

ALL PREVIOUS RULES RESCINDED

Registered Number: 30879R

RULES OF

ENERGY PROSPECTS CO-OPERATIVE LIMITED

Registered under the Industrial and
Provident Societies Acts 1965

RULES OF ENERGY PROSPECTS CO-OPERATIVE LIMITED

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

1. NAME

The name of the Society (referred to in these Rules as "the Co-operative") shall be Energy Prospects 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 the promotion of community ownership of renewable energy generation and the development, installation, management, operation, generation and/or transmission of the supply of energy from renewable energy sources owned by the community;
- 2.2 the provision of services relating to the promotion, development, installation, management, operation, generation and/or transmission of the supply of energy from renewable energy sources by community owned third parties including by other co-operatives;
- 2.3 the conservation of energy through advice on energy efficiency including energy efficient products and the supply of energy efficient products and such other activities of a general commercial company as the members shall agree by amendment to these Rules from time to time; and
- 2.4 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 including having the power:

- 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; any such loan to or other transaction with another society registered under the Act may be authorised by the Board 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 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;
- 3.2 to issue ordinary shares of the Co-operative; and

- 3.3 to make gifts and donations to energy conservation and environmental initiatives 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

5. MEMBERSHIP

- 5.1 The Board, at its sole discretion, may admit to membership any person or 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 who or which has agreed to pay to the Co-operative any subscription or other sum due in respect of such membership.
- 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 and address of each member;
 - (b) a statement of the number of shares held by each member, and the amount paid up on such shares;
 - (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.
- 5.5 Any member changing her/his/its address shall notify the Secretary in writing within twenty-one days.

6. CESSATION OF MEMBERSHIP

- 6.1 A member shall cease to be a member if he, she 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 14; or
- (f) is expelled from membership in accordance with Rule 6.7.

6.2 When membership ceases under condition (a) above, the provisions of Rule 18 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 14.

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

6.4 When membership ceases under conditions (c), or (d) 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 14.

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 condition (e) above, in accordance with Rule 14 the member shall be removed from the Register of Members.

6.6 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.

6.7 If the Co-operative has been unable to contact a member for a period of seven years due to a member's change of address, name, or any other circumstance, the Board may at its discretion expel such a member and apply any unclaimed monies for the purposes of the Co-operative.

7. GENERAL MEETINGS

7.1 General Meetings of members of the Co-operative shall be convened by the Secretary, upon the order of the Board, giving all members not less than twenty-one clear days notice of the date, time and place at which the meeting is to be held and the business which is to be transacted at that meeting. The Secretary shall also call a General Meeting at the written request of ten per cent or more of the membership.

7.2 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;

- (c) the election of any director to the Board; and
- (d) the application of surplus funds.

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 ballot under Rule 8.7, in which case the aggregate of the postal 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 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 8.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands. The Chairperson shall count the votes in favour or against such resolution using such assistants as he shall appoint and shall declare the result and enter it in the book containing the minutes of the proceedings of the Co-operative.
- 8.7 The Co-operative, by resolution at a General Meeting, may choose to submit any or all votes at any or all subsequent meetings on the election or re-election of Directors and any other business to be transacted at a General Meeting to a postal ballot.
- 8.8 Any notice of postal 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 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 21 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 votes cast, if a postal ballot has been approved for the resolution of this question of which twenty-one 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.

10. MERGERS WITH OTHER CO-OPERATIVES

Subject to the Act, the Co-operative shall, with the agreement of three quarters of the members of the Co-operative voting at a General Meeting whether present in person or by proxy or by postal votes cast, if a postal ballot has been approved for the resolution of this question of which twenty-one clear days' notice has been given, such notice to include details of the change(s) to be made at that General Meeting, have the power to accept the transfer of engagements from, or amalgamate with any other co-operative 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 not less than three but no more than five Directors. Energy4All Limited (a company incorporated in England, with company number 4545379) shall have the right to appoint one of the Directors whilst it is the manager of the Co-operative. Any Director so appointed shall not be subject to retirement by rotation and may be appointed by Energy4All Limited serving notice on the Co-operative stating the name of the Director and the date such appointment takes effect; such Director may be removed only by Energy4All Limited serving a notice on the Co-operative stating the date of removal and stating whether any person is being appointed a Director in the place of the Director so removed. Such a Director shall not be subject to removal under Rule 11.5 and shall not be subject to election under Rule 11.7.

11.3 The quorum necessary for the transaction of businesses at a meeting of the Board shall be three.

- 11.4 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.
- 11.5 A Director may be removed from office at any time by a majority vote at a General Meeting called for such purpose.
- 11.6 The remuneration of Directors shall be decided by the Board within guidelines determined from time to time by the Co-operative.
- 11.7 The Board shall be elected each year at or by postal ballot prior to the Annual General Meeting in the following manner:
- (a) at the first 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;
 - (b) 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
 - (c) if the Co-operative, at the meeting at which the Directors retire by rotation, does not fill a vacancy the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.
- 11.8 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.
- 11.9 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.
- 11.10 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.
- 11.11 The Board may appoint and have the power to remove (subject to 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.
- 11.12 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.

- 11.13 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.
- 11.14 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.
- 11.15 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.
- 11.16 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.
- 11.17 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.
- 11.18 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 11.17, 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.
- 11.19 For the purposes of Rule 11.17:
- 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 her/him to have knowledge shall not be treated as an interest of 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 member 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;

- e) any Director appointed by Energy4All Limited pursuant to Rule 11.2 may participate in the consideration and discussion of, be counted in the quorum and vote on transactions and arrangements which the Co-operative considers pursuant to or in relation to any contract between the Co-operative and Energy4All Limited, but shall not participate, be counted in the quorum or vote on any consideration of the terms of such contracts or on the quality of their performance or in relation to any actual or potential dispute between the Co-operative and Energy4All Limited or on whether any such contracts should be terminated.

12. MANAGER

12.1 The Manager appointed by the Board in accordance with Rule 11.11:-

- (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 the power to engage, suspend, discipline or discharge anybody employed by the Co-operative; and
- (d) shall have any other powers delegated to her or him by the Board.

12.2 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.

13. SHARE CAPITAL

13.1 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.

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

14. TRANSFERENCE OF SHARE CAPITAL

14.1 A member may apply at any time that some or all of her/his/its shares shall be transferred to another person. 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 number of shares permitted by the Act.

14.2 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.

15. WITHDRAWALS OF SHARE CAPITAL

15.1 Members do not have the right to withdraw share capital but the Board of the Co-operative has the power to permit its shares to be withdrawn by agreement between the Board and the member in accordance with any procedures and other conditions the Board may announce. If the Board does permit shares to be withdrawn then the amount to be paid to a member shall be the net asset value attributable to that share as determined by the Board (being the net asset value of the Co-operative as shown in the most recent audited accounts of the Co-operative divided by the number of shares in issue, with such rounding to the nearest whole number of any number which is a fraction as the Board may determine), less any costs incurred by the Co-operative in relation to that withdrawal.

15.2 The Board may resolve to require any proportion (the "Proportion") of its share capital to be withdrawn on the terms of Rule 15, in which case it shall treat as agreed to be withdrawn on behalf of every member (and not some only) that Proportion of the shares held by them (with such rounding to the nearest whole number of that Proportion which is a fraction as the Board may determine). The amount to be paid per share withdrawn pursuant to this Rule 15.2 shall be calculated under Rule 15.1. All members are deemed to give any, and shall give any further, necessary notices, requests and consents to the withdrawal of their shares in the manner provided for in this Rule and there shall be no requirement for any member to sign any such notices, requests or consents.

16. 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.

17. BORROWINGS

The Co-operative shall have power to:

17.1 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 Banking Act 1987 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 necessary to obtain and retain borrowings required to carry out the business of the Co-operative.

17.2 receive gifts and donations towards its objects; and

17.3 receive interest free loans towards its objects subject to the limit in Rule 17.1(a).

18. AUDIT

18.1 Where required by law, the Co-operative shall appoint in each financial year an auditor qualified under Section 7 of the Friendly and 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 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.

18.2 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.

18.3 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.

18.4 Every year, the Secretary shall send to the Financial Services Authority (in the form and at the time prescribed by law), or not later than seven months after the date prescribed by him, the annual return relating to affairs of the Co-operative for the last accounting year, together with:-

- (a) a copy of the report 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 of the auditor thereon.

19. PROCEEDINGS ON DEATH OF A MEMBER

19.1 Upon a claim to that effect being made by the personal representative of a deceased member the Co-operative shall transfer the shares of the deceased member into the name of the personal representative.

19.2 The personal representative of a deceased 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.

- 19.3 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 19.2 in which case the proceeds, less any costs incurred by the Co-operative, shall be credited to the person so nominated.
- 19.4 Rule 19.3 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.

20. 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.

21. APPLICATION OF PROFITS

- 21.1 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
- 21.2 The Board shall have the power to pay interim dividends without the approval of a General Meeting.

22 DISSOLUTION

- 22.1 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, 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.

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

23. 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.

24. INTERPRETATIONS

In these Rules. "the Act" refers to the Industrial and Provident Societies Acts 1965 or any Act or Acts amending or in substitution for it for the time being in force. "The Registrar" shall mean the Financial Services Authority ("the FSA").

Signatures of founder Members	Full Names in Block Capitals (no initials)
1	MARNA MCMILLIN
2	ANNETTE HESLOP
3	HELEN JACKSON

Secretary: Annette Heslop

Registered on 20th January 2010

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

Registered Number 30879R

