

Financial Services Authority

R/IP/RA7

Form H



**INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965**

Register No. **30534 R**

The amendment of the rules of **Esk Energy (Yorkshire) Limited** to which this acknowledgement is attached, is this day registered under the Industrial and Provident Societies Act 1965.

Date: **13 May 2011**

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

A handwritten signature in black ink, appearing to read 'W. G. ...', is written over a circular stamp or mark.

s

**ALL PREVIOUS RULES RESCINDED**

**Rules of**

**ESK ENERGY (YORKSHIRE) LIMITED**

*(Registered under the Industrial and Provident Societies Acts 1965-1978)*

**(as amended by resolution of the members made on 29 APRIL 2011)**

**NAME**The name of the Society shall be Esk Energy (Yorkshire) Limited.

**OBJECTS**

2. The objects of the Society shall be to carry on any trade, industry or business for the benefit of the community by:
  - (a) promoting responsible and sustainable energy practices; and
  - (b) promoting energy conservation and energy efficiency; and
  - (c) improving social economic and environmental welfare; and
  - (d) educating the community in responsible and sustainable energy practice and energy conservation and efficiency.

**POWERS**

3. The Society shall have power to do all things necessary or expedient for the fulfilment of its objects provided that, in carrying out its objects, the Society shall promote equality of opportunity for all sections of the community in its own affairs and in society generally.

**REGISTERED OFFICE**

4. The Registered Office of the Society shall be at: Westminster St Mark's Court, Thornaby, TS17 6QP

**MEMBERSHIP**

5. The first members of the Society shall be the signatories to the application for registration (the "Founder Members"). The Directors may at their 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 minimum amount of shareholding required as determined by the Directors from time to time, and the appropriate annual subscription for the time being in force.
6. A person who qualifies under Rule 5 above may apply for membership to the Directors, and upon acceptance and payment of the minimum amount of shareholding required by the Directors 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 Directors may refuse any application for membership at its absolute discretion. Applications for membership shall be in such form as the Directors may from time to time direct. Any such form may provide that a member may specify an electronic address which shall be

used by the Society for any communication required by these Rules to be sent to members. Any member specifying an electronic address in this way must notify the Society of any change to this electronic address and the Society shall update the register of members accordingly.

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, postal and electronic addresses of every member;
  - (b) a statement of the shareholding of each member and of the amount paid or agreed to be considered as paid on the shares of each member;
  - (c) a statement of other property, whether in loans, deposits 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 postal addresses of the Directors and officers of the Society, of the offices held by them respectively, and the dates on which they assumed and vacated office; and
  - (f) any email address notified to the Society by a member in accordance with Rule 6, as well as any description of the purposes for which such email address may be used.
8. 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.
9. 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 regard as they think fit.

#### **CESSATION OF MEMBERSHIP**

10. 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;
  - (c) ceases to hold the minimum amount of shareholding required in accordance with Rule 52; or
  - (d) is expelled from membership in accordance with Rule 11; 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 Directors nominate another individual to membership in her/his place.

11. 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.
12. 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**

13. 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 Directors and auditor (if any);
  - (b) the appointment of an auditor (subject to Rule 68);
  - (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 77;
  - (e) the transaction of any other business included in the notice convening the meeting.
14. All General Meetings other than the Annual General Meeting shall be called Special General Meetings.
15. A Special General Meeting shall be convened either upon an order of the Directors or at the request of three members of the Society or ten per cent of the membership, whichever is the greater.
16. An Annual or a Special General Meeting shall be called by at least fourteen days' notice in writing posted, hand delivered or emailed to the postal or electronic 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. Where notice of an Annual or Special General Meeting is given on the Society's website, notice sent to an electronic address may be effectively served if it includes a link to the notice on the Society's website.
17. A notice sent by post to a member's registered postal address shall be deemed to have been duly served forty-eight hours after its posting. A notice delivered by hand or sent to an electronic address shall be deemed to have been duly served 24 hours after the notice was hand delivered or the electronic communication was sent. 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.
18. If the Society has appointed an auditor in accordance with Rule 65 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

19. 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 Directors may from time to time decide.
20. 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.
21. 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 three members.
22. If within half an hour after 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 after the time set for the meeting, then the members present shall constitute a quorum.
23. The Chairperson of the Society shall preside at every General Meeting. 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.
24. 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 twenty-one 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.
25. 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.
26. 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.
27. 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.
28. Every member shall hold one vote only on each question to be decided at a General Meeting. Any other person, whether or not a member of the Society, may act as a proxy for a member

who is absent from the meeting. Notice of an appointment of a proxy by a member must be received by the Secretary no later than 48 hours (excluding weekends and public holidays in England and Wales) prior to the meeting. Proxies shall be appointed using procedures agreed on by the Directors. A proxy may be instructed by the member for whom s/he is acting to vote this way or that on a particular resolution, or may be authorised to vote in accordance with her/his own judgement. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast.

29. 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.
30. 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

31. 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 fourteen clear days' prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting.
32. 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 minor alterations required or suggested by the Financial Services Authority without reference back to a further Special General Meeting of the Society.

### THE DIRECTORS

33. The Society shall have a Board of Directors (the "**Board**" or the "**Directors**") comprising not less than three and not more than twelve persons. The initial Board of the Society from incorporation until the first Annual General Meeting shall be appointed by the Founder Members.
34.
  - (a) At each Annual General Meeting, one third of the Directors, or if their number is not 3 or a multiple of 3, then the number nearest one third, shall retire from office.
  - (b) The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree amongst themselves) shall be decided by lot. Co-opted Directors shall retire at the Annual General Meeting following their appointment.
  - (c) A retiring Director shall be eligible for re-election.
  - (d) The Society at the meeting at which a Director retires may fill the vacated office by electing a person thereto and in default the retiring Director shall, by offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.
35. New Directors shall be elected in accordance with such procedures as may be adopted by the Society from time to time, provided that 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 of Directors.
36. The Directors 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 or up to two persons with relevant professional skills who are not members of the Society, provided that at no time shall more than one-third of the Directors be co-opted Directors. 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.

37. In the event that the number of Directors should drop below the minimum number 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.
38. 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 except where that interest is shared with a majority of the other Directors.
39. Directors shall only be entitled to fees or remuneration for services actually rendered to the Society, whether as employees or otherwise.
40. Directors may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Directors or General Meetings of the Society or in connection with the business of the Society.
41. The office of Director shall be immediately vacated if s/he:
  - (a) resigns her/his office in writing to the Society; or
  - (b) 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) unless such person was co-opted without being a member in accordance with these Rules; 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 Directors, fails to declare her/his interest in any contract as referred to in Rule 38; or
  - (e) is absent from three successive meetings of the Directors during a continuous period of twelve months without special leave of absence from the Directors 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 Directors, incapable on medical or psychological grounds of carrying out the functions of a Director.

#### **HONORARY OFFICERS**

42. The Directors shall elect a Chairperson, Secretary and Treasurer of the Society. The Chairperson must be a Director and a member of the Society. The Secretary and the Treasurer do not need to be Directors or members of the Society. Any honorary officer so appointed may be removed or replaced by a majority vote of the Directors 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.

#### **POWERS AND DUTIES OF THE DIRECTORS**

43. The business of the Society shall be managed by the 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 Directors shall from time to time direct.
45. The Directors may delegate any of their functions to sub-committees made up of Directors and such other persons as they see fit. Any sub-committee so formed shall in the exercise of its powers conform with any regulations imposed upon it by the Directors, which shall always include the requirement for regular and prompt reports back to the Directors.

### **PROCEEDINGS AT DIRECTORS' MEETINGS**

46. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings of the Directors may also be held via telephone or other electronic means, provided that all Directors wishing to participate 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 Directors 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 Directors' meeting shall be one half of the Directors or three Directors, whichever is the greater; provided that no meeting shall be quorate if one half or more of those present are co-opted Directors.
48. At every meeting of the Directors 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 Directors shall cause proper minutes to be made of all the proceedings of the Society, of the Directors and of any sub-committees. All such minutes shall be open to inspection by any Director at all reasonable times.
50. Questions arising at Directors' 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 Directors 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 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 Directors may determine subject to the Act from time to time, 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. This Rule 52(a) shall not apply to EIS Shares.

- b) Shares shall be withdrawable only in accordance with the provisions of these Rules. Shares shall be transferable on death or bankruptcy and may be transferable generally if the Shares are issued as transferable shares.
- c) Application for shares shall be made to the Directors, 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 on allotment.

#### **CLASSES OF SHARES**

- 53. The Society may make provision for different classes of membership with such rights and obligations as the Society may determine provided that every member shall be entitled to one vote in accordance with Rule 28. Such rights and obligations may be varied only if three quarters of the members of that class consent in writing or by a resolution of a separate general meeting of the members of that class.
- 54. The Society may issue withdrawable and/or transferable shares. The Directors shall specify the rights which attach to the shares in a financial promotion relating to a particular issue and on the share certificate.

#### **WITHDRAWAL OF SHARES**

- 55. This Rule shall not apply to EIS Shares issued by the Society. Where shares are expressed to be withdrawable, shares may be withdrawn by members upon giving three months' notice to the Society (or such other period of notice as may be prescribed by the Directors from time to time) 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 Directors 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 Directors may at any time suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. Without limitation, the suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Directors suspend the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Directors;
  - e) during any period when the right of withdrawal has been suspended under Rule 55(d), the shares of deceased members may, if the Directors agree, be withdrawn by their personal

