**Rules of**

**BRIGHTON ENERGY LIMITED**

*(Registered under the Industrial and Provident Societies Acts 1965-2002)*

**Name**

1. The name of the Society shall be Brighton Energy Limited.

**Objects**

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

   (i) Developing the supply of energy from renewable resources in the Brighton & Hove area for the benefit of the local community and other relevant communities of interest.

   (ii) Additionally to promote the need for improved energy efficiency and renewable energy generation due to the threats of climate change and 'peak oil'.

   (iii) And lastly, to provide an opportunity for public-spirited people and organisations to contribute financially to the community, with the expectation of a social dividend, rather than personal financial reward.

**Powers**

3. The Society shall have power to do all things necessary or expedient for the fulfilment of its objects and in particular:
   (a) to establish and contribute to pension or superannuation schemes for any persons who are or have been employed by the Society and their dependants;
   (b) to make gifts and donations for social or charitable purposes;
   (c) to draw, accept, make, endorse, discount and negotiate bills of exchange and promissory notes and other negotiable instruments;
   (d) to purchase, feu, hold, sell, charge, mortgage, exchange, develop, rent, lease or sub-lease lands of any tenure in the United Kingdom or elsewhere, and to erect, pull down, repair, alter or otherwise deal with any building thereon and to acquire and grant rights, privileges and easements in, over or in respect of any land or any building thereon and to acquire any machinery, plant, property or rights which may be necessary for or conveniently used with or may enhance the value of any other property of the Society;
   (e) to engage or employ such personnel, whether as employees, consultants, advisers or however;
   (f) to take out and maintain insurance against any risks to which the Society, its members and its Board may be exposed;
   (g) enter into any agreement for partnership or for sharing profits, union of interests, co-operation, joint venture, or reciprocal concession with any society, company, corporation or person carrying on or engaged in or about to carry on any business or transaction capable of being conducted so as to directly or indirectly benefit the Society and to acquire shares, stocks or debentures in any such society, company or corporation and if any such agreement shall so require to depute the management of any business or adventure to any representative or agent as may be agreed on and to confer all necessary powers on any such agent or representative;
   (h) to obtain from time to time upon such terms and conditions as it thinks fit advances of

money for the purpose of the Society and to mortgage or charge and of the Society's property or assets (including its uncalled capital) and to issue debentures and other securities provided that any such mortgage, charge, debenture or other security may be given or issued as a continuing security to cover any sums or sums due from time to time by the Society to any person or body with which it may have a banking account or transact banking business;

(i) to do all such other lawful things in the best interest of the Society.

**Registered Office**

4. The Registered Office of the Society shall be at: Flat 1, 27 Temple Street, Brighton, East Sussex, BN1 3BH

**Membership**

5. The first members of the Society shall be the signatories to the application for registration (the "Founder Members"). The Board may at its discretion admit to membership any person or corporate body or the nominee of any unincorporated organisation who supports the objects of the Society and who has paid or agreed to pay the appropriate annual subscription (if any) for the time being in force.

6. A person who qualifies under Rule 5 above may apply for membership to the Board, and upon acceptance and payment of the minimum amount of share holding required as determined by the Board from time to time, and the annual subscription fee (if any) the Society shall issue to her/him/it share certificates as appropriate and shall enter her/his/its name in the register of members. The Board may refuse any application for membership at its absolute discretion. Applications for membership shall be in such form as the Board may from time to time direct. Any such form may provide that a member may specify an email address, which shall be used by the Society for any communication required by these rules to be sent to members. Any member specifying an email address in this way shall notify the Society of any change to this email address.

7. The Society shall keep at its registered office a register of members in which the Secretary shall enter the following particulars:
   (a) the name, address and email address if applicable of every member;
   (b) a statement of the shareholding of each member;
   (c) a statement of other property, whether in loans or otherwise, held by each member;
   (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member;
   (e) the names and addresses of the Directors and officers of the Society, and the offices held by them respectively, and the dates on which they assumed and vacated office.

8. The register of members shall be proof of membership of the Society, a member misplacing or destroying their share certificate may apply to the Society for a replacement, the Directors may allow the Society to replace a lost or destroyed certificate at their absolute discretion, and may establish such conditions and procedures in this with regard as they think fit.

**Cessation of Membership**

9. A member shall cease to be a member if s/he or it:
   (a) resigns in writing to the Secretary; or
   (b) fails to pay any subscription in respect of membership within three months of its falling due; or
   (c) ceases to hold the minimum amount of share holding required in accordance with Rule 6;

or

(d) is expelled from membership in accordance with Rule 10; or
(e) is the nominee of an unincorporated organisation and that organisation replaces her/him as its nominee or is wound up; or
(f) being an individual, dies; or
(g) being a corporate body, is wound up or goes into liquidation.

In the event of an individual who is the nominee of an unincorporated organisation ceasing to be a member under clauses (a), (d) or (f) of this Rule, the nominating organisation may with the express consent of the Board nominate another individual to membership in her/his place.

10. A member may be expelled for conduct prejudicial to the Society by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Society of which due notice has been given, 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 state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.

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

**General Meetings**

12. An Annual General Meeting shall be held within six months of the close of the financial year of the Society, the business of which shall comprise:
    (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 (subject to Rule 60 (b));
    (c) The election of Directors (or the announcement of the results of the election if held previously by ballot);
    (d) A decision on the application of any surplus in accordance with Rule 65;
    (e) The transaction of any other business included in the notice convening the meeting.

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

14. A Special General Meeting shall be convened either upon an order of the Board or at the request of three members of the Society or ten per cent of the membership, whichever is the greater.

15. An Annual or a Special General Meeting shall be called by at least 14 days' notice in writing posted or delivered to the address of every member recorded in the register of members, specifying whether the meeting is an Annual or a Special General Meeting and stating the time, date and place at which it is to be held. The notice shall contain details of the nature of the business to be transacted, and no business may be transacted at a General Meeting other than that specified in the notices calling it.

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

17. If the Society has appointed an auditor in accordance with Rule 60 (a) 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.

**Proceedings at General Meetings**

18. A corporate body which is a member of the Society shall appoint a representative who shall during the continuance of her/his appointment be entitled to exercise in any General Meeting of the Society all such rights and powers as the member organisation would exercise if it were an individual person. The Society shall require such notification of an organisation's appointed representative as the Board may from time to time decide.

19. No person shall be entitled to vote on any question at a General Meeting other than an individual member of the Society or the duly appointed representative of a corporate body which is a member.

20. No business shall be transacted at a General Meeting unless a quorum is present in person. Unless and until otherwise decided by the Society in General Meeting, a quorum shall be one tenth of the members of the Society or three members, whichever is the greater.

21. If within half an hour of 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 a day between seven and fourteen days after the date set for the original meeting, and all members shall be given such notice as is practicable. If at such an adjourned meeting a quorum is not present within half an hour of the time set for the meeting, then the members present shall constitute a quorum.

22. The Chairperson of the Society shall preside at every General Meeting. In the event of her/his absence or unwillingness to act, one of the other Directors present shall chair the meeting, in the event of none of the other Directors being present or being willing to act, the members present shall choose one of their number to be Chairperson of the meeting.

23. The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for 21 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

24. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least two members present. Unless a secret ballot be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.

25. If a secret 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.

26. The demand for a secret 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 secret ballot may be withdrawn.

27. Every member shall hold one vote only on each question to be decided at a General Meeting. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast.

28. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.

29. A resolution in writing signed by all the members for the time being entitled to vote at General Meetings shall be valid and effective as if the same had been passed at a General Meeting duly convened and held and may consist of several documents in the same form each signed by one or more members.

**Amendments to Rules**

30. (a) Any of these Rules may be rescinded or amended or a new Rule made by a vote of two-thirds of members of the Society voting at a General Meeting of which 14 clear days' prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting.
(b) No amendment of Rules is valid until registered by the Financial Services Authority. When submitting the rule amendments for registration the Secretary may at their sole discretion accept any alternations required or suggested by the Financial Services Authority without reference back to a further Special General Meeting of the Society.

**Board of Directors**

31. The Society shall have a Board of Directors comprising not less than three and not more than twelve persons. The initial Directors of the Society from incorporation until the first Annual General Meeting shall be appointed by the Founder Members.

32. At the first Annual General Meeting all elected members of the Board of Directors shall stand down. At every subsequent Annual General Meeting, one-third of the elected members of the Board of Directors, or if their number is not a multiple of three then the number nearest to one-third, shall retire from office. The members to retire shall be those longest in office since their last election. Regarding members of the Board of Directors who have been in office for the same length of time, the members to retire shall be selected by lot. A retiring Board member shall be eligible for re-election. Co-opted members of the Board shall retire at the Annual General Meeting following their appointment.

33. New Directors shall be elected in accordance with such procedures including by authenticated electronic means and postal ballot, as may be adopted by the Society from time to time, subject to rule 35 only members of the Society and representatives of organisations which are members may stand for election to, or nominate persons to stand for election to the Board, the Secretary of the Society shall act as returning officer for all elections and shall settle any disputes at their sole discretion.

34. The Board may at any time co-opt any member of the Society or the representative of an organisation which is a member to fill a casual vacancy in the Board of Directors, provided that at no time shall more than one-third of the members of the Board be co-opted members. A casual vacancy shall be deemed to exist if the number of Directors should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.

35. The Board may co-opt up to two professional external Directors to the Board in addition to the number of Directors specified in these Rules provided that at all times the number of professional external directors shall be in the minority. A Director co-opted in accordance

with this rule shall serve for a fixed period determined by the Board at the time of co-option, subject to a review at least every twelve months, may be removed from office at any time by a resolution passed by a majority of the members of the Board, and may be remunerated in an amount (to be disclosed in the published accounts) from time to time fixed by the Board. Professional external Directors shall be selected by virtue of their specialist skills and experience considered to be of benefit to the Society.

36. In the event that the size of the Board should drop below the minimum number of members prescribed in these Rules, the Directors may act to increase their number or to call a General Meeting of the Society, but for no other purpose.

37. 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 be present in any discussion of the matter unless the majority of the Board agrees to their presence, and shall not vote in respect of such contract or matter except where that interest is shared with a majority of the other members of the Board.

38. Directors shall only be entitled to fees or remuneration for services actually rendered to the Society, whether as employees or otherwise. Directors may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Board or General Meetings of the Society or in connection with the business of the Society.

39. The office of Director shall be immediately vacated if s/he:
    (a) resigns her/his office in writing to the Secretary; or
    (b) subject to rule 35 ceases to be a member of the Society for any reason whatsoever (or is the representative of a corporate body which ceases to be a member); or
    (c) is removed from office by a majority vote of the Society in General Meeting, the notices for which specified that the question of the Director's removal was to be considered; or
    (d) in the opinion of a majority of the Board, fails to declare her/his interest in any contract as referred to in Rule 37; or
    (e) is absent from three successive meetings of the Board during a continuous period of twelve months without special leave of absence from the Board and they decide that s/he has by reason of such absence vacated office; or
    (f) becomes bankrupt or, in the opinion of a majority of the Board, incapable on medical or psychological grounds of carrying out the functions of a Director.

40. A Director can be removed from office if s/he is found guilty of conduct detrimental to the interest of the Society and the Board considers that it not in the best interests of the Society for them to continue as a Director. The Board shall consider the matter having taken such steps as it considers appropriate to ensure that any relevant Director's point of view is heard and may either:
    (a) dismiss the matter and take no further action; or
    (b) for a period not exceeding 12 months suspend the rights of the Director complained of to attend Board meetings and vote under these rules;
    (c) arrange for a resolution to remove the Director complained of in accordance with Rule 39(c).

**Honorary Officers**

41. The Board of Directors shall elect a Chairperson, Treasurer and such other officers of the Society as it considers fit from amongst their own number, provided that any Director co-opted under Rule 35 shall not be eligible to serve as Chairperson. Any honorary officer so appointed may be removed or replaced by a majority vote of the Board at any time, or by a majority vote of the members at a Special General Meeting the notices for which specified that the matter was to be raised.

**Secretary**

42. The Board of Directors shall appoint a Secretary of the Society for such term at such remuneration and upon such conditions as they think fit; and any Secretary so appointed may be removed by them. A provision of the Act or these Rules requiring or authorising a thing to be done by or to a Board member and the Secretary shall not be satisfied by its being done by or to the same person acting in both capacities.

**Powers and Duties of the Board of Directors**

43. The business of the Society shall be managed by the Board of Directors who may pay all expenses of the formation of the Society as they think fit and 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, including the setting of annual subscriptions for members.

44. 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.

45. The Board may delegate any of its functions to sub-committees made up of members of the Board and such other persons as it sees fit. Any sub-committees so formed shall in the exercise of its powers conform with any regulations imposed upon it by the Board, which shall always include the requirement for regular and prompt reports back to the Board.

**Proceedings at Board Meetings**

46. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings of the Board may also be held via telephone or other electronic means: provided that all Committee members wishing to participate by such means are able to do so and are able to communicate with each other at all times. The Secretary shall at the request of two or more Directors summon a meeting of the Board at any reasonable time by giving all Directors reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered.

47. Unless and until otherwise decided by the Society in General Meeting, the quorum necessary for the transaction of business at a Board meeting shall be one half of the members of the Board or three members, whichever is the greater.

48. At every Board meeting the Chairperson shall preside, but in the event of her/his absence or unwillingness to act the members present shall choose one of their number to be Chairperson of the meeting.

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

50. Questions arising at Board meetings shall be decided by a majority of votes of those present. In the event of a tied vote the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.

51. A resolution in writing signed by all the members for the time being entitled to vote at meetings of the Board shall be valid and effective as if the same had been passed at a

meeting duly convened and held and may consist of several documents in the same form, each signed by one or more Board members.

**Share Capital**

52. The shares of the Society shall be of the nominal value of £1.00. 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.
    a) A member may subscribe for shares in tranches of shares which are smaller in number than the minimum shareholding, provided that any member who does not achieve the minimum shareholding within 12 months after her/his first payment shall cease to be a member and shall have returned to her/him the value of the shares paid for to date, and the relevant shares shall be cancelled.
    b) Shares shall be withdrawable only in accordance with the provisions of these Rules. Shares shall not be transferable except on death or bankruptcy.
    c) Application 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.
    d) Shares shall be paid for in full on allotment.

**Withdrawal of Share Capital**

53. Shares may be withdrawn by members upon giving three months' notice to the Society provided that:
    (a) all withdrawals shall be paid in the order in which the notices were received by the Society;
    (b) except where a member intends to terminate her/his membership of the Society, a member shall not be entitled to withdraw shares so as to leave her/him with less than the minimum shareholding;
    (c) the Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;
    (d) the Board at their sole discretion may suspend the right to withdraw 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 Board suspend the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board;
    (e) during any period when the right of withdrawal has been suspended under Rule 53(d), the shares of deceased members may, if the Board agree, be withdrawn by their personal representatives upon giving such notice as the Board may require;
    (f) the amount to be paid to a member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction their value in accordance with the provisions of these Rules;
    (g) interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.

54. Any share withdrawn in accordance with the above Rule shall be cancelled.

55. Members may withdraw from the Society by withdrawing all their shares in the Society in accordance with Rule 53 or, if the right to withdraw has been suspended as provided for in that Rule, by surrendering all their shares to the Society. Upon such surrender the Board may in their discretion pay to the withdrawing member the amount paid up or credited in the shares surrendered.

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

**Reduction in Share Values**

57. If the auditors (or any independent qualified accountants appointed for the purpose by the Board) certify at any time that the aggregate of the Society's liabilities plus the amount of its issued share capital exceeds its assets, then (unless in the meantime the excess has been removed) the Board may determine that the amount of this excess, or part of it, shall be apportioned among the members in proportion to (but not beyond) the amount of the nominal value of the shares paid up and held by each member. This apportionment shall be based on the value of the shares paid up and held by each member at the close of business on the date of such determination. The value of shares held by each member shall be reduced accordingly for the purposes of withdrawal of shares, notwithstanding that the value of shares held by any member may thereby be reduced below the minimum shareholding.

**Lien on Shares and Right of Offset**

58. The Society 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 with the Society in or towards payment of such debt.

**Borrowing**

59. (a) The Society shall have power to borrow money for the purposes of the Society, including the issue of loan stock, providing that the amount owed shall not exceed £10,000,000.
    (b) The Society shall have power to mortgage or charge any of its property, including the assets and undertakings of the Society, present and future, to issue debentures and other securities for money borrowed or for the performance of any contracts of the Society or bodies having dealings with the Society.
    (c) The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or on mortgage from a Building Society or Local Authority shall not exceed six and a half percent per year or three percent above the base lending rate of the Society's bankers from time to time, whichever is the higher.
    (d) The Society may receive from any persons donations or loans free of interest towards its work. The Society shall not accept deposits.

**Auditors**

60. (a) Subject to clause (b) below, the Society 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 Society's accounts and balance sheet for the year.
    (b) The Society shall (subject to Rule 60(c)) be exempt from the obligation to appoint a qualified auditor if during the preceding financial year it met such criteria regarding low levels of income and/or expenditure or other factors as to qualify it for statutory exemption from the need to appoint qualified auditors.
    (c) The members of the Society shall in general meeting vote every year to allow the Society to apply the audit exemption. Such a resolution will be deemed to have been passed if less than twenty per cent of the total number of votes cast are against the resolution and less than ten per cent of the members of the Society cast their votes against the resolution.
    (d) None of the following persons shall be appointed as auditor of the Society:
        -an officer or employee of the Society;
        -a person who is a partner or employee of or who employs an officer of the Society.

(e) The first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the Board if no General Meeting is held within that time. The Board may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these cases, every appointment of an auditor shall be made by a resolution of a General Meeting of the Society.

(f) An auditor for the preceeding financial year shall be re-appointed as auditor of the Society for the current financial year unless:

(i) a resolution has been passed at a General Meeting appointing someone else as auditor or providing expressly that s/he shall not be re-appointed; or

(ii) s/he has given notice in writing to the Society of her/his unwillingness to be re-appointed; or

(iii) s/he is ineligible for appointment as auditor of the Society for the current financial year; or

(iv) s/he has ceased to act as auditor of the Society by reason of incapacity.

(g) Any 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 Rule 15 and in writing to the auditors.

**Annual Return**

61. Every year and within the period prescribed by statute, the Secretary shall send to the Financial Services Authority the annual return, in the form prescribed by the Financial Services Authority, relating to its affairs for the period required by the Act to be included in the return together with:

(a) a copy of the report of the auditor on the Society's accounts for the period included in the return or a copy of such other report (if any) as is required by statute for such period and;

(b) a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person as required by statute on that balance sheet.

62. The Society shall on demand supply free of charge to any member, or to 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 return.

63. 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 on display in a conspicuous place at the registered office.

**Proceedings on Death or Bankruptcy of a Member**

64. (a) Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member, the Society shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.

(b) 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 person entitled thereunder.

**Application of Surplus**

65. Members of the Society will be rewarded primarily through a social dividend rather than a monetary dividend. Any surplus generated by the Society shall be applied as follows, in such manner and in such proportion as the Board may decide:
    (a) in paying interest on members' share capital at such rate as may be determined by the Board from time to time, but not exceeding the minimum rate necessary in the opinion of the Board to obtain and retain the capital required to carry out the objects of the Society;
    (b) to the continuation and development of the Society;
    (c) to making payments for social and charitable purposes.

**Seal**

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

**Investment of Funds**

67. The Society may invest any part of its funds in the manner set out in Section 31 of the Industrial and Provident Societies Act 1965.

**Regulations**

68. The Society in General Meeting or the Board 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 may think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board and sub-committees. No regulation shall be made which is inconsistent with these Rules or the Act. All members of the Society and the Board shall be bound by such regulations whether or not they have received a copy of them.

**Dissolution**

69. The Society may be dissolved by the consent of three-quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act. 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 surpluses 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.

**Disputes**

70. 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 Chief Executive of Co-operatives[UK]. 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.

**Interpretations**

71. In these Rules, "the Act" refers to the Industrial & Provident Societies Acts 1965 to 2002 or any Act or Acts amending or in substitution for them for the time being in force.
"Electronic means" shall include email, video links and secure authenticated web-site transactions;

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

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

| Signatures of Founder Members | Full Names in BLOCK CAPITALS (no initials) |
|---|---|
| 1. ..... | WILLIAM ROSS COTTRELL |
| 2. ..... | DAMIAN FELIX ERNEST TOW |
| 3. ..... | DANIELLE LOUISE CRAKER |
| Secretary: ..... | DAMIAN FELIX ERNEST TOW |

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