

CENTRAL MARKET AGENCY LIMITED  
REVISED WORDING FOR SECTION 8.3.1(iv) OF THE MARKET CODE

**8.3.1 The CMA Board**

(iv)

- (a) The Licensed Provider Members shall meet during the Transitional Charging Period, on the Indicated Date and thereafter, not later than 1 March every year with a view to nominating the Licensed Provider Directors for the Transitional Charging Period or the following Year as appropriate (which for the avoidance of doubt may be the same individuals as nominated for the Transitional Charging Period or the preceding Year).
- (b) The CMA Secretary shall, in consultation with all Licensed Provider Members, fix the date of each Nomination Meeting and shall give each Licensed Provider Member not less than twenty (20) Business Days notice in writing of the date of such meeting. Each Licensed Provider Member shall send one suitably authorised representative to attend each Nomination Meeting, or, where such Licensed Provider Member has no suitably authorised representative who is available to attend the Nomination Meeting, shall arrange for a suitably authorised representative to participate in the Nomination Meeting by way of a conference telephone call. In such circumstances, the Licensed Provider Member shall provide the CMA Secretary with notice in writing confirming that no suitably authorised representative is available to attend the Nomination Meeting, such notice to be received not less than forty eight (48) hours before the stated commencement time for the Nomination Meeting.
- (c) Each Licensed Provider Member shall be entitled, by notice to the CMA Secretary given no earlier than ninety (90) days

before the date of and not later than five (5) business days before the stated commencement time of the Nomination Meeting, to nominate one (1) individual to be Licensed Provider Director. Such nominated individual shall have the requisite skills and experience and such nomination shall contain the name, address and details of the relevant skills and experience of the nominated individual. Any such proposal to be valid shall be in writing and shall be accompanied by a written statement from the nominated individual stating that he is aware of the proposal and would be prepared to serve as a Licensed Provider Director if nominated.

- (d) At each Nomination Meeting the CMA Secretary shall circulate to each Licensed Provider Member present a list of the names of all of the individuals nominated to serve as Licensed Provider Directors. Where a Licensed Provider Member's authorised representative is participating in the Nomination Meeting by way of a conference telephone call as referred to Section 8.3.1(iv)(b) and the number of nominated individuals exceeds the number of Licensed Provider Directors to be nominated for the following Year, the CMA Secretary shall provide that Licensed Provider Member with a list of the names of all of the individuals nominated to serve as Licensed Provider Directors and a voting paper (in the form to be provided pursuant to Section 8.3.1(iv)(d)(i)) no earlier than twenty four (24) hours before the stated commencement time for the Nomination Meeting. The Licensed Provider Member shall complete the voting paper in accordance with the provisions of Section 8.3.1(iv)(d)(ii) and return the voting paper to the CMA Secretary by fax or email no later than one (1) hour in advance of the stated commencement time for the Nomination Meeting (with the

original to follow in the post). In the event that the number of nominated individuals equals the number of Licensed Provider Directors to be nominated for the Transitional Charging Period or the following Year as appropriate then those individuals shall duly become the nominated Licensed Provider Directors for the Transitional Charging Period or the following Year as appropriate. In the event that the number of individuals nominated to serve as Licensed Provider Directors exceeds the number to be elected and the Licensed Provider Members present at the Nomination Meeting (or participating by way of a conference telephone call) cannot agree unanimously on the identity of the Licensed Provider Directors for the Transitional Charging Period or the following Year as appropriate, the following procedures shall be applied in sequence:-

- (i) each Licensed Provider Member shall be given a voting paper with the name of every individual nominated to serve as a Licensed Provider Director on it;
- (ii) each Licensed Provider Member shall rank each nominated individual in order of preference by marking the nominated individual which is its first choice as Licensed Provider Director with the number "1" and continuing numbering sequentially in order of preference;
- (iii) the CMA Secretary shall prepare a list ranking the nominated individuals in order according to the number of votes cast for each with the individual with the greatest number of votes at the head of the list;
- (iv) the nominated individual whose name appears last on the list shall be removed from that list and

shall take no further part in the nomination process. The CMA Secretary shall transfer the votes of all those Licensed Provider Members who voted for the nominated individual excluded in accordance with this Section 8.3.1(iv)(d)(iv) to the second preference nominated individual on the voting paper. The CMA Secretary shall then prepare a revised voting list and the procedure set out in this Section 8.3.1(iv)(d)(iv) shall be repeated as often as may be necessary until the number of nominated individuals equals the number of Licensed Provider Directors to be nominated at the Nomination Meeting;

- (v) if, at any point in the procedure set out in Section 8.3.1(iv)(d) the votes cast in favour of nominated individuals at the bottom of the voting list are equal then reference shall be made to second preferences and repeated in relation to each subsequent preference until either a nominated individual can be eliminated or the preferences are exhausted. In the event that preferences are exhausted the nominated individual to be removed from the voting list shall be decided by the drawing of lots in a manner to be determined by the CMA Secretary;
- (vi) if the next preference expressed on a voting paper is for a nominated individual who has already been excluded then the next preference again shall be referred to;
- (vii) once the procedure set out in this Section 8.3.1(iv)(d) results in a number of nominated individuals in the voting list equal to the number

of Licensed Provider Directors to be nominated for the Transitional Charging Period or the following Year as appropriate then these individuals shall duly become the nominated Licensed Provider Directors for the Transitional Charging Period or the following Year as appropriate.

- (e) A Nomination Meeting may consist of a conference between Licensed Provider Members who are not all in one place but who are able to speak to each of the others and to be heard by the others simultaneously unless it is necessary to apply the procedures set out in Section 8.3.1(iv)(d)(i)-(vii) to select the nominated Licensed Provider Directors for the Transitional Charging Period or the following year as appropriate in which case each Licensed Provider Member must send one suitably authorised representative to attend the Nomination Meeting in person. Where it is necessary to apply the procedures set out in Section 8.3.1(iv)(d)(i)-(vii), the Nomination Meeting may consist of a conference between the Licensed Provider Members who are not all in one place but who are able to speak to each of the others and to be heard by the others simultaneously provided that any Licensed Provider Member who is not attending the Nomination Meeting in person shall only be permitted to take part in the Nomination Meeting if it has submitted voting papers to the CMA Secretary under Section 8.3.1(iv)(d) in advance of the Nomination Meeting.

The following definition will also require to be amended:

"Indicated Date"                      the date on which the CMA Secretary requires the Licensed Provider Members to meet (either in person or by way of a conference telephone call) with a view to nominating the Licensed Provider Directors for the Transitional Charging Period which shall not occur until at least two Licensed Providers have been granted Permanent Licences;