

Registered Number: 32028R

**RULES OF THE SPIRIT OF LANARKSHIRE WIND ENERGY
CO-OPERATIVE LIMITED**

Registered under the
Industrial and Provident Societies Act 1965
Renewable Energy Local Interest Model Rules
Sponsoring Body: Baywind Energy Co-operative Ltd

RULES OF THE SPIRIT OF LANARKSHIRE WIND ENERGY CO-OPERATIVE LIMITED

Registered under the Industrial and Provident Societies Act 1965 (“the Act”)

1. NAME

The name of the Society (referred to in these Rules as "the Co-operative") shall be The Spirit of Lanarkshire Wind Energy Co-operative Limited.

2. OBJECTS

The objects of the Co-operative shall be to carry on as a bona fide co-operative, for the benefit of its members, the business of:-

- 2.1 Involvement in, and support for, the development, installation, management, operation, generation, transmission and provision of the supply of energy from renewable energy sources;
- 2.2 the conservation of energy through advice on energy efficiency including energy efficient products and the supply of energy efficient products and such other activities as the members shall agree by amendment to these Rules from time to time; and
- 2.3 the promotion of awareness of environmental and related issues and support for educational initiatives related to renewable energy.

3. POWERS

The Co-operative shall have full power to do all things necessary or expedient for the fulfilment of its objects and in particular:

- 3.1 to invest (without limitation of those powers) any part of the funds of the Co-operative by the authority of the board of directors of the Co-operative ("the Board") in any investment permitted by and in accordance with the Act, including the granting of loans to and/or the acquisition or disposal of any assets or shares in any society registered under the Act or any company registered under the Companies Act from time in force involved in renewable energy, but this shall not be the primary purpose of the Co-operative;
- 3.2 to issue ordinary shares of the Co-operative on such terms as the Board shall think appropriate; and
- 3.3 to make gifts and donations to energy conservation and environmental initiatives and to support the local community whether charitable or otherwise.

4. REGISTERED OFFICE

The Registered Office of the Co-operative shall be at Unit 26, Trinity Enterprise Centre, Furness Business Park, Barrow-in-Furness, Cumbria, LA14 2PN. Notice of any change in the address of the Registered Office shall be sent to the Authority.

5. MEMBERSHIP

- 5.1 The first members of the Co-operative shall be the signatories to the application (the "Founder Members"). The Board, at its sole discretion, may admit to membership any person, company, organisation, trust, fund or other body corporate who or which is an electricity consumer (or the spouse or partner or relative of such person or associated with such body corporate) and supports the objects of the Co-operative and who or which has agreed to pay to the Co-operative any subscription or other sum due in respect of such membership. Members must be 18 years or older. A member may hold shares on behalf of somebody who is under 18 but those shares shall be treated as belonging to the member and not the child for the purposes of assessing the member's total shareholding and whether it exceeds the maximum value permitted by law. Following the child's 18th birthday that child may become a member of the Co-operative and the shares held for them may be transferred to them.
- 5.2 Applications for membership shall be in such form as the Board may from time to time direct and shall contain an application, in the approved form, to the Co-operative for at least one share in the Co-operative.
- 5.3 The Board may from time to time establish schemes to permit applicants for membership to save monies to purchase shares in the Co-operative.
- 5.4 The Co-operative shall keep at its registered office a register of members in which the secretary of the Co-operative ("the Secretary") shall enter the following particulars:-
- (a) the names, address and email address if applicable of each member;
 - (b) a statement of the number of shares held by each member, and of the amount paid or agreed to be considered as paid on the shares of each member;
 - (c) a statement of other property in the Co-operative, whether in loans or otherwise, held by each member; and
 - (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member.
 - (e) the names and addresses of the officers of the Co-operative, with the offices held by them respectively, and the dates on which they assumed and vacated office.
- 5.5 Any member changing her/his/its postal or email address shall notify the Secretary in writing or by email within twenty-one days.

6. CESSATION OF MEMBERSHIP

- 6.1 A member shall cease to be a member if she/he or it:-
- (a) dies or
 - (b) becomes bankrupt or is wound up or becomes insolvent; or

- (c) ceases to qualify for membership under the provisions of these Rules; or
- (d) resigns in writing to the Secretary; or
- (e) transfers all her/his/its shares to another member or a new member in accordance with Rule 16; or
- (f) ceases to hold any shares in the Co-operative
- (g) is expelled from membership in accordance with Rule 6.6.

6.2 When membership ceases under condition (a) above, the provisions of Rule 22 shall be applied.

6.3 When membership ceases under condition (b) above, the Board shall in its absolute discretion permit the transfer of the shares to any other member of the Co-operative who is willing to purchase such shares under Rule 16.

In that case the proceeds, less any costs incurred by the Co-operative, shall be credited to the current legal owner of the shares.

6.4 When membership ceases under conditions (c), or (d) above, the Board shall in its absolute discretion permit the transfer of shares to any other member of the Co-operative who is willing to purchase such shares under Rule 16.

In that case the proceeds, less any costs incurred by the Co-operative, shall be credited to the former member.

6.5 When membership ceases under Rule 6.1 the member shall be removed from the Register of Members.

6.6 A member may be expelled for conduct prejudicial to the Co-operative by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Co-operative, provided that due notice of the conduct alleged against her/him/it has been given and that the member whose expulsion is to be considered has been given the opportunity to state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting, the Board may proceed in the member's absence. When membership ceases in these circumstances (condition (g) above) the Board may at their absolute discretion pay to the expelled member any amount not exceeding the nominal value of the shares surrendered.

6.7 No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of which due notice has been given.

6.8 A member need not disclose any conflict of interest and may vote, speak at and participate in any meeting of members notwithstanding any conflict of interest.

6.9 If the Co-operative has been unable to contact a member for a period of seven years (having made reasonable efforts to do so) due to a member's change of address, name,

or any other circumstance, the Board may at its discretion terminate the membership of such member and cancel the shares held by that member (applying any unclaimed monies for the purposes of the Co-operative).

7. GENERAL MEETINGS

7.1 An Annual General Meeting shall be held within seven months of the close of the financial year of the Co-operative, the business of which shall include, inter alia, without limitation:-

- (a) the receipt of the accounts and balance sheet and of the reports of the Board and the auditor;
- (b) the appointment of an auditor (subject to Rule 20);
- (c) the election of any Director to the Board (or the announcement of the results of the election if held previously by ballot); and
- (d) the decision on the application of surplus funds in accordance with Rule 24.

7.2 All General Meetings other than the Annual General Meeting shall be called Special General Meetings.

7.3 A Special General Meeting shall be convened by order of the Board or at the request of ten per cent or more of the membership.

7.4 An Annual General Meeting or Special General Meeting of members of the Co-operative shall be called giving all members not less than fourteen clear days notice in writing posted or emailed to every member recorded in the register of members, specifying whether the meeting is an Annual or Special General Meeting and stating the date, time and place at which the meeting is to be held. The notice shall contain details of the business which is to be transacted, and no business may be transacted at a General Meeting other than that specified in the notices calling it.

7.5 A notice sent by post to a members' registered address or a notice sent by email to a members' registered email address shall be deemed to have been duly served 48 hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any member shall not invalidate the proceedings at the meeting.

8. PROCEEDINGS AT GENERAL MEETING

8.1 Any member which is a body corporate may by a resolution of its governing body appoint a representative to act on its behalf and vote at any meeting of the Co-operative. A copy of the resolution executed by an authorised person of the body corporate shall be deposited with the Secretary.

8.2 Every member present at a General Meeting shall have one vote only on each question to be decided, and questions shall be resolved by a simple majority of votes, unless the matter has been submitted to a postal or electronic ballot under Rule 8.9, in which case the aggregate of the postal and electronic votes and votes of members

present shall determine the vote. In the event of a tie, the Chairperson shall have a casting vote. Proxy voting shall be permitted at the sole discretion of the Board.

- 8.3 No business shall be transacted at a General Meeting unless a quorum is present in person or by proxy (if permitted). Unless and until otherwise decided by the Co-operative in General Meetings a quorum shall be twelve members of the Co-operative or if less, one third of the membership.
- 8.4 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until the same day in the next week at the same time and same place or otherwise as the Board may direct, and all members shall be given such notice of the adjourned meeting as is practicable. The members present at a meeting so adjourned shall constitute a quorum,
- 8.5 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands. A declaration by the Chairperson that a resolution has on the show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Co-operative shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
- 8.6 The Chairperson of the Co-operative shall preside at every General Meeting. In the event of her/his absence or unwillingness to act, one of the other Directors present shall chair the meeting, in the event of none of the other Directors being present or being willing to act, the members present shall choose one of their number to be Chairperson of the meeting.
- 8.7 The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for 21 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 8.8 The Co-operative, by resolution of the Board or of the members at a General Meeting, may choose to submit any or all votes at any meetings on the election or re-election of Directors and any other business to be transacted at a General Meeting to a postal or electronic ballot.
- 8.9 Any notice of postal or electronic ballot shall:
 - (a) state the purpose of the ballot, the closing date and time of the ballot;
 - (b) be sent to each eligible member by post or email at his or her registered address;
 - (c) be accompanied by a voting paper which in the case of an election or re-election of Directors shall state the number of Directors to be elected and re-

elected and contain a list of the eligible candidates (distinguishing between retiring Directors and other candidates);

- (d) be accompanied in the case of an election or re-election of Directors by any election address of not more than 500 words; and
- (e) be sent so as to reach eligible members not less than fourteen clear days before the closing date of the ballot.

9. AMENDMENT TO RULES

9.1 Any of these Rules may be rescinded or amended, or a new Rule made, by a vote of a simple majority of the members of the Co-operative voting at a General Meeting whether present in person or by proxy or by postal or by electronic votes cast, if a postal or electronic ballot has been approved for the resolution of this question of which fourteen clear days' notice has been given, such notice to include details of the change(s) to be made at that General Meeting.

9.2 No amendment of these Rules is valid until it is registered by the Registrar or such other authority as may from time to time exercise the powers vested in the Registrar under the Act at the date of adoption of these Rules. When submitting the rule amendments for registration the Secretary may at their sole discretion accept any alterations required or suggested by such Authority without reference back to a further General Meeting of the Co-operative.

10. MERGERS WITH OTHER CO-OPERATIVES

The Co-operative may, by special resolution passed in a manner prescribed by the Act, accept the transfer of engagements from, or amalgamate with any other society having similar objects registered under the Act.

11. THE BOARD OF DIRECTORS

11.1 The governance of the Co-operative shall be vested in the Board. Subject to the provisions of these Rules, the directors of the Co-operative ("the Directors") may regulate their proceedings as they see fit.

11.2 The Board shall comprise:

- (a) not less than three but no more than seven Directors. A Director must be a member of the Co-operative. The initial Directors of the Co-operative from incorporation until the second Annual General Meeting shall be appointed by the Founder Members.
- (b) only members of the Co-operative aged eighteen years or over shall be eligible to be elected as a Director. Subject as aforesaid, the Directors may appoint a person who is willing to act to be a Director.
- (c) at its discretion, the Board may appoint up to two additional Directors to represent a named member (being a body corporate, co-operative, or other

institution) where in the Board's reasonable opinion such member can provide a significant benefit to the Co-operative. If Energy4All Ltd (a company incorporated in England with company number 4545379), or another organisation with comparable expertise, is the contracted manager (subsequently referred to in this clause as the "Contracted Manager") of the Co-operative, and also a member of the Co-operative, the Contracted Manager shall have the right (the Board not having any discretion in this case) to appoint a person (if the Contracted Manager so wishes) to fill one of these two positions. The Contracted Manager may also by written notice to the Co-operative remove any person so appointed and if it so chooses appoint someone else in his place. Any Director so appointed shall not be required to retire by rotation in accordance with Rule 11.3, but shall be considered for re-appointment or substitution every two years in consultation with the named member. This Rule cannot be changed without the consent of the Contracted Manager

11.3 The Board shall be elected each year at the Annual General Meeting in the following manner:

- (a) at the second Annual General Meeting and every subsequent Annual General Meeting one third of the Directors shall retire by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office. A retiring Director shall be eligible for re-election. Co-opted Directors shall retire at the Annual General Meeting following their appointment and shall be eligible for re-election;
- (b) Directors shall be elected in accordance with such procedures including by authenticated electronic means and postal ballot, as may be adopted by the Co-operative from time to time, provided that only members of the Co-operative and representatives of organisations which are members may stand for election to, or nominate persons to stand for election to the Board. The Secretary shall act as returning officer for all elections and shall settle any disputes at their sole discretion.
- (c) the Directors who retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot; and
- (d) the re-appointment of a Director shall be put to a vote at the Annual General Meeting.
- (e) the Board, at its discretion, may make a proposal to any future Annual General Meeting of the Co-operative that (within the provisions of Rule 11) any vacancies on the Board should not be filled at that meeting, if the Board considers that it already has sufficient Directors to discharge its responsibilities effectively.

- 11.4 The Board may at any time co-opt any member of the Co-operative aged eighteen years or over to fill a casual vacancy in the Board of Directors, provided that at no time shall more than one-third of the members of the Board be co-opted members. For this purpose Directors appointed under Rule 11.2c shall not be treated as co-opted Directors. A casual vacancy shall be deemed to exist if the number of Directors should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
- 11.5 The remuneration of Directors shall be decided by the Board within guidelines determined from time to time by the Co-operative. Directors may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Board or General Meetings of the Co-operative or in connection with the business of the Co-operative.
- 11.6 In the event that the size of the Board should drop below the minimum number of members prescribed in these Rules, the Directors may act to increase their number or to call a General Meeting of the Co-operative, but for no other purpose.
- 11.7 Subject to Rule 12.1, a Director shall disclose to the Board the nature and extent of any material interest of her/his in any transaction or arrangement being considered by the Board and shall then not participate in the consideration and discussion of and vote on the matter in which she/he has an interest and shall not be counted in the quorum
- 11.8 Provided that a Director has disclosed to the Board the nature and extent of any material interest of her/his and has complied with the terms of Rule 11.7, a Director, notwithstanding her/his office may be a party to or otherwise interested in any transaction or arrangement with the Co-operative or in which the Co-operative is otherwise interested; and in that event that Director shall not by reason of her/his office be accountable to the Co-operative for any benefit which she/he derives from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 11.9 For the purposes of Rule 11.7:
- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of hers/his;
 - (c) holding an interest in any shares of the Co-operative directly or indirectly shall not be treated as an interest of a Director; and
 - (d) being a member of or a director of a co-operative which is a shareholder of Energy4All Limited shall not be treated as an interest of a Director in relation

to the consideration by the Board of a transaction or arrangement with Energy4All Limited;

11.10 A Director can be removed from office if she/he is found guilty of conduct detrimental to the interest of the Co-operative and the Board considers that it is not in the best interests of the Co-operative for them to continue as a Director. The Board shall consider the matter having taken such steps as it considers appropriate to ensure that any relevant Director's point of view is heard and may either:

- (a) dismiss the matter and take no further action; or
- (b) arrange for a resolution to remove the Director complained of to be proposed in accordance with Rule 11.11 (c).

11.11 The office of Director shall be immediately vacated if she/he:

- (a) resigns her/his office in writing to the Secretary; or
- (b) ceases to be a member of the Co-operative for any reason whatsoever (or is the representative of a corporate body which ceases to be a member); or
- (c) is removed from office by a majority vote of the Co-operative at a General Meeting, the notices for which specified that the question of the Director's removal was to be considered; or
- (d) is absent from three successive meetings of the Board during a continuous period of twelve months without special leave of absence from the Board and they decide that she/he has by reason of such absence vacated office; or
- (e) becomes bankrupt or, in the opinion of a majority of the Board, incapable on medical or psychological grounds of carrying out the functions of a Director.

12. POWERS OF THE BOARD OF DIRECTORS

12.1 The Board may authorise any loan to or other transaction with another society registered under the Act if that society is a shareholder of Energy4All Limited, notwithstanding that any member of the Board is a member of such society, in which case such member of the Board shall disclose to the other Board members present at the meeting of the Board which is considering the matter that she/he is such a member but shall then be entitled to participate in the Board discussion thereon and vote on any decision as to whether to make such a loan or enter into such a transaction and the terms of it.

12.2 The Board shall appoint and have the power to remove a Chairperson, who under their direction shall also preside at all General Meetings. In the case of an equality of votes, the Chairperson shall have a second or casting vote.

12.3 The Board shall appoint and have the power to remove a Secretary, who shall under their direction keep minutes of all Board Meetings and of all General Meetings.

- 12.4 The Board may appoint and have the power to remove a Treasurer, who shall under their direction keep proper accounts of the Co-operative's financial affairs.
- 12.5 The Board may appoint and have the power to remove (subject to compliance with any contractual arrangements which may be in place) a manager or organisation (“The Manager”) to whom they may delegate the day-to-day management of the Co-operative.
- 12.6 The Board shall also have the power to appoint and to remove other employees of the Co-operative as may be required to further its objectives.
- 12.7 The Board may exercise any powers (including its borrowing powers) which may be exercised by the Co-operative, other than those that must by these Rules or by statute be exercised by a General Meeting.
- 12.8 The Board may delegate any of their powers to any committee consisting of two or more Directors. Any such delegation may be subject to any conditions the Board may impose.
- 12.9 The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Co-operative for such purpose and on such conditions as they may determine.

13. PROCEEDINGS AT BOARD MEETINGS

- 13.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings of the Board may also be held via telephone or other electronic means; provided that all Board members wishing to participate by such means are able to do so and are able to communicate with each other at all times.
- 13.2 The quorum necessary for the transaction of businesses at a meeting of the Board shall be three.
- 13.3 A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board by giving reasonable notice. Such notice shall include the date, time and place at which the meeting is to be held and the business which it is intended to transact at that meeting. Prior to calling such a meeting, any director wishing to do so shall take all reasonable steps to ensure that so far as is practicable the proposed arrangements for such meeting are convenient for the other directors of the co-operative.
- 13.4 A resolution in writing signed by all the Directors 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 Directors.
- 13.5 At every Board meeting the Chairperson shall preside, but in the event of her/his absence or unwillingness to act the members present shall choose one of their number to be Chairperson of the meeting.

13.6 The Board shall cause proper minutes to be made of all the proceedings of the Co-operative, of the Board and of any sub-committees. All such minutes shall be open to inspection by any member of the Board at all reasonable times.

14. MANAGER

14.1 The Manager appointed by the Board in accordance with Rule 12.5:-

- (a) shall be responsible for the day to day management of the Co-operative;
- (b) shall attend meetings of the Board for the sole purpose of accounting to the Board or shall supply reports to the Board for the same purpose;
- (c) shall have any other powers delegated to her or him by the Board.

14.2 The Manager's remuneration shall be determined by the Board in agreement with the Manager and shall be subject to the terms of any existing contractual agreement with the Manager.

15. SHARE CAPITAL

15.1 The shares of the Co-operative shall be par shares of the nominal value of £1.00. Each member shall hold at least the minimum level of shareholding set by the Board from time to time and no member may hold more than the maximum shareholding permitted by law. Shares shall normally be paid for in full on allotment, but the Board may at its discretion permit a member to defer payment.

15.2 Shares will be withdrawable and transferable only in accordance with the provisions of these Rules.

16. TRANSFERENCE OF SHARE CAPITAL

16.1 A member may apply at any time that some or all of her/his/its shares shall be transferred to another person. The member shall pay any reasonable costs incurred by the Co-operative in relation to such transfer which may be deducted by the Co-operative from any proceeds payable to the transferring member. No transfer shall be valid unless the consent of the Board has first been obtained. The Secretary shall record every transfer by making appropriate entries in the register of members and no transfer shall be deemed to have taken effect until such entries are made. The Board shall not consent to the transfer of any share to a person who:-

- (a) is not a member, unless that person is qualified to be a member under Rule 5;
or
- (b) is a member holding the maximum value of shares permitted by the Act.

16.2 Any application to transfer shares must:-

- (a) give details of the shares to be transferred;

- (b) be signed by the transferor; and
- (c) be signed by the transferee to the effect that they accept the conditions attached to the shares to be transferred.

17. WITHDRAWALS OF SHARE CAPITAL

17.1 Subject to the approval of the Board and not earlier than the date 5 years from the date of first generation of electricity by the Co-operative's assets (other than in the event of death or bankruptcy of a member), shares may be withdrawn by members upon giving six weeks' notice to the Co-operative, provided that:

- (a) the notice to withdraw shares must give details of the shares to be withdrawn and be signed by the selling member;
- (b) not more than 5% of the issued share capital as at 1st January in each year (including all sums under notice of withdrawal at that date), shall be withdrawable during the ensuing year, and if requests for more than this are received in any one year, all withdrawals shall be paid in the order in which the notices were received by the Co-operative; and
- (c) the right to withdraw may be suspended by the Board either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal, which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the Board. Where the suspension is for a fixed period, such period may be extended from time to time by the Board.

17.2 Except where otherwise provided in these Rules, the amount to be paid to a member on withdrawal shall be the amount subscribed for the shares so withdrawn, less any costs incurred by the Co-operative.

18. LIEN ON SHARES

The Co-operative shall have a lien on the shares of a member for any debt due to it by the member and may set off any sum standing to the member's credit including any loan money, interest and dividends in or towards the payment of such debt.

19. BORROWINGS

The Co-operative shall have power to:

19.1 borrow and to guarantee or become liable for the payment of money, or for the performance of any obligation, to issue loan stock, debentures or other securities and to secure such payment or performance by the mortgage or charge of any or all of its property or assets provided that:-

- (a) the amount outstanding does not exceed £20 million;

- (b) the Co-operative shall not carry on a deposit taking business within the meaning of the Financial Services and Market Act 2000 but may accept deposits subject to the limits provided for in the Act; and
- (c) the interest payable on borrowings, other than from institutions authorised under the Banking Acts, shall not exceed the rate of interest believed by the Board to be reasonably necessary to obtain and retain borrowings required to carry out the business of the Co-operative.

19.2 receive gifts and donations towards its objects; and

19.3 receive interest free loans towards its objects subject to the limit in Rule 19.1(a).

20. AUDIT

20.1 Where required by law, the Co-operative shall appoint in each financial year an auditor qualified under Section 7 of the Industrial and Provident Societies Act 1968 to audit the accounts and balance sheet of the Co-operative for that year. Where an audit is not required by law an audit may be required by the Board or by members if more than 10% of the members of the Co-operative so elect. The option to continue the audit exemption where applicable will be put before members at the Annual General Meeting.

20.2 The Co-operative's auditor shall have the rights as to notice of, and attendance and audience at General Meetings, access to books and the supply of information as are prescribed by that Act.

20.3 The re-appointment of, or the appointment of an auditor in place of, an auditor appointed to audit the accounts of the Co-operative for an immediately preceding year shall be carried out in accordance with Sections 5 and 6 of the said Act.

20.4 None of the following persons shall be appointed as auditor of the Co-operative:
-an officer or employee of the Co-operative;
-a person who is a partner or employee of or who employs an officer of the Co-operative.

21. ANNUAL RETURN

21.1 Every year, the Secretary shall send to the Registrar or such other authority as may from time to time exercise the powers vested in the Registrar under the Act at the date of adoption of these Rules in the form and in the period prescribed, by such authority, the annual return relating to affairs of the Co-operative for the last accounting year, together with:-

- (a) a copy of the report (if any) of the auditor on the Co-operative's accounts for the period included in the return; and
- (b) a copy of every balance sheet drawn up during that period and of the report (if any) of the auditor thereon.

- 21.2 The Co-operative shall on demand supply free of charge to any member a copy of the latest annual return together with a copy of the auditor's report on the accounts and balance sheet contained in the return.

22. PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

- 22.1 Upon a claim to that effect being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member the Co-operative shall transfer the shares of the deceased member or bankrupt member into the name of the personal representative or trustee in bankruptcy.

- 22.2 The personal representative of a deceased member or the trustee of a bankrupt member may (whether or not the shares are registered in their name, after providing such proof of effective appointment as the Board may reasonably require) apply for the transfer of the shares to any other person, whether on transmission under the terms applicable to the estate or on a sale, who is qualified to be a member under Rule 5.1.

In that case the proceeds, less any costs incurred by the Co-operative, shall be credited to the former member.

- 22.3 A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Co-operative at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. The person entitled under the nomination may retain the shares in their name (if they are entitled to be a member) or apply to transfer them under the terms of Rule 22.2 in which case the proceeds, less any costs incurred by the Co-operative, shall be credited to the person so nominated.

- 22.4 Rule 22.3 is subject to the Board receiving a satisfactory proof of death of a member who has made a nomination and satisfactory proof of such nomination.

23. SEAL

If the Board of the Co-operative resolves to have a seal then the seal shall be kept in the custody of the Secretary and used only by the authority of the Board. Sealing shall be attested by the signature of two Directors or of one Director and the Secretary for the time being. If the Co-operative does not have a seal, a document which would have previously required to be sealed, should be signed by a Director and Secretary or two Directors and accompanied by a written statement that the document had been executed by the Co-operative as if under common seal.

24. APPLICATION OF PROFITS

- 24.1 The profits of the Co-operative shall be applied as follows and in such proportions and in such manner as may be decided by the Co-operative at the Annual General Meeting:-

- (a) firstly, to a general reserve for the continuation and development of the Co-operative and the furtherance of its objectives;

- (b) secondly, in paying a dividend and/or share interest to its members; and;
- (c) thirdly, in making payments for social or charitable purposes which are in accord with the Objects of the Co-operative and within the community served by the Co-operative

24.2 The Board shall have the power to pay interim dividends without the approval of a General Meeting.

25 DISSOLUTION

25.1 The Co-operative may at any time be dissolved with the consent of three-quarters of the members, testified by their signatures, or in the case of bodies corporate testified by the signature of any of their officers acting under their authority (subject to Section 19 (2) of the Act), to an instrument of dissolution in the form prescribed by the Act; or by winding up in the manner provided by the Act.

25.2 On the dissolution or winding up of the Co-operative, after the satisfaction of all its debts and liabilities, the assets remaining may be distributed amongst the members of the Co-operative at the time of dissolution in proportion to their shareholdings.

26. DISPUTES

Any dispute of the kind referred to in Section 60 (1) of the Act shall proceed in accordance with the provision of that Act as amended by Section 83 of the Friendly Societies Act 1992.

27. INTERPRETATIONS

In these Rules. "the Act" refers to the Industrial and Provident Societies Act 1965 or any Act or Acts amending or in substitution for it for the time being in force.

“Electronic means” shall include email, video links and secure authenticated web-site transactions;

“Copy” includes an electronic copy;

“Writing” includes an electronic document

In these Rules the expression “Board meeting” or “meeting of the Board” includes, except where inconsistent with any legal obligation:

- a physical meeting;
- a meeting held by electronic means;
- a meeting held by telephone.

Signatures of Founder Members

Full Names in Block Capitals (no initials)

1

JAMES JOSEPH LEE

2

MARNA MCMILLIN

3

PAUL PHARE

Secretary:

ANNETTE HESLOP

Registered on 8th April 2013

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Registered Number 32028R