a meeting of the Council or request the Board to select an alternative candidate (the "**Second Candidate**")
- 13 2 Should the Second Candidate not be elected by the Council, then the Board shall be required to select a third alternative candidate (the "**Third Candidate**") If the Third Candidate is not elected by the Council then the Council shall be entitled to elect the Chair from amongst the Board members
- 13 3 The Chair shall chair every meeting of the Board, every meeting of the Council and every general meeting of the Association or if he shall not be present within ten minutes after the time appoint for the holding of the relevant meeting, the relevant meeting may elect an alternate chair from among their number for the purpose of that particular meeting
- 13 4 Once ratified or elected by the Council the Chair shall serve for a period of two years and shall be eligible for re-election for a further term of one year only For the avoidance of doubt a chair who has served for two years and then a further term of one year shall not be eligible to be re-elected as Chair
- 13 5 If at any meeting of the Board or the Council of Members the number of votes for and against a proposal are equal, the Chair or other individual chairing the relevant meeting shall have a casting vote
- 13 6 At meetings of the Council the Chair (or other individual chairing the meeting) shall have no vote other than a casting vote in circumstances in which the votes for and against a proposal are equal

14. POWERS/AND PROCEEDINGS OF THE BOARD

- 14 1 The Board may from time to time
- 14 1 1 subject to approval by the Council of Members in accordance with Article 15 11, determine the annual Subscriptions payable by the Members which shall be non-discriminatory and in accordance with the Subscription Formula as determined under Article 15 11 2,
- 14 1 2 make, alter and repeal all Byelaws of the Association as they may deem necessary or expedient or convenient for the proper conduct and management of the Association The Board shall adopt such means as they shall deem sufficient to bring to the notice of the Members all Byelaws and all alterations and repeals thereto, and all such Byelaws , so long as they are in force, shall be binding upon all such Members, provided always that no Byelaws shall be inconsistent with or shall affect or repeal anything contained in these Articles or constitute such an amendment of or addition to these Articles as could only lawfully be made by the Members in general meeting
- 14 2 The Board shall have power to recommend to the Council that any payment which a Member has agreed to pay to the Association should form part of that Member's Subscription
- 14 3 The Board may appoint one or more committees for the purpose of making an inquiry or supervising or performing any function or duty which in the opinion of the Board

would be more conveniently undertaken or carried out by a committee, provided that any decisions of such committees shall be fully and promptly reported to the Board

14 4 The Board may delegate any of its powers exclusively or collaterally to -

- (a) a committee consisting of two or more Council Members, and may also from time to time appoint one or more individuals (not being Council Members) to act as co-opted members of such committees,
- (b) the Chief Executive or any Board member holding any other executive office as they consider desirable to be exercised by that individual,

on such terms and conditions as it may from time to time consider appropriate

14 5 The Board may also from time to time form or authorise the formation of one or more committees (whose members need not be Board or Council Members) on such terms relating to their composition, terms of reference and proceedings as it sees fit

14 6 In accordance with the Byelaws, Council committees and the Chief Executive may from time to time form one or more committees (whose members need not be Board or Council Members) on such terms relating to their composition, terms of reference and proceedings as they see fit

14 7 Without prejudice to the general power contained in Article 14 1 2, the Board shall make Byelaws concerning the constitution and terms of reference of any committees to be formed under Articles 14 4, 14 5 and 14 6 above

14 8 All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a member of the Board shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any member of the Board or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a board member and had been entitled to vote

14 9 A resolution in writing signed by all Board members entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more members of the Board

15. COUNCIL OF MEMBERS

15 1 Until otherwise determined by a general meeting, each Full Member and each Public Authority Member shall be entitled to nominate (in writing) one representative to serve on the Council ("**Council Member**")

15 2 To be eligible for appointment to the Council, an individual must be registered as a director of the Member in question or hold the office of "Managing Director", or equivalent of such Member. The Chairman, from time to time shall have absolute discretion to determine whether the post held by a individual to be appointed to the Council is equivalent to the office of director or managing director as the case may be

15 3 The Member from which the Chair is elected in accordance with Article 13 may, subject to the requirements of Article 15 2 appoint an additional Council Member for the period in which that Chair holds office

- 15 4 Members may, from time to time, rescind any of their appointments and appoint replacements by giving not less than 14 days notice in writing to the Secretary
- 15 5 In the event that a Member who nominated a person to be its representative on the Council nominates another such representative then the representative first nominated shall forthwith cease to be a member of the Council
- 15 6 The Chief Executive of the Association from time to time shall be a member of the Council
- 15 7 A Council Member shall not be entitled to vote at a meeting of the Council so long as any moneys are due and payable to the Association by the Member which nominated him pursuant to Article 15 1 or 15 4 above provided that such moneys are at least one month overdue for payment (whether lawfully demanded or not)
- 15 8 The Council shall meet at least four times a year and when two or more Council Members in writing request a special meeting
- 15 9 Quorum for meetings of the Council shall be ten Council Members [In determining whether a Council Member or Council Members are participating in a meeting of the Council, it is irrelevant where any Council Member is or how they communicate with each other]
- 15 10 Subject to Article 15 11 questions arising at meetings of the Council shall be decided by a majority of votes of those Council Members attending and voting such meetings Each Council Member shall have one vote In the case of an equality of votes on a proposed resolution, the Chair shall have a casting vote
- 15 11 The following matters shall be reserved for determination by the Council
- 15 11 1 the approval of the annual budget of the Association,
 - 15 11 2 the determination of the Subscription Formula from time to time,
 - 15 11 3 the application of the Subscription Formula and the determination of Subscriptions, and
 - 15 11 4 the appointment of the Chair in accordance with Article 13
- 15 12 The ratification or appointment of the Chair shall be decided by a 75% majority of votes of those Council Members attending and voting such meeting
- 16. NOTICE OF GENERAL MEETINGS**
- 16 1 All general meetings shall be called by at least fourteen clear days' notice in writing provided that a general meeting may be called by shorter notice if it is so agreed by a majority of the Members having a right to attend and vote at the meeting, being a majority together representing not less than ninety per cent of the total voting rights at that meeting of all the Members
- 16 2 The Board may whenever it thinks fit convene a general meeting and general meetings shall also be convened if requisitioned by Members (acting through the Council of Members) as provided by the Act The Association shall not be required to hold an annual general meeting at which the report and accounts are laid before the Members
- 16 3 The notice shall specify the place, the day and the hour of meeting, the general nature of the business to be transacted Notice shall be given to such persons as

are, under the Articles of the Association, entitled to receive such notices from the Association

16 4 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting

16 5 Notice of every general meeting shall be given in writing either personally or by post addressed to a Member at his registered office or in electronic form using electronic means to an address for the time being notified to the Association by the Member and shall be given to

16 5 1 every Member except those Members who (having no registered address within the United Kingdom) have not supplied to the Association an address within the United Kingdom for giving of notices to them,

16 5 2 each Council Member, and

16 5 3 the reporting accountant or auditor (as appropriate in accordance with the Act) for the time being of the Association

16 6 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given Proof that a notice contained in an electronic form of communication was sent by a record (in whatever form) of the total number of recipients emailed and of each recipient to whom the message was sent shall be conclusive evidence that notice was given A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted, or in the case of a notice contained in an electronic form of communication, at the expiration of 24 hours after the time it was sent In the event that the Secretary is alerted that an electronic form of communication was unsuccessfully delivered to its recipient (and subsequent attempts to remedy the situation are unsuccessful), the Secretary shall send a hard copy of the notice by mail to the recipient's last known postal address

16 7 A Member present through its Council Member in person at any general meeting shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called

17. PROCEEDINGS AT GENERAL MEETINGS

17 1 No business shall be transacted at any general meeting unless a quorum of Members (acting through their appointees to the Council of Members) is present at the time when the meeting proceeds to business Eight voting Members (which for the avoidance of doubt shall include proxy members) who are present in person through their Council Member or proxy shall be a quorum

17 2 Members shall be represented at general meetings by the individuals they appoint to the Council in accordance with Article 14 1 or by a proxy appointed in accordance with Article 19

17 3 The Chief Executive may attend and speak at general meetings whether or not he or she is a member of the Council The Chair of the meeting may permit other persons who are not

17 3 1 Council Members, or

17 3 2 otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting

- 17 4 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. The Chair of the meeting may adjourn a general meeting at which a quorum is present if

17 4 1 the meeting consents to an adjournment, or

17 4 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

- 17 5 The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting

- 17 6 When adjourning a general meeting, the Chair of the meeting must

17 6 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 Board,

17 6 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting

- 17 7 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Association must give at least 7 clear days' notice of it

17 7 1 to the same persons to whom notice of the company's general meetings is required to be given, and

17 7 2 containing the same information which such notice is required to contain

- 17 8 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. If at the adjourned meeting a quorum is not present within half an hour after the appointed starting time, the Members present through their Council Member or proxy will be a quorum

18. VOTES OF MEMBERS

- 18 1 The Board may make arrangements for postal voting at a general meeting on such terms and conditions as it thinks fit

- 18 2 No Member shall be entitled to vote at any general meeting unless all monies presently payable by it to the Association have been paid

- 18 3 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is tendered, and every vote not disallowed at the general meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final and conclusive

- 18 4 A vote given or poll demanded by the duly authorised representative of a Member shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Association at the registered office of the Association before the commencement of the general meeting or adjourned general meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on

the same day as the general meeting or adjourned general meeting) the time appointed for taking the poll

18 5 Each Member shall have one vote only

19. APPOINTMENT OF PROXIES

19 1 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof (and any instrument to terminate a proxy appointment) shall be deposited at the Office not less than forty-eight hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the instrument proposes to vote. In calculating the 48 hour period, no account shall be taken of any part of a day that is not a working day

19 2 The instrument appointing a proxy shall be in writing and shall

19 2 1 state the name and address of the Member appointing the proxy,

19 2 2 identify the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed,

19 2 3 be executed by or on behalf of the Member appointing the proxy, and

19 2 4 be delivered to the Association in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate

19 3 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

19 4 Unless a proxy notice indicates otherwise, it must be treated as

19 4 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

19 4 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relate as well as the meeting itself

19 5 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

19 6 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. Proxies shall count towards the quorum of a general meeting and shall have the same rights to speak as the Member who appointed the proxy

20. DIRECTORS' INTERESTS

20 1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (the "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**")

20 2 Any authorisation under this article will be effective only if

- 20 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
 - 20 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - 20 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted
- 20 3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)
- 20 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - 20 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meeting so of the Board or otherwise) related to the Conflict,
 - 20 3 3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
 - 20 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
 - 20 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Association) information that is confidential to a third party, he will not be obliged to disclose that information to the Association, or to use it in relation to the Association's affairs where to do so would amount to a breach of that confidence, and
 - 20 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Board and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 20 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 20 5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 20 6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the Member who appointed him as a director of the Association, or any other member of such Member's Permitted Group, and no authorisation under Article 20 1 shall be necessary in respect of any such interest

- 20 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Association for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Association in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 20 8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Association shall declare the nature and extent of his interest to the other directors before the Association enters into the transaction or arrangement in accordance with the Act
- 20 9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Association shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 20 8
- 20 10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with Article 20 3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Association
- 20 10 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Association, or in which the Association is otherwise (directly or indirectly) interested,
- 20 10 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 20 10 3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 20 10 4 may act by himself or his firm in a professional capacity for the Association (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- 20 10 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Association is otherwise (directly or indirectly) interested, and
- 20 10 6 shall not, save as he may otherwise agree, be accountable to the Association for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such

remuneration or other benefit constitute a breach of his duty under section 176 of the Act

21. SECRETARY

The Board shall appoint (and may remove) any person to act as Secretary in accordance with the Act, at such remuneration and upon such conditions as they may think fit

22. NOTICES

22 1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board need not be in writing

22 2 The Association may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address. A Member whose registered address is not within the United Kingdom and who gives to the Association an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address

22 3 A Member present at any meeting of the Association shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

22 4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted. In the case of notices sent abroad, such notice shall be deemed to be given at the expiration of four (4) days after the envelope containing it was posted

23. INDEMNITY

Subject to the provisions of the Act but without prejudice to any indemnity to which a member of the Board may otherwise be entitled, every member of the Board, every Council Member or other officer of the Association shall be indemnified out of the assets of the Association against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Association,

24. MINUTES

24 1 The Board shall cause minutes to be made in books kept for the purpose

24 1 1 of all appointments of officers made by the Board, and

24 1 2 of all proceedings at meetings of the Association and of the Board, and of committees of the Board, including the names of the members of the Board present at each such meeting

24 2 The Council shall cause minutes to be kept for all appointments of Council Members and of all proceedings at meetings of the Council and committees of thereof, including the names of Council Members present at each such meeting

25. GRATUITIES AND PENSIONS OF MEMBERS OF THE COUNCIL

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

26. ACCOUNTS AND OTHER RECORDS

- 26 1 The Association shall comply with the provisions of the Act in respect of the keeping of accounts
- 26 2 Except as provided by law or authorised by the Board or an ordinary resolution of the Association, no person is entitled to inspect any of the Association's accounting or other records or documents merely by virtue of being a Member
- 26 3 The Board must ensure that the Association keeps a record, in writing of every decision taken by the Board for at least ten years from the date of the decision recorded in it

27. AMENDMENT OF ARTICLES OF ASSOCIATION

No alteration shall be made to these Articles of Association without the approval of a resolution passed by a majority of not less than 75% of the Members

SCHEDULE

Anglian Water Services Ltd
 Bristol Water Plc
 Bournemouth and West Hampshire Plc
 Cambridge Water Plc
 Dee Valley Water Plc
 Dwr Cymru Cyfyngedig
 Northern Ireland Water
 Northumbrian Water Ltd
 Portsmouth Water Ltd
 Scottish Water
 Severn Trent Water Ltd
 South East Water Ltd
 South Staffordshire Water Plc
 South West Water Ltd
 Southern Water Services Ltd
 Sutton and East Surrey Water Plc
 Thames Water Utilities Ltd
 United Utilities Plc
 Veolia Water Central Ltd
 Veolia Water East Ltd
 Veolia Water Southeast Ltd
 Wessex Water Services Ltd
 Yorkshire Water Services Ltd