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**RULES OF BAYWIND ENERGY  
CO-OPERATIVE LIMITED**

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Registered under the Industrial and  
Provident Societies Acts 1965 - 1978

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RULES OF BAYWIND ENERGY CO-OPERATIVE LIMITED Registered under the Industrial and Provident Societies Acts 1965 - 1978 ("the Act").

**1. NAME**

The name of the society shall be Baywind Energy Co-operative Limited (referred to below as "the Co-operative").

**2. OBJECTS**

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

- (1) the development, management, generation, transmission and supply of electricity from renewable energy sources and
- (2) the conservation of energy through advice on energy efficiency including energy efficient products and the supply of energy efficient products and such other activities of a general commercial company as the members shall agree by amendment to these Rules from time to time.

**3. GENERAL POWERS**

The Co-operative shall have power to do all things necessary or expedient to fulfil its objects including but not without limitation:-

- (1) to 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 £100 million;
  - (b) the society 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;
  - (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.
- (2) to receive donations towards its objects;
- (3) to receive interest free loans towards its objects subject to the limit in Rule 3(1)(a);
- (4) to invest funds of the Co-operative by the authority of the Board Members in accordance with the Act;
- (5) to issue ordinary shares of the Co-operative;

- (6) to make donations to energy conservation and environmental initiatives whether charitable or otherwise.

#### **4. REGISTERED OFFICE**

The Registered Office of the Co-operative shall be at Trinity Enterprise Centre, Furness Business Park, Barrow in Furness, Cumbria, LA14 2PN or at such other place as the Board shall from time to time agree. Any change of registered office shall not take effect until registered by the Financial Services Authority, if applicable.

#### **5. LIMITED LIABILITY**

The Co-operative shall have limited liability by virtue of its registration.

#### **6. SHARE CAPITAL**

##### **(1) The value of shares**

The nominal value of shares of the Co-operative shall be £1.00. Each member shall hold at least the minimum set by the Board from time to time and no member may hold more than the maximum permitted by law. Shares shall be payable in full on allotment.

##### **(2) Description of shares**

Shares shall be transferable, in accordance with paragraph (3) of this rule.

##### **(3) Transfers**

A member may transfer shares subject to the approval of the Board. The application to transfer shares must:-

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

The Board Members shall have absolute discretion whether to permit a transfer of shares and to accept the transfer of only a certain minimum number or multiple number of shares.

##### **(4) Withdrawals**

Subject to the approval of the Board shares may be withdrawn by members upon giving six weeks' notice to the Co-operative, provided that:

- (a) the notice to withdraw shares must give details of the shares to be withdrawn and be signed by the selling member;

- (b) a member shall not be entitled to withdraw shares so as to leave them with less than the minimum number they are required to hold by virtue of the decision of the Board in accordance with rule 6(1).
- (c) the Board may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;
- (d) not more than 5% of the issued share capital as at 1st January in each year (including all sums under notice of withdrawal at that date), shall be withdrawable during the ensuing year, and if requests for more than this are received in any one year, all withdrawals shall be paid in the order in which the notices were received by the Co-operative; and
- (e) the right to withdraw may be suspended by the Board either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal, which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the Board. Where the suspension is for a fixed period, such period may be extended from time to time by the Board.

Except where otherwise provided in these Rules, the amount to be paid to a member on withdrawal shall be the amount credited as paid on the share or shares to be withdrawn.

## **7. MEMBERSHIP**

- (1) Membership of the Co-operative shall consist of:-
  - (a) all those who signed the application for registration;
  - (b) any person, society, company or other corporate body who or which is an electricity consumer (or the spouse or partner or relative of such person) and whose application for admission has been approved by the Board and whose name is recorded in the Co-operative's register of members.
- (2) 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 of the Co-operative.

## **8. APPLICATION FOR MEMBERSHIP**

- (1) An application for membership may be made to the secretary by any person who has attained the age of sixteen years or any corporate body qualifying under Rule 7; such application must be accompanied by

payment for one or more shares being not less than the minimum number prescribed from time to time by the Board. Upon approval of an application for membership by the Board the Co-operative shall issue the applicant with one share for each £1.00 paid and an appropriate entry shall be made in the register of members.

- (2) The Board may from time to time establish schemes to permit applicants for membership to save moneys to purchase shares in the Co-operative.

## **9. CESSATION OF MEMBERSHIP**

- (1) A member shall cease to be a member if s/he/it:-
  - (a) dies or becomes bankrupt; or
  - (b) is wound up or becomes insolvent; or
  - (c) ceases to fulfil any qualifications for membership specified in 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; or
  - (f) is expelled under the Rules.
- (2) When membership ceases the Board shall in its absolute discretion either:-
  - (a) transfer the shares to any other member of the Co-operative nominated by the transferor who is willing to purchase such shares; or
  - (b) transfer the shares to any person or corporate body nominated by the transferor or by the Board and eligible for membership in accordance with Rule 7.
- (3) If the Co-operative has been unable to contact a member for a period of ten years due to a member's change of address, name, or any other circumstance, the Board may at their discretion expel such a member and apply any unclaimed moneys to the purposes of the Co-operative.

## **10. MERGERS WITH OTHER CO-OPERATIVES**

The Co-operative shall, with the agreement of a general meeting and subject to the Act, 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. GENERAL MEETINGS**

- (1) General Meetings of members of the Co-operative shall be called by the secretary upon the order of the Board, giving all members twenty-one clear days notice of the date, time and place of the meeting and the issues upon which decisions are to be taken. The secretary shall also call a meeting at the written request of ten per cent or more of the members.
- (2) An Annual General Meeting shall be held within seven months of the close of the financial year of the Co-operative. Its business shall include:-
  - (a) the receipt of the Board's report, accounts and balance sheet;
  - (b) the appointment of an auditor;
  - (c) the election of Board Members;
  - (d) the application of surplus funds.
- (3) Every member present at a General Meeting shall have one vote only, and questions shall be decided upon a majority vote of members present. In the event of a tie, the chairperson shall have a casting vote.
- (4) The quorum for the conduct of business at a General Meeting shall be three members present in person or by proxy.
- (5) The Co-operative shall be entitled to make decisions by written resolution signed by all members of the Co-operative.
- (6) 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.
- (7) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands. A Declaration by the Chairperson that a resolution has on the show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Co-operative shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
- (8) The Co-operative may submit any vote on the election of Directors and any resolution to a postal ballot.
- (9) 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 of Directors shall state the number of Directors to be 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 of Directors by any election address of not more than 500 words;
- (e) be sent so as to reach eligible members not less than 21 days before the closing date of the ballot; and
- (f) be advertised in accordance with Rule 11 (1).

## **12. THE BOARD OF DIRECTORS ("THE BOARD")**

- (1) The management of the Co-operative shall be the responsibility of the Board of directors. Subject to the provisions of the Rules, they may regulate their proceedings as they see fit.
- (2) The Board shall comprise not less than two nor more than nine directors ("Board Members"). Only members of the Co-operative who have attained the age of eighteen years shall be eligible to be Board Members. The Board Members may appoint additional Board Members to fill any vacancy on the Board.
- (3) The quorum for meetings of the Board shall be two. A person who holds office only as an alternate Board Member shall not, if his appointor is present, be counted in the quorum.
- (4) A Board Member may and the Secretary at the request of a Board Member shall, call a meeting, of the Board giving reasonable notice.
- (5) A Board Member may be removed from office by a majority vote at a General Meeting called for the purpose.
- (6) The remuneration of Board Members shall be decided by the Board within guide-lines set from time to time by General Meeting.
- (7) The Board shall be elected each year at 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 Board Members 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 Board Members who retire by rotation shall be those who have been in office longest since their last appointment or reappointment, but as between persons who became or were last reappointed Board Members on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot.

- (c) if the Co-operative, at the meeting at which the Board Members retire by rotation, does not fill a vacancy the retiring Board Member shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Board Member is put to the meeting and lost.
- (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.
- (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.
- (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) The Board may appoint and have the power to remove a manager, to whom they may delegate the day to day management of the Co-operative and to appoint other employees.
- (12) The Board may expel members of the Co-operative for conduct deemed detrimental to the Co-operative subject to a right of appeal made within twenty-eight days of notice of the decision to the member, to a General Meeting called for the purpose of hearing the appeal.
- (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.
- (14) The Board may delegate any of their powers to any committee consisting of two or more Board Members. Any such delegation may be subject to any conditions the Board may impose.
- (15) The Board Members may, by power of attorney or otherwise, appoint any person to be the agent of the society for such purpose and on such conditions as they may determine.
- (16) The Board shall have power to make decisions by written resolutions signed by all the Board Members of the Co-operative.
- (17) The Board shall have the power to make and revoke from time to time bye-laws which are binding on the Co-operative.

### **13. ALTERNATE BOARD MEMBERS**

- (1) Any Board Member (other than an alternate Board Member) may appoint any other Board Member, or any person approved by resolution of the Board and willing to act, to be an alternate Board Member and may remove from office an alternate Board Member so appointed.



- (2) An alternate Board Member shall be entitled to receive notice of all meetings of Board Members and of all meetings of committees of Board Members of which her/his appointor is a member, to attend and vote at any such meeting at which the Board Member appointing her/him is not personally present, and generally to perform all the functions of her/his appointor as a Board Member in her/his absence but shall not be entitled to receive any remuneration from the Co-operative for her/his services as an alternate Board Member. It shall not be necessary to give notice of such a meeting to an alternate Board Member who is absent from the United Kingdom.
- (3) An alternate Board Member shall cease to be an alternate Board Member if her/his appointor ceases to be a Board Member; but if a Board Member retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which s/he retires, any appointment of an alternate Board Member made by her/him which was in force immediately prior to her/his retirement shall continue after her/his reappointment.
- (4) Any appointment or removal of an alternate Board Member shall be by notice to the Co-operative signed by the Board Member making or revoking the appointment or in any other manner approved by the Board Members.
- (5) Save as otherwise provided in these Rules, an alternate Board Member shall be deemed for all purposes to be a Board Member and shall alone be responsible for her/his own acts and defaults and she/he shall not be deemed to be the agent of the Board Member appointing her/him.

#### **14. MANAGER**

A Manager appointed by the Board in accordance with Rule 12:-

- (1) shall be responsible for the day to day management of the Co-operative;
- (2) shall attend Meetings of the Board for the sole purpose of accounting to the Board;
- (3) shall have the power to engage, suspend, discipline or discharge anybody employed by the Co-operative;
- (4) shall have any other powers delegated to her or him by the Board;
- (5) the manager's remuneration shall be determined by the Board.

#### **15. APPLICATION OF PROFITS**

- (1) The profits of the Co-operative shall be applied in the following ways:-
  - (a) to creating and maintaining a general reserve for the continuation and development of the Co-operative;

- (b) to paying a distribution to members;

in such proportions and in such manner as may be recommended by the Board and approved by an Annual General Meeting.

- (2) The Board shall have the power to pay interim dividends without the approval of a General Meeting.

## **16. AUDIT**

- (1) The Co-operative shall in accordance with Sections 4 and 8 of the Friendly and Industrial and Provident Societies Act 1968 appoint each year an auditor to whom the accounts of the Co-operative for that year shall be submitted for auditing, as required by that Act.
- (2) The 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.
- (3) The auditor shall be appointed by the Co-operative at a General Meeting, and in the case of any auditor who is a qualified auditor under Section 7 of that Act, the provisions of Sections 5 and 6 of that Act shall apply to her or his reappointment and removal and to any resolution removing her/him or appointing another person in her/his place.
- (4) Every year, not later than the date prescribed by the Act, or not later than three months after the date prescribed by the Registrar of Friendly Societies, the secretary shall send to the Registrar of Friendly Societies the annual return, in the form prescribed by the Registrar, about its affairs for the period specified by the Act, 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 all balance sheets drawn up during that period and of the report of the auditor on those balance sheets.

## **17. RECORDS AND SEAL**

- (1) The Co-operative shall keep in its registered office a register of members in which the secretary shall enter the following particulars:-
  - (a) the names and addresses of each member;
  - (b) a statement of the number of shares held by, and the amount paid up on the shares of each member;
  - (c) a statement of other property in the Co-operative, including loans, held by each member;
  - (d) the date at which each person was entered in the register as a member, and the date at which any person ceased to be a member.

- (2) Any member changing her/his/its address shall notify the secretary in writing within seven days.
- (3) The Co-operative shall have a Seal to be kept by the secretary and used only with the authority of a General Meeting. The use of the Seal shall be witnessed by two Board Members or a Board Member and the secretary, and recorded in a minute book.

## **18. AMENDMENT TO RULES**

- (1) Any of these Rules may be rescinded or amended, or a new Rule made, by a vote of three quarters of members present at a General Meeting, provided that all members of the Co-operative have been given twenty-one clear days notice of the changes proposed.
- (2) No amendment of these Rules is valid until it is registered by the Registrar.

## **19. DISSOLUTION**

- (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 Industrial and Provident Societies Act 1965), to an instrument of dissolution in the form prescribed by the Treasury Regulations; or by winding up in the manner provided by the Act.
- (2) On the dissolution or winding up of the Co-operative, after the satisfaction of all its debts and liabilities, the assets remaining may be distributed amongst the members of the Co-operative at the time of dissolution in proportion to their shareholdings.

## **20. NOMINATION**

In accordance with the Act:-

- (1) a member may nominate anyone to whom any of her/his property in the Co-operative at the time of her/his death may be transferred, up to and including the maximum amount authorised by law;
- (2) the Board shall transfer any such property belonging to the deceased member in accordance with the member's nomination.

## **21. CLAIMS**

In the case of a deceased or bankrupt member the Board, on receipt of a claim, shall transfer that member's property in the Co-operative as directed by the personal representative of the deceased member or the trustee in bankruptcy of the bankrupt member respectively. The deceased or bankrupt member's shares

shall be transferred to any member of the Co-operative nominated by the personal representative of the deceased member or the trustee in bankruptcy of the bankrupt member, or to any person or corporate body approved as eligible for membership in accordance with Rule 7.

## **22. DISPUTES**

Any dispute of the kind referred to in Section 60 (1) of the Industrial and Provident Societies Act 1965 shall proceed in accordance with the provision of that Act as amended by Schedule 83 of the Friendly Societies Act 1992.

## **23. INDEMNITY**

Without prejudice to any indemnity to which Board Members may otherwise be entitled, any Board Members or other officers or auditors of the society shall be indemnified out of the assets of the Co-operative against any liability incurred by them in or about the execution and discharge of the duties of their office or in defending any proceedings, whether civil or criminal, in which the judgement is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Co-operative.

## **24. INSURANCE**

The Co-operative may purchase and maintain indemnity insurance cover for its Board Members and other officers provided that such policy is purchased and maintained solely to protect the Board Members and other officers of the Co-operative from personal liability for acts either properly undertaken in the administration of the Co-operative or in breach of trust but under honest mistake.

Founder Members' Full names:

1. Simon Boxer
2. Philip John Stoney
3. Deborah Binch
4. Stephen David Lawler
5. Richard Scott
6. Christopher McGorrigan

7. Henry Jeffrey Carl Slater

Secretary Simon Boxer

Registered on 15 March 1996

Registry of Friendly Societies  
15 Great Marlborough Street  
London  
W1V 2LL

Register number 28354 R

Last amended 24 July 2007