

Amended 10 March 2016
All previous Rules rescinded

Registered Number: 2655 RS

RULES OF BOYNDIE WIND FARM CO-OPERATIVE LIMITED

Registered under the Industrial and
Provident Societies Acts 1965

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(Registered under the Industrial and Provident Societies Acts 1965)

1. NAME

The name of the Society (referred to in these Rules as "the Co-operative") shall be **Boyndie Wind Farm** Co-operative Limited.

2. OBJECTS

The objects of the Co-operative shall be to carry on as a bona fide co-operative, for the benefit of its members, the business ("the Business") of:-

- 2.1 the development, management, generation, transmission and supply of electricity from renewable energy sources;
- 2.2 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; and
- 2.3 the promotion of awareness of environmental and related issues and support for educational initiatives related to renewable energy.

3. POWERS

The Co-operative shall have full power to do all things necessary or expedient for the fulfilment of its objects and in particular:

- 3.1 to invest (without limitation of those powers) any part of the funds of the Cooperative by the authority of the board of directors of the Co-operative ("the Board") in accordance with the Act, including the granting of loans to and/or the acquisition or disposal of any assets or shares in any society registered under the Act or any company registered under the Companies Act from time in force involved in renewable energy;
- 3.2 to issue ordinary shares of the Co-operative; and
- 3.3 to make gifts and donations to energy conservation and environmental initiatives whether charitable or otherwise.

4. REGISTERED OFFICE

The Registered Office of the Co-operative shall be at Office 1.6, Hamilton Business Centre, 194 Quarry Street, Hamilton, ML3 6QR.

5. MEMBERSHIP

- 5.1 The Board, at its sole discretion, may admit to membership any person or body corporate who or which is an electricity consumer (or the spouse or partner or relative of such person or associated with such body corporate) and who or which has agreed to pay to the Co-operative any subscription or other sum due in respect of such membership.
- 5.2 Applications for membership shall be in such form as the Board may from time to time direct and shall contain an application, in the approved form, to the Co-operative for at least one share in the Co-operative.
- 5.3 The Board may from time to time establish schemes to permit applicants for membership to save monies to purchase shares in the Co-operative.
- 5.4 The Co-operative shall keep at its registered office a register of members in which the secretary of the Co-operative ("the Secretary") shall enter the following particulars:-
- (a) the names and address of each member;
 - (b) a statement of the number of shares held by each member, and the amount paid up on such shares;
 - (c) a statement of other property in the Co-operative, whether in loans or otherwise, held by each member; and
 - (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member.
- 5.5 Any member changing her/his/its address shall notify the Secretary in writing within twenty-one days.

6. CESSATION OF MEMBERSHIP

- 6.1 A member shall cease to be a member if s/he or it:-
- (a) dies or becomes bankrupt; or
 - (b) is wound up or becomes insolvent; or
 - (c) ceases to qualify for membership under the provisions of these Rules; or
 - (d) resigns in writing to the Secretary; or
 - (e) transfers all her/his/its shares to another member or a new member in accordance with Rule 14; or
 - (f) withdraws all her/his/its shares in accordance with Rule 15; or

(g) is expelled from membership in accordance with Rule 6.3.

6.2 When membership ceases the Board shall in its absolute discretion either:-

(a) transfer the shares to any other member of the Co-operative who is willing to purchase such shares; or

(b) permit the shares to be withdrawn in accordance with Rule 15.

6.3 A member may withdraw from the Co-operative by withdrawing or transferring all her/his/its shares in accordance with Rules 14 and 15. In the event that a right to withdraw has been suspended a member may withdraw by surrendering all her/his/its shares to the Co-operative. Upon such surrender the board may at their discretion pay to the withdrawing member any amount not exceeding the nominal value of the shares surrendered.

6.4 A member may be expelled for conduct prejudicial to the Co-operative by a resolution passed at any meeting of the Board, provided that due notice of the conduct alleged against her/him/it has been given and that the member whose expulsion is to be considered shall be given the opportunity to state her/his/its case to the meeting of the Board. If on due notice having been served the member fails to attend the meeting, the Board may proceed in the member's absence.

6.5 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 its discretion expel such a member and apply any unclaimed monies for the purposes of the Co-operative.

7. GENERAL MEETINGS

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

7.2 An Annual General Meeting shall be held within seven months of the close of the financial year of the Co-operative, the business of which shall include, inter alia, without limitation:-

(a) the receipt of the accounts and balance sheet and of the reports of the Board and the auditor;

(b) the appointment of an auditor;

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

8. PROCEEDINGS AT GENERAL MEETING

8.1 Any member which is a body corporate may by a resolution of its governing body appoint a representative to act on its behalf and vote at any meeting of the Cooperative. A copy of the resolution executed by an authorised person of the body corporate shall be deposited with the Secretary.

8.2 Every member present at a General Meeting shall have one vote only on each question to be decided, and questions shall be resolved by a simple majority of votes, unless the matter has been submitted to a postal ballot under Rule 8.7, in which case the aggregate of the postal votes and votes of members present shall determine the vote. In the event of a tie, the Chairperson shall have a casting vote. Proxy voting shall be permitted at the sole discretion of the Board.

8.3 No business shall be transacted at a General Meeting unless a quorum is present in person or by proxy (if permitted). Unless and until otherwise decided by the Cooperative in General Meetings a quorum shall be three members of the Co-operative.

8.4 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until the same day in the next week at the same time and same place or otherwise as the Board may direct, and all members shall be given such notice of the adjourned meeting as is practicable. The members present at a meeting so adjourned shall constitute a quorum,

8.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

8.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands. 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.

8.7 The Co-operative, by resolution at a General Meeting, may choose to submit any or all votes at any or all subsequent meetings on the election or re-election of Directors and any other business to be transacted at a General Meeting to a postal ballot.

8.8 Any notice of postal ballot shall:

- (a) state the purpose of the ballot, the closing date and time of the ballot;

- (b) be sent to each eligible member by post at his or her registered address;
- (c) be accompanied by a voting paper which in the case of an election or reelection of Directors shall state the number of Directors to be elected and reelected and contain a list of the eligible candidates (distinguishing between retiring Directors and other candidates);
- (d) be accompanied in the case of an election or re-election of Directors by any election address of not more than 500 words; and
- (e) be sent so as to reach eligible members not less than 21 clear days before the closing date of the ballot.

9. AMENDMENT TO RULES

9.1 Any of these Rules may be rescinded or amended, or a new Rule made, by a vote of a simple majority of the members of the Co-operative voting at a General Meeting whether present in person or by proxy or by postal votes cast, if a postal ballot has been approved for the resolution of this question of which twenty-one clear days' notice has been given, such notice to include details of the change(s) to be made at that General Meeting.

9.2 No amendment of these Rules is valid until it is registered by the Registrar. When submitting the rule amendments for registration the Secretary may at their sole discretion accept any alterations required or suggested by such Authority without reference back to a further General Meeting of the Co-operative.

10. MERGERS WITH OTHER CO-OPERATIVES

Subject to the Act, the Co-operative shall, with the agreement of three quarters of the members of the Co-operative voting at a General Meeting whether present in person or by proxy or by postal votes cast, if a postal ballot has been approved for the resolution of this question of which twenty-one clear days' notice has been given, such notice to include details of the change(s) to be made at that General Meeting, have the power to accept the transfer of engagements from, or amalgamate with any other cooperative having similar objects registered under the Act.

11. THE BOARD OF DIRECTORS

11.1 The governance of the Co-operative shall be vested in the Board. Subject to the provisions of these Rules, the directors of the Co-operative ("the Directors") may regulate their proceedings as they see fit.

11.2 The Board shall comprise:

- (a) not less than three but no more than seven Directors.

- (b) at its discretion, the Board may elect one Director only to represent a named member (being a body corporate, co-operative, or other institution) where in the Board's reasonable opinion such member can provide a significant benefit to the Co-operative. A Director so appointed shall not be required to retire by rotation in accordance with Clause 11.7, but shall be considered for reappointment or substitution every two years in consultation with the named member. In all other cases only members of the Co-operative aged eighteen years or over shall be eligible to be elected as a Director. Subject as aforesaid, the Directors may appoint a person who is willing to act to be a Director.
- 11.3 The quorum necessary for the transaction of businesses at a meeting of the Board shall be three.
- 11.4 A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board by giving reasonable notice.
- 11.5 A Director may be removed from office at any time by a majority vote at a General Meeting called for such purpose.
- 11.6 The remuneration of Directors shall be decided by the Board within guidelines determined from time to time by the Co-operative.
- 11.7 The Board shall be elected each year at or by postal ballot prior to the Annual General Meeting in the following manner:
 - (a) at the first Annual General Meeting and every subsequent Annual General Meeting one third of the Directors shall retire by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office;
 - (b) the Directors who retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot; and
 - (c) if the Co-operative, at the meeting at which the Directors retire by rotation, does not fill a vacancy the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.
- 11.8 The Board shall appoint and have the power to remove a Chairperson, who under their direction shall also preside at all General Meetings. In the case of an equality of votes, the Chairperson shall have a second or casting vote.

- 11.9 The Board shall appoint and have the power to remove a Secretary, who shall under their direction keep minutes of all Board Meetings and of all General Meetings.
- 11.10 The Board may appoint and have the power to remove a Treasurer, who shall under their direction keep proper accounts of the Co-operative's financial affairs.
- 11.11 The Board may appoint and have the power to remove (subject to any contract arrangements which may be in place) a manager or organisation ("the Manager") to whom they may delegate the day-to-day management of the Co-operative.
- 11.12 The Board shall also have the power to appoint and to remove other employees of the Co-operative as may be required to further its objectives.
- 11.13 The Board may exercise any powers (including its borrowing powers) which may be exercised by the Co-operative, other than those that must by these Rules or by statute be exercised by a General Meeting.
- 11.14 The Board may delegate any of their powers to any committee consisting of two or more Directors. Any such delegation may be subject to any conditions the Board may impose.
- 11.15 The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Co-operative for such purpose and on such conditions as they may determine.
- 11.16 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Directors.
- 11.17 The Board shall have the power to make and revoke from time to time bylaws that are binding on the Co-operative.

12. MANAGER

- 12.1 The Manager appointed by the Board in accordance with Rule 11.11:-
- (a) shall be responsible for the day to day management of the Co-operative;
 - (b) shall attend meetings of the Board for the sole purpose of accounting to the Board;

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

12.2 The Manager's remuneration shall be determined by the Board.

13. SHARE CAPITAL

13.1 The shares of the Co-operative shall be par shares of the nominal value of £1.00. Each member shall hold at least the minimum level of shareholding set by the Board from time to time and no member may hold more than the maximum shareholding permitted by law. Shares shall normally be paid for in full on allotment, but the Board may at its discretion permit a member to defer payment.

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

14. TRANSFERENCE OF SHARE CAPITAL

14.1 A member may apply at any time that some or all of her/his/its shares shall be transferred to another person. No transfer shall be valid unless the consent of the Board has first been obtained. The Secretary shall record every transfer by making appropriate entries in the register of members and no transfer shall be deemed to have taken effect until such entries are made. The Board shall not consent to the transfer of any share to a person who:-

- (a) is not a member, unless that person is qualified to be a member under Rule 5;
or
- (b) is a member holding the maximum number of shares permitted by the Act.

14.2 Any application to transfer shares must:-

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

15. WITHDRAWALS OF SHARE CAPITAL

15.1 Subject to the approval of the Board, shares may be withdrawn by members by agreement between the Board and the member holding those shares in accordance with any procedures and other conditions the Board may announce.

15.2 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 less any costs incurred by the Co-operative in relation to that withdrawal.

15.3 The Board may resolve to require any proportion (the "Proportion") of its share capital to be withdrawn on the terms of this Rule 15.3, in which case it shall treat as agreed to be withdrawn on behalf of every member (and not some only) that Proportion of the shares held by them (with such rounding to the nearest whole number of that Proportion which is a fraction as the Board may determine). The amount to be paid per share withdrawn pursuant to this Rule 15.3 shall be the amount calculated under Rule 15.2. All members are deemed to give any consents required to the withdrawal of their shares in the manner provided for in this Rule 15.3

16. LIEN ON SHARES

The Co-operative shall have a lien on the shares of a member for any debt due to it by the member and may set off any sum standing to the member's credit including any loan money, interest and dividends in or towards the payment of such debt.

17. BORROWINGS

The Co-operative shall have power to:

17.1 borrow and to guarantee or become liable for the payment of money, or for the performance of any obligation, to issue loan stock, debentures or other securities and to secure such payment or performance by the mortgage or charge of any or all of its property or assets provided that:-

- (a) the amount outstanding does not exceed £10 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; and
- (c) the interest payable on borrowings, other than from institutions authorised under the Banking Acts shall not exceed the rate of interest necessary to obtain and retain borrowings required to carry out the business of the Co-operative.

17.2 receive gifts and donations towards its objects; and

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

18. AUDIT

18.1 The Co-operative shall appoint in each financial year an auditor qualified under Section 7 of the Friendly and Industrial and Provident Societies Act 1968 to audit the accounts and balance sheet of the Co-operative for that year.

18.2 The Co-operative's auditor shall have the rights as to notice of, and attendance and audience at General Meetings, access to books and the supply of information as are prescribed by that Act.

18.3 The re-appointment of, or the appointment of an auditor in place of, an auditor appointed to audit the accounts of the Co-operative for an immediately preceding year shall be carried out in accordance with Sections 5 and 6 of the said Act.

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

- (a) a copy of the report of the auditor on the Co-operative's accounts for the period included in the return; and
- (b) a copy of every balance sheet drawn up during that period and of the report of the auditor thereon.

19. PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

19.1 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 Co-operative belonging to the deceased or bankrupt member, the Co-operative 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.

19.2 A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Co-operative at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. Subject to the consent of the Board (such consent not to be unreasonably withheld) and on receiving a satisfactory proof of death of a member who has made a nomination, the Co-operative 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.

20. SEAL

The Co-operative shall have a seal kept in the custody of the Secretary and used only by the authority of the Board. Sealing shall be attested by the signature of two Directors or of one Director and the Secretary for the time being.

21. APPLICATION OF PROFITS

21.1 The profits of the Co-operative shall be applied as follows and in such proportions and in such manner as may be decided by the Co-operative at the Annual General Meeting:-

- (a) firstly, to a general reserve for the continuation and development of the Cooperative and the furtherance of its objectives;
- (b) secondly, in paying a dividend to its members; and
- (c) thirdly, in making payments for social or charitable purposes within the community served by the Co-operative.

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

22 DISSOLUTION

22.1 The Co-operative may at any time be dissolved with the consent of three-quarters of the members, testified by their signatures, or in the case of bodies corporate, by the signature of any of their officers acting under their authority (subject to Section 19 (2) of the Act, to an instrument of dissolution in the form prescribed by the Treasury Regulations; or by winding up in the manner provided by the Act.

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

23. DISPUTES

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

24. INTERPRETATIONS

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

Signatures of Members

Full Names in Block Capitals (no initials)

1

JOHN ROSS BALHARRY

2 BARBARA HOLLIGAN

3 DUNCAN LEECE

Secretary: ANNETTE HESLOP

Registered on 24th March 2005

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

Registered Number 2655RS