MATTERS RESERVED FOR THE BOARD

References to Audit, Nomination or Remuneration refer to the Board Committee which will consider the item and make recommendations to the Board of IGas Energy plc (the "**Company**" and the "**Board**") for its final decision. References to the 'Group' is to the group of companies of which the Company is the parent company.

1. Strategy and management
1.1 Responsibility for the overall leadership of the Company and setting the Company's values and standards.
1.2 Approval of the Group's strategic aims and objectives.
1.3 Approvals of the annual operating and capital expenditure budgets and any material changes to them.[8]
1.4 Oversight of the Group's operations ensuring: • competent and prudent management; • sound planning; • maintenance of sound management and internal control systems; • adequate accounting and other records; and • compliance with statutory and regulatory obligations.
1.5 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
1.6 Extension of the Group's activities into new business or geographic areas.
1.7 Any decision to cease to operate all or any material part of the Group's business.
2. Structure and capital
2.1 Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
2.2 Changes to the Group's management and control structure.
2.3 Any changes to the company's listing or its status as a plc.
3. Financial reporting and controls
3.1 * Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.
3.2 * Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
3.3 * Approval of the dividend policy.
3.4 * Declaration of the interim dividend and recommendation of the final dividend.
3.5 * Approval of any significant changes in accounting policies or practices.
3.6 Approval of treasury policies.
3.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances including those set out in the Delegation of Authority (defined below)).
4. Internal controls
4.1 Ensuring maintenance of a sound system of internal control and risk management including: • Approving the Company/Group's risk appetite statements; • Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives; • Approving procedures for the detection of fraud and the prevention of bribery; • Undertaking an annual assessment of these processes; and

[8] Certain elements of supplemental budgets/budget transfers may be approved by member(s) of the Executive Committee as set out in the Delegation of Authority (as defined below)

• Approving an appropriate statement for inclusion in the Annual Report.
5. Contracts
5.1 Approval of major capital projects above £500,000.
5.2 Contracts of a corporate nature which are material strategically or by reason of size, entered into by the Company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example bank borrowings above £100,000 and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above £100,000.
5.3 Contracts of the Company or any subsidiary not in the ordinary course of business, for example non intra-group loans and repayments £50,000; foreign currency transactions £50,000; major acquisitions or disposals £500,000.
5.4 Major investments including the acquisition or disposal of interests of more than three (3) percent in the voting shares of any company or the making of any takeover offer.
6. Communication
6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
6.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
6.3 * Approval of all circulars, prospectuses and listing particulars (approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee).
6.4 * Approval of press releases concerning matters decided by the Board.
7. Board membership and other appointments
7.1 * Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
7.2 * Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the company and on the Board.
7.3 * Appointments to the Board, following recommendations by the Nomination Committee.
7.4 * Selection of the chair of the Board and the chief executive (the search for a new Chair being led by the Senior Independent Director).
7.5 * Appointment of the senior independent director to provide a sounding Board for the chair and to serve as intermediary for the other directors when necessary.
7.6 * Membership and chair of Board committees following recommendations from the Nomination Committee.
7.7 * Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
7.8 * Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the company, subject to the law and their service contract.
7.9 * Appointment or removal of the company secretary.
7.10 * Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit Committee.
7.11 Appointments to boards of subsidiaries.
8. Remuneration
8.1 * Determining the remuneration policy for the directors and other senior executives.
8.2 Determining the remuneration of the Non-executive Directors, subject to the articles of association and shareholder approval as appropriate.
8.3 * The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
9. Delegation of authority

9.1 * The division of responsibilities between the chair, the chief executive and other executive directors, which should be clearly established, set out in writing and agreed by the Board (the 'Delegation of Authority').
9.2 Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).
9.3 * Establishing Board committees and approving their terms of reference, and approving material changes thereto.
9.4 * Receiving reports from Board committees on their activities.
10. Corporate governance matters
10.1 * Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.
10.2 * Determining the independence of Non-executive Directors in light of their character, judgment and relationships.
10.3 * Considering the balance of interests between shareholders, employees, customers and the community.
10.4 Review of the Group's overall corporate governance arrangements.
10.5 * Receiving reports on the views of the company's shareholders to ensure that they are communicated to the Board as a whole.
10.6 Authorising conflicts of interest where permitted by the Company's articles of association.
11. Policies
11.1 Approval of appropriate policies, including: • Code of Conduct; • Share dealing code; • Bribery prevention policy; • Whistleblowing policy; • Communications policy including procedures for the release of price-sensitive information.
12. Other
12.1 The making of political donations.
12.2 Approval of the appointment of the Group's principal professional advisers.
12.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism £1000,000.
12.4 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.
12.5 Major changes to the rules of the Group's pension scheme, or changes of trustees or (when this is subject to the approval of the company) changes in the fund management arrangements.
12.6 Any decision likely to have a material impact on the company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.
12.7 This schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.