Co-operative and Community Benefit Societies Act 2014

Rules of

NORTH LINCOLNSHIRE COMMUNITY ENERGY LIMITED

NAME

1. The name of the society shall be North Lincolnshire Community Energy Limited.

REGISTERED OFFICE

2. The registered office of the society shall be at Unit 26, Trinity Enterprise Centre, Furness Business Park, Barrow-in-Furness, Cumbria, LA14 2PN.

INTERPRETATIONS

3. In these rules:

"Address" means a postal address or, for the purposes of electronic communication, a fax number, email address or telephone number for receiving text messages;

"the 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;

"Auditor" means a person eligible for appointment as a company auditor under Part 42 of the Companies Act 2006;

"**Ballot"** means a vote not taken by a show of hands, but by paper or secure electronic means which enables a participant to indicate their choice on a proposed resolution**.**

"Authorised Attorney" means a person appointed with authority to act for another person in specified or all legal or financial matters;

"The Board of Directors" or "Board" means all those persons appointed to perform the duties of directors of the society;

"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;

"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, is in the process of being sent and is assumed to be delivered;

"Contracted Manager" means any body contracted by the Society to provide management services to the Society.

"Director" means a director of the society and includes any person occupying the position of director, by whatever name called;

"Document"

means a communication in Writing, whether sent or supplied by Electronic Means or otherwise.

"Electronic Means" in relation to meetings, communication by video link or any other means of electronic communication which enables the participant to understand proceedings at the meeting and contribute. In relation to transactions or notices, this shall include communication by email and secure authenticated website transactions.

"Employee" means anyone holding a contract of employment with the Society;

"Extraordinary Resolution" means, unless the context requires otherwise, those decisions requiring an extraordinary resolution as detailed under 'Resolutions' in these rules;

"Founder Member" means a subscriber to these rules for the purposes of registration;

"Member" has the meaning as detailed under '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 'Officers' in these rules;

"Person" means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or the nominee of an unincorporated body, firm, partnership or corporate body;

"Present" for the purposes of calculating a quorum for general meetings means those Members physically present, present by proxy and those Members participating in the meeting but not present in Person.

"Registrar" means the Financial Conduct Authority (FCA) or any body that succeeds its function;

"Regulations" has the meaning as detailed under 'Regulations' in these rules;

"Rules" means these Rules;

"Secretary" means any person appointed to perform the duties of the Secretary of the society;

"Simple Majority" means a resolution passed by more than 50% of those Members voting on the resolution either Present (which shall include those Present but not in Person) at a general meeting or represented by proxy, or in the case of a written resolution by Members signing the resolution. In the context of a Board meeting, Simple Majority means a resolution passed by more than 50% of those Directors voting on the resolution either Present (which shall include those Present but not in Person) at a Board meeting, or in the case of a written resolution by Directors signing the resolution;

"Society" means the above named society;

"Transferable" means shares that are transferable to another Person who also

qualifies for membership of the Society in accordance with these Rules;

"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.

OBJECTS

4. The objects of the Society shall be to carry on any business for the benefit of the community by:

   (a) the development, installation, management, operation, generation, transmission and supply of energy from renewable and low carbon energy sources;

   (b) the conservation of energy through advice on energy efficiency including energy efficient products and the supply of energy efficient products;

   (c) to provide support to community organisations in the locality of any energy project supported by the Society;

   (d) the promotion of awareness of environmental and related issues and support for educational initiatives related to renewable energy; and

   (e) enabling the local and wider community to share in the ownership of, and contribute to, renewable and low carbon energy generation and energy efficiency initiatives.

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

POWERS

6. 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 that is beneficial to the Society.

BORROWING

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

8. 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.

9. 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 the rate required, in the opinion of the Board, to raise and retain the amount required.

10. 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.

FINANCIAL SERVICES AND MARKETS ACT 2000 ACTIVITY

11. For the avoidance of doubt the Society shall not engage in any activity by virtue of any of these Rules that would require a permission from the Registrar to carry on that activity without first having applied for and obtained such permission.

INVESTMENT OF FUNDS

12. The Society, with the authority of the Board, may invest any part of its funds in the manner set out in Section 27 of the Act.

MEMBERS

13. The first Members of the Society will be the Founder Members. The Board may at its discretion admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partnership who supports the objects of the Society and who has paid or agreed to pay any subscription or other sum due in respect of membership for the time being in force.

Applications for Membership

14. No natural person shall be admitted into membership of the Society unless they have attained the age of 16. All those wishing to become a Member must support the objects of the Society and complete an application for membership which shall include an application for at least one share in the Society. Such an application form must be approved by the Directors and the Directors must approve each application for membership.

15. A corporate body which is a Member shall by resolution of its governing body appoint a representative who may during the continuance of her/his appointment be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual person. Each such corporate body Member shall supply notification in Writing to the Society of its choice of representative.

Member Commitment

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

Termination of Membership

17. A Member shall cease to be a Member of the Society immediately that they:

    (a) Fail to hold the minimum shareholding; or

    (b) Fail to pay the annual subscription (if any) within 3 months of it falling due; or

    (c) Resign in Writing to the Secretary; or

    (d) Are expelled from membership in accordance with these Rules; or

    (e) Die, are wound up or go into liquidation.

Expulsion from Membership

18. A Member may be expelled for conduct prejudicial to the Society by an Extraordinary Resolution, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the Member whose expulsion is to be considered shall be given the opportunity to make representations to the meeting or, at the option of the Member, an individual who is there to represent them (who need not be a Member of the Society) has been allowed to make representations to the general meeting.

19. If on due notice having been served the Member fails to attend the meeting the meeting may proceed in the Member's absence.

(a) An expelled Member shall be paid the nominal value of shares held by them at the time of expulsion;

(b) No Member expelled from membership shall be re-admitted except by an Extraordinary Resolution.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

20. A Member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Society 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. On receiving a satisfactory proof of death of a Member who has made a 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.

21. Any property held by a Member who dies or becomes bankrupt which is not dealt with by nomination under this Rule shall be dealt with as follows:

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 personal representative, trustee in bankruptcy or Office Holder has become entitled as that person may direct them.

SHARE CAPITAL

22. The shares of the Society shall be of the nominal value of £1. The minimum shareholding required of a Member shall be defined as such number of fully paid shares as the Board may determine subject to the Act, or as may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.

23. The Society may accept applications for shares in tranches which are smaller in number than the minimum shareholding, provided that any Member who does not achieve the minimum shareholding within 12 months of their first payment ceases to be a Member of the Society. Any person ceasing to become a Member under this rule shall have the value of their shares as at the date on which they ceased to become a

Member returned to them and the relevant shares shall be cancelled.

24. Applications for shares shall be made to the Board of the Society who shall allot to Members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any Member shall not exceed the maximum shareholding permitted by law. Shares shall be paid for in full on allotment.

25. If a Member who is required to withdraw from membership under these Rules is unable to transfer their shares and the right to withdraw shares has been suspended, then the nominal value of their share capital may:

(a) be converted into loan stock upon such terms as may be agreed between the Board and the Member, or their personal representative, trustee in bankruptcy, or Office Holder provided that such agreement shall require the repayment of the loan within a period not exceeding three years; or

(b) if no agreement can be reached on (a) above, be surrendered in full to the Society at which point the Shares will be cancelled. The surrender must be made in such form as the directors require.

26. Shares shall be Withdrawable only in accordance with the provisions of these Rules. Shares shall be non-Transferable except:

(a) on death or bankruptcy; or

(b) (in the case of an unincorporated organisation or partnership), on a change of nominee(s) and only to the new nominee(s).

Withdrawal of Share Capital

27. Members do not have the right to withdraw share capital but the Board of the Society has the power to permit shares in the Society to be withdrawn by agreement between the Board and the member holding those shares 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 the member who is withdrawing shares shall be the amount subscribed for the shares so withdrawn, less any reasonable costs incurred by the Society in relation to that withdrawal.

28. The Board may resolve to require any proportion (the “Proportion”) of its share capital to be withdrawn on the terms of this Rule 28 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 28 shall be the amount subscribed for the shares so withdrawn. All members are deemed to give any consents required to the withdrawal of their shares in the manner provided for in this Rule 28. Any share withdrawn in accordance with these Rules shall be cancelled.

29. Members may withdraw from the Society by withdrawing all their shares in the Society in accordance with these Rules or, if the right to withdraw has been suspended, by surrendering all their shares to the Society. Upon such surrender the Board may at their discretion pay to the withdrawing Member the amount paid up or credited on the shares surrendered.

30. The Society may deduct such reasonable sum to cover any administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares in the

Society.

Lien on Shares and Right of Offset

31. The Society shall have a lien on the shares of a Member for any debt due to it by the Member and may offset any sum standing to the Member's credit with the Society in or towards payment of such debt.

GENERAL MEETINGS

32. 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.

33. 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;

(e) The transaction of any other business included in the notice convening the meeting.

Calling a General Meeting

34. 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.

35. 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.

36. 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.

Notices

37. 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.

38. Notices of meetings shall either be given to Members personally or sent to them at their Address including electronic means or alternatively, if so agreed by the Society in general meeting, notices of general meetings may be displayed conspicuously at the registered office and in all other places of business of the Society to which Members

have access. 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 notices calling the meeting.

39. A notice sent to a Member's 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 Person entitled to receive notice shall not invalidate the proceedings at the meeting.

40. All notices shall specify the date, time and place of the meeting along with the general nature of business to be conducted and any proposed resolutions.

41. 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.

Quorum

42. No business shall be transacted at a general meeting unless a quorum of Members is Present which shall include those Members Present, but not in person. Unless amended by Extraordinary Resolution, a quorum shall be 6 Members or 10% of the membership, whichever is the lesser.

Chairing General Meetings

43. 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.

Attendance and Speaking at General Meetings

44. 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.

45. 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.

Adjournment

46. 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 to date in the following week, stating the date, place and time. If a quorum is not Present within half an hour of the time the adjourned meeting is due to commence, the Members Present shall constitute a quorum and the meeting shall proceed to business.

47. 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.

48. The chairperson must adjourn the meeting if directed to do so by the meeting.

49. 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.

50. 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.

51. 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.

Voting

52. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper ballot is demanded in accordance with these Rules. A declaration by the chairperson that a resolution has on a show of hands 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 in favour for or against need not be recorded.

53. In the case of an equality of votes, whether on a show of hands or a poll, the chairperson shall not have a second or casting vote and the resolution shall be deemed to have been lost.

Paper Ballot

54. A Ballot on a resolution may be demanded before or on the declaration of the result of the show of hands by three Members at a general meeting.

55. If a Ballot is duly demanded it shall be taken in such a manner as the chairperson directs, 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.

56. 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.

57. The Board may permit decisions to be taken at general meetings by a combination of postal voting, by secure electronic voting procedures, voting in person or by proxy provided that each Member has only one vote.

Proxy Voting

58. Any Member entitled to attend and vote at a general meeting may appoint another person, who may but need not be a Member, as their proxy to attend and vote on their behalf. A proxy shall be appointed by delivering an appointment in Writing to the registered office or such other place as may be selected by the Board and stated in the

meeting notice at least two days before the date of the meeting at which the proxy is authorised to vote. It must be signed or approved and sent by the Member or a duly Authorised Attorney. Any proxy form delivered late shall be invalid. Any question as the validity of a proxy shall be determined by the chairperson of the meeting whose decision shall be final.

Resolutions

59. Decisions at general meetings shall be made by passing resolutions:

(a) The following decisions must be made by Extraordinary Resolution:

(i) Decisions to expel Members;

(ii) Any amendment to the Society's Rules;

(b) Decisions set out in these Rules required to be passed by special resolution must be passed in the way required by the Act. All other decisions shall be made by ordinary resolution.

60. 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 of votes cast.

61. Unless the Act specifically requires a special resolution to be passed at a general meeting, a resolution may be passed as a written resolution. A written resolution may consist of several identical Documents signed by one or more Members.

DIRECTORS

62. The Society shall have a Board of Directors comprising not less than three Directors.

63. The initial Directors of the Society from registration until the first annual general meeting shall be appointed by the Founder Members.

64. Only persons who are aged 18 years or more may serve on the Board of Directors.

Board Composition

65. The composition of the Board shall be as follows:

(a) Up to seven Directors elected by and from the Society's Members;

(b) At its discretion, the Board may appoint up to two Directors in addition to the elected Directors. Such Directors may be recruited from a named Member (being a body corporate, Society, or other institution) where in the Board's reasonable opinion such Member can provide significant expertise or benefit to the Society. If an organisation with the required expertise, is the Contracted Manager of the Society, and also a Member of the Society, 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 Society remove any person so appointed and if it so chooses appoint someone else in his/her place. Any Director appointed under this Rule shall not be required to retire by rotation in accordance with Rule 66, but shall be considered for re-appointment or substitution every two years in

consultation with the named Member.

Retirement Cycle

66. At the second 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 Director to retire shall be decided by lot. A retiring Director shall be eligible for re-election. This rule does not apply to additional Directors appointed under Rule 65 (b).

Co-option of Directors

67. In addition to those Directors appointed under the provisions titled 'Board Composition' in these Rules, 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.

68. The Board of Directors may at any time fill a casual vacancy on the Board by co-option. Co-opted individuals must be Members of the Society and will hold office as a Director only until the next annual general meeting.

Powers and Duties of the Board of Directors

69. 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.

70. 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.

71. 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.

72. 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.

73. 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.

74. Any ultra vires action by the Board may be ratified by the Society by a special resolution passed in the way required by s44 of the Act. A separate special resolution must be passed in the same way should the Society wish to relieve a Director from any liability incurred as a result of a breach of duty arising from the Society acting outside its powers.

Delegation

75. Subject to these Rules, the Directors may delegate any of the powers which are conferred on them under these Rules to any 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 they think fit.

76. The Directors may specify that any such delegation may authorise further delegation of the powers by any Person to whom they are delegated.

77. The Directors may revoke any delegation in whole or in part or alter any terms and conditions.

Sub-Committees

78. A sub-committee to which the Directors delegate any of their 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.

79. The Directors may make Regulations for all or any sub-committees, provided that such Regulations are not inconsistent with these Rules.

80. All acts and proceedings of any sub-committee must be fully and promptly reported to the Directors.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Calling a Meeting of the Board of Directors

81. 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.

Proceedings of a Meeting of the Board of Directors

82. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

83. 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.

84. Questions arising at any meetings 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 to refer the matter to a general meeting of the Society.

85. A written resolution, circulated to all Directors and signed by a simple majority 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.

86. 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.

Quorum

87. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors or 3 Directors, whichever is the greater and shall include those Directors Present, but not in person.

88. 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.

Chairing Board Meetings

89. 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.

Declaration of Interest

90. 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 shall not vote in respect of such contract or matter, provided that nothing shall prevent a Director voting in respect of her/his terms and conditions of employment or any associated matter.

For the purposes of this Rule:

(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;

(d) a Director with an interest in a contract will not be involved in awarding the contract whether by discussion or by voting.

Expenses

91. 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.

Termination of a Director's Appointment

92. A person ceases to be a Director of the Society as soon as:

(a) That person resigns from office in Writing to the Secretary of the Society, and such resignation has taken effect in accordance with its terms;

(b) 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;

(c) That person is prohibited from being a Director by law;

(d) That person is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions); or

(e) A bankruptcy order is made against that person;

OFFICERS

93. The Board shall elect from among their own number a chairperson 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. The Board shall appoint a Secretary to the Society. The Secretary shall have such duties and rights as may be bestowed on them by the Board, by these Rules or by law and any Secretary appointed may be removed by the Board. The Secretary need not be a director or member of the Society.

DISPUTES

94. 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. 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.

REGULATIONS

95. 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.

LIABILITY OF MEMBERS

96. The liability of a Member is limited to the amount of their shareholding.

PAYMENT OF INTEREST ON SHARE CAPITAL

97. In order to meet its obligation to carry on its business for the benefit of the community, the Society may raise share capital as required to carry out its objects and may pay interest on Members' share capital at such rate as may be determined by the Board from time to time, provided that the rate of interest paid does not exceed the minimum rate necessary in the opinion of the Board to obtain the required share capital and thereafter to retain it.

APPLICATION OF PROFITS

98. 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; or

(b) To making payment for social or community purposes within the community served by the Society.

AMALGAMATION, TRANSFER OF ENGAGEMENTS AND CONVERSION

99. 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.

100. 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:

The Society shall give to Members not less than two months' notice of the meeting;

(a) Notice of the meeting shall be posted in a prominent place at the registered office and at all trading premises of the Society to which Members have access;

(b) 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.

(c) 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.

DISSOLUTION

101. 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.

102. 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 instead to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of profits and assets as is imposed on this Society by virtue of these Rules, as may be decided by the members at the time of or prior to the dissolution.

ADMINISTRATIVE ARRANGEMENTS

Means of Communication

103. . Where the Society has not received specific consent from a Member to communicate with them by Electronic Means, the Society must communicate with the Member via postal means

104. A notice sent to a Director's Address shall be deemed to have been duly served 48 hours after its posting. 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.

Seal

105. 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.

Registers

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

Register of Members

107. 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.

Register of Directors and Officers

108. 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 his/her Officer position.

Register of Nominations

109. The Society shall maintain a register of nominations which shall record the names of all persons entitled to a Member's property in the event of his/her death and any revocation or variation of the nomination.

Amendments to Rules

110. 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. No amendment of 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.

Copies of the Society's Rules

111. 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.

Minutes

112. 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.

Annual Return

113. 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 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

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.

114. The Society shall on demand supply free of charge to any Member or any person with an interest in the funds of the Society 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 annual return and the Auditor's Report (if any).

115. 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).

Audit

116. Unless the Society meets the criteria set out in section 83(2) of the Act or may disapply 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.

117. 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.

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

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

(a) S/he has given notice in writing to the Secretary of her/his unwillingness to be re-appointed; or

(b) S/he is ineligible for appointment as Auditor of the Society for the current financial year; or

(c) S/he has ceased to act as Auditor of the Society by reason of incapacity; or

(d) An ordinary resolution is passed under section 93(2) of the Act; to either:

(i) appoint another person instead of the existing auditor,

(ii) expressly provide that the existing auditor is not to be re-appointed, or

(iii) disapply section 83 (duty to appoint auditors) in relation to the current year of account.

120. 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).

Social Accounting and Reporting

121. 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.

Indemnity and Insurance

122. 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.

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

124. 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.

Signatures of Members	**Full Names of Members in BLOCK CAPITALS (no initials)**
1.	MICHAEL SMYTH
2.	ZACH WISHART
3.	
Signature of Secretary	**Full Name of Secretary in BLOCK CAPITALS (no initials)**
1.	CASSIE BELL