

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014
RULES OF
RIPPLE COOP 4 LIMITED

1 NAME

The name of the Society shall be Ripple Coop 4 Limited.

2 REGISTERED OFFICE

The registered office of the Society shall be c/o Ripple Energy, 2 Beresford Terrace, Ayr, KA7 2EG.

3 INTERPRETATION

In these Rules, unless otherwise stated:

- “Act”** refers to the Co-operative and Community Benefit Societies Act 2014 or any act or acts amending or in substitution of it or them for the time being in force;
- “Address”** means a postal address or, for the purposes of electronic communication, an email address or telephone number for receiving text messages or a messaging service for receiving messages within a mobile phone application;
- “Administration Fee”** means such administration fee as is specified from time to time in the Electricity Supply Contract and/or the Managing Person Customer Contract, as a requirement for entry into membership of the Society, which such sum shall be non-refundable;
- “Auditor”** means a Person eligible for appointment as a company auditor under Part 42 of the Companies Act 2006;
- “Board Meeting”** includes, except where inconsistent with any legal obligation, a physical meeting, a meeting held by electronic means and a meeting held by telephone;
- “Board of Directors” or “Board”** means all those Persons appointed to perform the duties of directors of the Society;
- “Clear Days”** in relation to the period of notice does not include the day on which the meeting is to be held and the day on which the notice is handed to someone or left at their Address, or the day on which it is sent or is in the process of being sent and is assumed to be delivered;
- “Co-operative Principles”** are the principles defined in the International Co-operative Alliance Statement of Co-operative Identity The principles are those of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, co-operation amongst co-operatives and concern for the community;

“Director”		means a director of the Society and includes any Person occupying the position of director, by whatever name called;
“Document”		includes any document sent or supplied in electronic form;
“Electricity Account”	Supply	means the electricity supply account attributed to a Member by a Supplier pursuant to their Electricity Supply Contract;
“Electricity Contract”	Supply	means a contract entered into between a Member and a Supplier for the supply of energy to the Member in accordance with the terms and conditions therein;
“Electronic Means”		shall include, for example, email, video links and secure authenticated website transactions;
“Employee”		means anyone holding a contract of employment with the Society;
“Extraordinary Resolution”		means those decisions which require an extraordinary resolution, as detailed under the section entitled ‘Resolutions’ in these Rules;
“Founder Member”		means a subscriber to these Rules for the purposes of registration;
“including”		(or any similar words or expressions) will be construed without limitation and accordingly will not limit the words preceding it;
“Joining Fee”		means such fee(s) and/or payment(s) as are payable by each Member on joining, pursuant to their Electricity Supply Contract and/or their Managing Person Customer Contract, including the Administration Fee;
“Managing Customer Contract”	Person	means a contract entered into between a Member and the Managing Person in connection with the supply of energy to that Member pursuant to an Electricity Supply Contract;
“Managing Person”		means such Person as is appointed to manage the day to day affairs of the Society for the time being;
“Member”		has the meaning as detailed under the section entitled ‘Membership’ in these Rules;
“Office Holder”		means a receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member’s assets;
“Officer”		has the meaning as detailed under the section entitled ‘Officers’ in these Rules;
“Person”		means a natural person, unincorporated body, firm, partnership, corporate body or the nominee of an unincorporated body, firm, partnership or corporate body;
“Registrar”		means the Financial Conduct Authority (FCA) or any other Person that succeeds its function;

“Regulations”	has the meaning as detailed under the section entitled ‘Regulations’ in these Rules;
“Rules”	means these rules;
“Secretary”	means any Person appointed to perform the duties of the secretary of the Society;
“Society”	means the above named society;
“Supplier”	means any one of the Managing Person’s approved electricity suppliers, as chosen by a Member and with whom that Member has entered into a current Electricity Supply Contract;
“Termination Date”	means the date on which a Member’s notice of termination of a Electricity Supply Contract or of a Managing Person Customer Contract becomes effective and that contract terminates;
“Transferable”	means shares that are transferable to another Person who also qualifies for membership of the Society in accordance with these Rules;
“Wattage Amount”	means, in respect of a Member, such amount in pounds sterling as is specified as such in that Member’s Electricity Supply Contract and/or Managing Person Customer Contract, as a requirement for entry into membership of the Society;
“Withdrawable”	means shares with the associated right for the Member to withdraw and receive in return the value of their shares from the Society;
“Writing”	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied by Electronic Means or otherwise and “Written” shall be construed accordingly.

4 PURPOSE

- 4.1 The purpose of the Society is to carry out its function as a co-operative and to abide by the Co-operative Principles.

5 OBJECTS

- 5.1 The objects of the Society are to carry on any business for the benefit of its Members which involves the financing, construction, installation, generation, ownership or operation of sustainable energy generation project(s), for the purpose of:
- (a) providing Members with access to the value of the electricity generated by such project(s) in order to supply their homes/properties with clean, stable-priced electricity via licensed electricity suppliers;
 - (b) generating electricity from renewable energy resources;
 - (c) supporting, promoting and encouraging the development of resilient, sustainable communities through shared ownership of renewable energy generation projects; and

- (d) assisting to alleviate fuel poverty and / or contributing to beneficial environmental actions within the community local to such project(s).

5.2 The Society shall be owned and controlled by its Members on a fair and equitable basis.

6 POWERS

6.1 The Society may do all such lawful things as may further the Society's objects and, in particular, may borrow or raise funds for any purpose which is beneficial to the Society.

7 BORROWING

7.1 The Society shall have the power to borrow money from its Members and other Persons in order to further its objects providing that the amount outstanding at any one time shall not exceed £10,000,000.

7.2 The Society shall have the power to mortgage or charge any of its property, including the assets and undertakings of the Society, present and future and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Society or its customers or Persons having dealings with the Society.

7.3 The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a building society or local authority, shall not exceed such reasonable rate as is necessary, in the opinion of the Board, to obtain and retain the capital required to carry out the objects of the Society, nor shall it risk the Society's status as a co-operative society.

7.4 The Society may receive from any Person, donations or loans free of interest in order to further its objects but shall not receive money on deposit.

8 FINANCIAL SERVICES AND MARKETS ACT 2000 ACTIVITY

8.1 The Society shall not engage in any activity by virtue of any of these Rules that would require a permission from the Regulator to carry on that activity without first having applied for and obtained such permission.

9 INVESTMENT OF FUNDS

9.1 The Society may invest any part of its funds in the manner set out in Section 27 of the Act.

10 MEMBERS

10.1 The first Members of the Society will be the Founder Members. Notwithstanding Rule 11.2, the Founder Members shall not be required to enter into a Electricity Supply Contract or a Managing Person Customer Contract in order to be a Member of the Society.

11 APPLICATIONS FOR MEMBERSHIP

11.1 No natural Person shall be admitted into membership of the Society unless they have attained the age of 16.

11.2 To be eligible to become a Member, a person must have entered into a Managing Person Customer Contract and commit to enter into an Electricity Supply Contract and have agreed to be bound by the terms of these Rules.

11.3 The Board shall admit to membership any Person who:

- (a) has entered into a Managing Person Customer Contract and committed to enter into an Electricity Supply Contract and who has agreed to become bound by these Rules;

- (b) has paid in full the amount due in respect of the shares to be allotted to their and any Joining Fee; and
 - (c) has not previously been expelled from membership of the Society pursuant to Rule 15.
- 11.4 A corporate body which is a Member shall by resolution of its governing body appoint a representative who may during the continuance of their appointment be entitled to exercise all such rights and powers as the corporate body would exercise if it were a natural Person. Each such corporate body Member shall supply notification in Writing to the Society of its choice of representative from time to time.

12 MEMBER COMMITMENT

- 12.1 All Members have the right to participate in general meetings and agree to take an active interest in the operation and development of the Society and its business. Members have a duty to respect the confidential nature of the business decisions of the Society.

13 SHARE CAPITAL

- 13.1 The shares of the Society shall be of a nominal value of £0.01. The shares shall be fully paid prior to issue, shall carry no right to interest, dividend or bonus and shall be forfeited and cancelled on cessation of membership from whatever cause.
- 13.2 The shares of the Society shall be divided into A Shares and B Shares, and shall be equal in all respects save that only A Shares shall be Withdrawable, in accordance with the terms of Rule 17.1. B Shares shall be non-Withdrawable. Subject to not exceeding any maximum shareholding permitted by law from time to time a Member may hold either A Shares or B Shares only, or a combination of both.
- 13.3 On the admission of any Person to membership of the Society they shall be allotted such number of A Shares or B Shares (as applicable) as shall equate to the amount of their Wattage Amount multiplied by 100.
- 13.4 A Member may not have or claim any interest at any time in shares or any other class of shares which may be created from time to time which, when taken together, exceeds any maximum shareholding limit imposed from time to time by any statute or regulation applicable to the Society.
- 13.5 Shares shall be non-Transferable except:
- (a) on death or bankruptcy; or
 - (b) (in the case of an unincorporated organisation or trust or partnership), on a change of nominee(s) or trustee(s) or partner(s) and only to the new nominee(s) or trustee(s) or partner(s).

14 TERMINATION OF MEMBERSHIP

- 14.1 A Member shall cease to be a Member of the Society:
- (a) if they withdraw their shares in the Society pursuant to Rule 17.1;
 - (b) if all of their shares in the Society are repaid pursuant to Rule 17.4;
 - (c) unless the Board agrees otherwise, if they give notice to terminate their Electricity Supply Contract or their Managing Person Customer Contract in each case in accordance with its provisions,
 - (d) if they are expelled from membership in accordance with these Rules; or
 - (e) if they die, are wound up, or go into liquidation.

- 14.2 A Member who ceases to be a Member of the Society pursuant to Rule 14.1(c) above shall be deemed to have ceased to be a Member on the Termination Date unless, on or before such date, such contract has been renewed or replaced.
- 14.3 If a Member ceases to be a Member of the Society pursuant to Rule 14.1(a), 14.1(c) or 14.1(d) above the shares held by that Member shall be cancelled and any amount paid up thereon shall be repaid to that Member, in such manner and over such period as the Board shall decide or (in priority) as may be set out in that Member's Electricity Supply Contract or Managing Person Customer Contract.
- 14.4 Any amount to be paid to a Member pursuant to Rule 14.3 will be made after:
- (a) any withholding or deduction for or on account of any tax, levy, impost, charge, fee or duty of whatever nature (present or future) imposed or levied by any authority having power to tax such amount which the Society shall for the time being be required by any applicable law of the United Kingdom to withhold or deduct and the Society shall duly account to the appropriate authority in respect of such deduction or withholding and subject to this the Society shall not be obliged to pay any additional amount to the Member in respect of the tax or duty so withheld or deducted; or
 - (b) deducting or setting off an amount equal to any sum owed by the Member to the Society as at the Termination Date.

15 EXPULSION FROM MEMBERSHIP

- 15.1 A Member may be expelled from the Society for:
- (a) conduct prejudicial to the Society; or
 - (b) actions which in the view of the Board constitute a material or persistent breach of a Member's Electricity Supply Contract and/or Managing Person Customer Contract.
- 15.2 A Member may be expelled by a two-thirds majority decision of the Board, provided that the grounds for expulsion have been specified in the notice calling the relevant Board Meeting and that the Member whose expulsion is to be considered shall be given the opportunity to make representations in Writing to the meeting.
- 15.3 No Member expelled from membership shall be re-admitted except by unanimous decision of the Board.

16 PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

- 16.1 Upon a claim being made by:
- (a) the personal representative of a deceased Member; or
 - (b) the trustee in bankruptcy of a Member who is bankrupt; or
 - (c) the Office Holder to any property in the Society belonging to such a Member,
- the Society shall transfer or pay property to which the Office Holder has become entitled as the Office Holder may direct, subject to such reasonable restrictions as the Board may apply to such payment or transfer and as identified by the Board to the Office Holder at the time of notification of such claim by the Office Holder.
- 16.2 A Member may in accordance with the Act nominate any individual or individuals to whom any of their property in the Society at the time of their 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. On receiving a satisfactory proof of death of a Member who has made a valid nomination the Society shall, in accordance with the Act, either transfer or pay the full

value of the property comprised in the nomination to the individual or individuals entitled thereunder.

17 WITHDRAWAL AND REPAYMENT OF SHARE CAPITAL

- 17.1 Members do not have a general right to withdraw share capital, however, the Board has the power to permit A Shares in the Society to be withdrawn by agreement between the Board and the Member holding the A Shares in accordance with any procedures and/or conditions which the Board may announce and provided that the A Shares of a deceased Member may, if the Board agrees, be withdrawn by their personal representatives upon giving such notice as the Board may require.
- 17.2 If the Board does permit A Shares to be withdrawn then the amount to be paid to the Member who is withdrawing their A Shares shall be the amount paid up or credited on the A Shares to be withdrawn, except where such shares are subject to a reduction in their value in accordance with the provisions of these Rules.
- 17.3 Any shares withdrawn in accordance with these Rules shall be cancelled.
- 17.4 The Board may also resolve to repay any proportion of its share capital to Members on the terms of this Rule 17.4, in which case it shall treat as agreed to be repaid on behalf of every Member (and not some only), that proportion of the A Shares and/or B Shares held by them (as the Board shall designate), treating A Shares and B Shares equally where both are to be repaid (and with such rounding to the nearest whole number of that proportion which is a fraction as the Board may determine). A Member holding both A Shares and B Shares shall, where the Board so designates both classes for repayment, have the same proportions of each class of share held by them repaid. The amount to be repaid per share pursuant to this Rule 17.4 will be the amount subscribed for the shares so repaid. Shares repaid under this Rule 17.4 shall be treated as cancelled. All Members are deemed to give any consent required for the repayment of their shares in the manner provided for in this Rule 17.4.
- 17.5 The Board shall only exercise its power under Rule 17.4 if the Board is of the reasonable opinion on the date of its resolution to repay share capital, and taking account of the effect of the repayment of share capital, the Society is solvent. The Society may not repay its capital or any part thereof under Rule 17.4 if as a result of the repayment there would no longer be any Member holding shares.
- 17.6 The Society may deduct such reasonable sum to cover any administrative costs of withdrawal or repayment from the monies payable to a Member on the withdrawal or repayment of their shares in the Society.

18 LIEN ON SHARES AND RIGHT OF OFFSET

- 18.1 The Society shall have a lien on the shares of a Member for any debt due to it by the Member (including, without limitation, sums owing to the Society from the Member (if any) pursuant to the terms of the Member's Electricity Supply Contract) and may offset any sum standing to the Member's credit with the Society in or towards payment of such debt.

19 GENERAL MEETINGS

- 19.1 The Society shall, within six months of the end of the financial year, hold a general meeting of the Members as its annual general meeting and shall specify the meeting as such in the notice calling it.
- 19.2 The business of an annual general meeting shall comprise, where appropriate:
- (a) the receipt of the accounts and balance sheet and of the reports of the Board and Auditor (if any);
 - (b) the appointment of an Auditor, if required;

- (c) the election of the Board or the results of the election if held previously by ballot;
- (d) the application of profits; and
- (e) the transaction of any other business included in the notice convening the meeting.

20 CALLING A GENERAL MEETING

- 20.1 The Secretary, at the request of the Board of Directors may convene a general meeting of the Society. The purpose of the general meeting shall be stated in the notice of the meeting.
- 20.2 The Board of Directors upon an application signed by one-tenth of the total number of Members, or 100 Members, whichever is the lesser, delivered to the registered office of the Society, shall convene a general meeting. The purpose of the general meeting shall be stated in the application for and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.
- 20.3 If within one month from the date of the receipt of the application the Board have not convened a general meeting to be held within six weeks of the application, any three Members of the Society acting on behalf of the signatories to the application may convene a general meeting, and shall be reimbursed by the Society for any costs incurred in convening such a meeting.

21 NOTICES

- 21.1 The Directors shall call the annual general meeting giving 14 Clear Days' notice to all Members. All other general meetings shall be convened with at least 14 Clear Days' notice but may be held at shorter notice if so agreed in Writing by 90% of the Members.
- 21.2 Notices of meetings shall either be given to Members personally or sent to them at their Address by post, email, telephone or to a relevant mobile phone application messaging service and shall be posted on the website of the Society. Notices shall specify the date, time and place at which the meeting is to be held, and the business which is to be transacted at that meeting. A general meeting shall not transact any business other than that specified in the notice calling the meeting.
- 21.3 A notice sent to a Member's Address shall be deemed to have been duly served 48 hours after its posting or, if sent by Electronic Means, 8 hours after transmission. The accidental omission to send any notice to or the non-receipt of any notice by any Person entitled to receive notice shall not invalidate the proceedings at the meeting.
- 21.4 If the Society has appointed an Auditor in accordance with these Rules they shall be entitled to attend general meetings of the Society and to receive all notices of and communications relating to any general meeting which any Member of the Society is entitled to receive. The Auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an Auditor.

22 QUORUM

- 22.1 No business shall be transacted at a general meeting unless a quorum of Members is present, which shall include those Members not present in Person. Unless amended by Extraordinary Resolution, a quorum shall be ten Members or 1% of the membership, whichever is the greater.

23 CHAIRING GENERAL MEETINGS

- 23.1 The chairperson of the Society shall facilitate general meetings. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Members present shall choose one of their number to be the chairperson for that meeting.

24 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 24.1 A Member is able to exercise the right to speak at a general meeting and is deemed to be in attendance when that Person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it, including by Electronic Means. In determining attendance at a general meeting, it is immaterial whether any two or more Members attending are in the same place as each other, provided that they are able to communicate with each other.
- 24.2 The chairperson of the meeting may permit other Persons who are not Members of the Society to attend and speak at general meetings, without granting any voting rights.

25 ADJOURNMENT

- 25.1 If a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present, the chairperson must adjourn the meeting. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the Members present shall constitute a quorum.
- 25.2 The chairperson of a general meeting may adjourn the meeting whilst a quorum is present if:
- (a) the meeting consents to that adjournment; or
 - (b) it appears to the chairperson that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
- 25.3 The chairperson must adjourn the meeting if directed to do so by the meeting.
- 25.4 When adjourning a meeting the chairperson must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Directors.
- 25.5 If the meeting is adjourned for 14 days or more, at least 7 Clear Days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.
- 25.6 No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.

26 VOTING

- 26.1 Each Member shall have only one vote, no matter the number of shares in the Society held by that Member.
- 26.2 A resolution put to the vote at a general meeting shall be decided either on a show of hands or by use of Electronic Means, unless a paper or electronic ballot is demanded in accordance with these Rules. A declaration by the chairperson that a resolution has on a vote been carried or lost with an entry to that effect recorded in the minutes of the general meeting shall be conclusive evidence of the result. Proportions or numbers of votes for or against need not be recorded.
- 26.3 In the case of an equality of votes the chairperson shall not have a second or casting vote and the resolution shall be deemed to have been lost.

27 BALLOT

- 27.1 A paper or electronic ballot on a resolution may be demanded before or on the declaration of the result of a vote by no less than 5% of the Members in attendance at a general meeting or by resolution of the Board.

- 27.2 If a ballot is duly demanded it shall be taken in such a manner as the chairperson directs (including as to whether a paper or electronic ballot is held), provided that no Member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
- 27.3 The demand for a ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a ballot may be withdrawn.

28 RESOLUTIONS

- 28.1 Decisions at general meetings shall be made by passing resolutions:
- (a) The following decisions must be made by Extraordinary Resolution:
 - (i) any amendment to the Society's Rules, subject always to Rule 49.2; and
 - (ii) the decision to wind up the Society.
 - (b) All other decisions at general meetings shall be made by ordinary resolution.
- 28.2 An Extraordinary Resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority (more than 50%) of votes cast.
- 28.3 Resolutions may be passed at general meetings or by a Written resolution. A Written resolution may consist of several identical Documents signed by one or more Members.

29 ELECTION OF MEMBERS

- 29.1 The Society in a general meeting or the Board of Directors may, from time to time, adopt such processes for the election of Members to the Board or to a council of the Members as it chooses.

30 DIRECTORS

- 30.1 The Society shall have a Board of Directors comprising not less than three Directors.
- 30.2 The initial Directors of the Society from registration until the first annual general meeting shall be appointed by the Founder Members.
- 30.3 Only natural Persons of the Society who are aged 18 years or more may serve on the Board.
- 30.4 The composition of the Board shall be as follows:
- (a) up to five Directors elected by and from the Society's Members;
 - (b) up to two Directors as representatives appointed by the Managing Person (or any Person that succeeds to its function). The Managing Person may by notice in Writing to the Society remove any Person so appointed by it and if it so chooses appoint someone else in their place. Any Director so appointed shall be a natural Person and shall not be required to retire by rotation in accordance with Rule 31, but shall be considered for re-appointment or substitution every three years by the Managing Person; and
 - (c) up to two Directors, who need not be Members, appointed to the Board by co-option pursuant to Rule 32. Co-opted Directors are to be selected by the Board for their particular skills and/or experience.

31 RETIREMENT CYCLE

- 31.1 At the first annual general meeting all elected Directors shall stand down. At every subsequent annual general meeting one-third of the elected Directors, or if their number is not a multiple of three then the number nearest to one-third, shall retire from office. The Directors to retire shall be the Directors who have been longest in office since their last election. Where Directors have held office for the same amount of time the Directors to retire shall be decided by lot. A retiring Director shall be eligible for re-election.

32 CO-OPTION OF DIRECTORS

- 32.1 Pursuant to Rule 30.4(c) the Board of Directors may co-opt up to two external independent Directors, who need not be Members and are selected for their particular skills and/or experience. Such external independent Directors shall serve a fixed period determined by the Board of Directors at the time of the co-option, subject to a review at least every 12 months. External independent Directors may be removed from office at any time by a resolution of the Board of Directors.
- 32.2 The Board of Directors may at any time fill a casual vacancy on the Board by co-option. Such co-opted individuals must be Members of the Society and will hold office as a Director only until the next annual general meeting.

33 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 33.1 The business of the Society shall be managed by the Board who may exercise all such powers of the Society as may be exercised and done by the Society and as are not by statute or by these Rules required to be exercised or done by the Society in general meeting.
- 33.2 All decisions made by a meeting of the Board of Directors or by any Person acting as a Director shall remain valid even if it is later discovered that there was some defect in the Director's appointment or that the individual had previously been disqualified from acting as a Director.
- 33.3 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall from time to time direct.
- 33.4 Without prejudice to its general powers, the Board may exercise all the powers of the Society to borrow money and to mortgage or charge its undertaking and property or any part of it and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Society or of any third party.
- 33.5 No Regulation made by the Society in general meeting shall invalidate any prior act of the Board which would have been valid had that Regulation not been made.

34 DELEGATION

- 34.1 Subject to these Rules, the Board may delegate any of the powers which are conferred on it under these Rules to any Person, including the Managing Person, or committee consisting of Members of the Society, by such means, to such an extent, in relation to such matters and on such terms and conditions as the Board thinks fit.
- 34.2 The Board may specify that any such delegation may authorise further delegation of the powers by any Person to whom they are delegated.
- 34.3 The Board may revoke any delegation in whole or in part or alter any terms and conditions.

35 SUB-COMMITTEES

- 35.1 A sub-committee to which the Board delegates any of its powers must follow procedures which are based as far as they are applicable on those provisions of these Rules which govern the taking of decisions by Directors.
- 35.2 The Board may make Regulations for all or any sub-committees, provided that such Regulations are not inconsistent with these Rules.
- 35.3 All acts and proceedings of any sub-committee must be fully and promptly reported to the Board.

36 CALLING A MEETING OF THE BOARD OF DIRECTORS

- 36.1 Any Director may, and the Secretary on the requisition of a Director shall, call a meeting of the Board of Directors by giving reasonable notice of the meeting to all Directors. Notice of any meeting of the Board of Directors must indicate the date, time and place of the meeting and, if the Directors participating in the meeting will not be in the same place, how they will communicate with each other.

37 PROCEEDINGS OF A MEETING OF THE BOARD OF DIRECTORS

- 37.1 The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 37.2 A Director is able to exercise the right to speak at a meeting of the Board of Directors and is deemed to be in attendance when that Person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a meeting of the Board of Directors to exercise their rights to speak or vote at it including by Electronic Means. In determining attendance at a meeting of the Board of Directors, it is immaterial whether any two or more Directors attending are in the same place as each other.
- 37.3 Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes the status quo shall be maintained and the Board of Directors may choose by simple majority to refer the matter to a general meeting of the Society.
- 37.4 A Written resolution, circulated to all Directors and signed by a simple majority (more than 50%) of Directors, shall be valid and effective as if it had been passed at a Board meeting duly convened and held. A Written resolution may consist of several identical Documents signed by one or more Directors.
- 37.5 The Board of Directors may, at its discretion, invite other Persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.

38 QUORUM

- 38.1 The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors or three Directors, whichever is the greater and shall include all those Directors who are in a position to communicate to all those attending, whether or not they are in the same place.
- 38.2 If at any time the total number of Directors in office is less than the quorum required, the Directors are unable to take any decisions other than to appoint further Directors or to call a general meeting so as to enable the Members to appoint further Directors.

39 CHAIRING BOARD MEETINGS

39.1 The chairperson shall facilitate meetings of the Board of Directors. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Directors present shall choose one of their number to be the chairperson for that meeting.

40 DECLARATION OF INTEREST

40.1 A Director shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest, whether directly or indirectly and, provided that such declaration has been made, s/he shall be entitled to vote in respect of such contract or matter. Nothing shall prevent a Director voting in respect of their terms and conditions of employment or any associated matter.

41 EXPENSES

41.1 The Society may pay any reasonable expenses which the Directors properly incur in connection with their attendance at meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Society.

42 TERMINATION OF A DIRECTOR'S APPOINTMENT

42.1 A Person ceases to be a Director of the Society as soon as:

- (a) that Person ceases to be a Member of the Society pursuant to Rule 14.1;
- (b) that Person is removed from office by a resolution of the Board of Directors, where the Person is a co-opted Director appointed for their particular skills and/or experience;
- (c) the Managing Person which appointed him/her removes their endorsement of him/her or where that Managing Person ceases to exist or its contract with the Society is validly terminated;
- (d) that Person resigns from office in Writing to the Secretary of the Society, and such resignation has taken effect in accordance with its terms;
- (e) that Person is removed from office by an ordinary resolution of the Society in general meeting, the notices for which specified that the question of the Director's removal was to be considered;
- (f) that Person is prohibited from being a Director by law;
- (g) that Person is disqualified from acting as a trustee or a senior manager by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions);
- (h) a bankruptcy order is made against that Person;
- (i) a registered medical practitioner treating that Person gives a Written opinion to the Society stating that the Person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- (j) by reason of that Person's mental health, a court of competent jurisdiction makes an order which wholly or partly prevents that Person from personally exercising any powers or rights which that Person would otherwise have.

43 OFFICERS

43.1 The Board shall elect from among their own number a chairperson and Secretary and such other Officers as they may from time to time decide. These Officers shall have such duties and rights as may be bestowed on them by the Board or by law and any Officer appointed may be removed by the Board. A serving Officer who is not re-elected to the

Board at the annual general meeting shall nevertheless continue in office until the first Board meeting following the annual general meeting.

44 DISPUTES

- 44.1 In the event of a dispute between the Society or its Board and a Member of the Society or a former Member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute or in the absence of agreement to be nominated by the Secretary General of Co-operatives UK (or any role or body that succeeds to its function). The decision of such an arbitrator shall be binding save for manifest error. In the event that a dispute cannot, for whatever reason, be concluded by reference to an arbitrator, the matter may be referred to the county court (or in Scotland, to the sheriff). Any Person bringing a dispute must, if so required, deposit with the Society a reasonable sum (not exceeding £100) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

45 REGULATIONS

- 45.1 The Society in a general meeting or the Board of Directors may, from time to time, make, adopt and amend such Regulations in the form of bye-laws, standing orders, secondary rules or otherwise as they think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board of Directors and sub-committees. Such Regulations (if any) shall be made available to Members. No Regulation shall be made which is inconsistent with these Rules or the Act. All Members of the Society and the Board of Directors shall be bound by such Regulations whether or not they have received a copy of them.

46 LIABILITY OF MEMBERS

- 46.1 The liability of a Member is limited to the amount of their shareholding plus any Joining Fee.

47 APPLICATION OF PROFITS

- 47.1 Members of the Society will be rewarded primarily through the reduction in the price paid for their electricity under their Managing Person Supply Contract rather than dividends. Any profits of the Society shall be applied as follows in such proportions and in such manner as may be decided by the Society at the annual general meeting:

- (a) to a general reserve for the continuation and development of the Society;
- (b) to making payment for social, co-operative, community or environmental purposes within the community local to the sustainable energy generation project(s) owned by the Society, including towards the alleviation of fuel poverty;
- (c) to further the objects of the Society in accordance with Rule 4; or
- (d) to paying dividends to Members, either equally or in accordance with some equitable formula which recognises the relative contribution made by each Member to the business of the Society.

48 AMALGAMATION, TRANSFER OF ENGAGEMENTS AND CONVERSION

- 48.1 The Society may, by special resolution passed in the way required by section 111 of the Act, amalgamate with, or transfer its engagements to another registered society subject to at least the same degree of restriction on the distribution of profits and assets as imposed on this Society by virtue of these Rules. The Society may also accept a transfer of engagements and assets by a resolution of the Board or by general meeting.
- 48.2 The Society may, by a special resolution passed in a way required by section 113 of the Act, amalgamate with, or transfer its engagements to, or convert to a company, subject

to at least the same degree of restriction on the distribution of profits and assets as imposed on this Society by virtue of these Rules. In relation to calling a general meeting for the purpose of such resolution, the following provisions shall apply:

- (a) the Society shall give to Members not less than two months' notice of the meeting;
- (b) notice of the meeting shall be given to Members personally or sent to them at their Address by post, email, telephone or to a relevant mobile phone application messaging service and shall be posted on the website of the Society;
- (c) the notice shall be accompanied by a separate statement setting out for Members:
 - (i) the reasons for the proposal;
 - (ii) whether the proposal has the support of the Board of the Society;
 - (iii) what alternative proposals have been considered, and whether they are viable;
 - (iv) details of the number of shares in the Society held by Members of the Board, and Persons connected with them;
 - (v) a recommendation by reputable independent financial advisors that the Members should support the proposal rather than any alternative proposal.
- (d) where the separate statement is contained in another Document, information shall be provided in the notice specifying where Members can obtain a copy of the Document.

49 DISSOLUTION

49.1 The Society may be dissolved:

- (a) in accordance with section 119 of the Act by an instrument of dissolution;
- (b) in accordance with section 123 of the Act in pursuance of a winding up order or by a resolution made or passed as directed in regard to companies by the Insolvency Act 1986; or
- (c) in accordance with section 125 of the Act, after administration and administrator issues a notice to dissolve the Society without prior winding-up.

49.2 If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the Members, but shall be transferred to some other common ownership co-operative whose objects are aligned with the Society's, as may be decided by the Members at the time of or prior to the dissolution. If such residual assets cannot be transferred in this manner they shall be transferred to some other organisation whose purpose is to promote and support the co-operative movement and common ownership enterprises. This rule may only be amended by a resolution of the Members which is passed by a majority of not less than 90% of votes cast at a general meeting.

50 ADMINISTRATIVE ARRANGEMENTS: MEANS OF COMMUNICATION

50.1 By agreeing to these Rules, each Member gives their consent to receive communications from the Society by Electronic Means.

50.2 A notice sent to a Director's Address shall be deemed to have been duly served 48 hours after its posting or, if sent by Electronic Means, 8 hours after transmission. A Director may agree with the Society that notices or Documents sent to her/him in a particular way are

to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

51 SEAL

- 51.1 If the Society has a seal, it shall only be used by the authority of the Board of Directors acting on behalf of the Society. Every instrument to which the seal shall be attached shall be signed by a Director and countersigned by a second Director or the Secretary.

52 REGISTERS

- 52.1 The Board of Directors shall ensure accurate registers are maintained which shall include a register of Members, a register of Directors and a register of Officers. Such registers may be kept in hard copy or by secure electronic storage.

53 REGISTER OF MEMBERS

- 53.1 The Board shall ensure that the register is maintained in accordance with the Act and that the particulars required by the Act are available for inspection and accessible without the need to disclose other particulars contained in the register.

54 REGISTER OF DIRECTORS AND OFFICERS

- 54.1 The Society shall maintain a register of Directors and Officers which shall include the following particulars:
- (a) name of the Director;
 - (b) Address of the Director;
 - (c) the date on which they assumed office;
 - (d) the date on which they vacated office; and
 - (e) the position held by a Director if s/he is also an Officer and the date on which the Director assumed and vacated their Officer position.

55 AMENDMENTS TO RULES

- 55.1 Subject always to Rule 49.2, any of these Rules may be rescinded or amended or a new rule made by Extraordinary Resolution at a general meeting of which 14 Clear Days' notice has been given, such notice to include details of the change(s) to be proposed at that meeting.
- 55.2 No amendment of these Rules is valid until registered by the Registrar. When submitting the Rule amendments for registration, the Secretary may at their sole discretion accept any alterations required or suggested by the Registrar without reference back to a further general meeting of the Society.

56 DOCUMENTATION AVAILABLE

- 56.1 A copy of these Rules and any amendments made to them shall be given free of charge to every Member upon admission to membership and shall be provided to any other Person on demand and on payment of the statutory fee chargeable for the time being in force.
- 56.2 Following the end of each tax year any Member may request a statement in Writing for tax purposes of their capital and income received in respect of their membership over the previous 12 months.

57 MINUTES

- 57.1 The Society shall ensure that minutes are kept of all:

- (a) proceedings at general meetings of the Society; and
- (b) proceedings at meetings of the Board of Directors and its sub-committees which include names of the Directors present, decisions made and the reasons for those decisions.

58 ANNUAL RETURN

58.1 Every year and within the period prescribed by the Act, the Secretary shall send the annual return in the prescribed form to the Registrar. The annual return shall be accompanied by:

- (a) a copy of the Auditor's report on the Society's accounts for the period covered by the annual return or a copy of such other report (if any) as is required by statute for such a period; and
- (b) a copy of each balance sheet made during that period and report of the Auditor or other appropriate Person as required by statute on that balance sheet.

58.2 The Society shall on demand supply free of charge to any Member or any Person with an interest in the funds of the Society an electronic copy of the latest annual return together with an electronic copy of the Auditor's report on the accounts and balance sheet contained in the annual return and the Auditor's Report (if any).

58.3 The Society shall at all times keep a copy of the latest balance sheet of the Society together with a copy of the corresponding Auditor's report (if any) hung up in a conspicuous place at the registered office and displayed on the Society's website (if any).

59 AUDIT

59.1 Unless the Society meets the criteria set out in section 83(2) of the Act or disappplies the audit requirement in accordance with section 84 of the Act, the Board shall in each financial year appoint an Auditor as required by section 83(1) of the Act to audit the Society's accounts and balance sheet for the year. This provision also applies if the Society is in its first financial year.

59.2 The following Persons shall not be appointed as Auditor of the Society:

- (a) an Officer or Employee of the Society;
- (b) a Person who is a partner or employee of, or who employs an, Officer of the Society.

59.3 The Board may appoint an Auditor to fill a casual vacancy occurring between general meetings.

59.4 An Auditor for the preceding financial year shall be re-appointed as Auditor of the Society for the current financial year unless:

- (a) a decision has been made by the Board to appoint a different Auditor or expressly decided that s/he shall not be re-appointed; or
- (b) s/he has given notice in writing to the Secretary of their unwillingness to be re-appointed; or
- (c) s/he is ineligible for appointment as Auditor of the Society for the current financial year; or
- (d) s/he has ceased to act as Auditor of the Society by reason of incapacity.

59.5 Any ordinary resolution of a general meeting of the Society either to remove an Auditor from office or to appoint another Person as Auditor shall not be effective unless notice of the proposed resolution has been given to the Society at least 28 days prior to the meeting

at which the resolution is to be considered. At least 14 days' notice of such resolution must then be given to Members of the Society in the manner prescribed in these Rules and in Writing to the Auditor(s).

60 SOCIAL ACCOUNTING AND REPORTING

60.1 In addition to any financial accounts required by the Act, the Members may resolve to undertake an account of the activities of the Society which will endeavour to measure its social and environmental performance using whatever methodology the Members deem appropriate. Following the completion of such an account the Society shall report any findings to its Members and other stakeholders.

61 INDEMNITY AND INSURANCE

61.1 Subject to the following rule, any Director or former Director of the Society may be indemnified out of the Society's assets against:

- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Society;
- (b) any liability incurred by that Director in connection with the activities of the Society in its capacity as a trustee of an occupational pension scheme;
- (c) any other liability incurred by that Director as an Officer of the Society.

61.2 The above rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.

61.3 The Directors may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any Director or former Director of the Society in respect of any loss or liability which has been or may be incurred by such a Director in connection with their duties or powers in relation to the Society or any pension fund or employees' share scheme of the Society.