



Annex A
Partial amendment of rules of
Eastray Energy Ltd

Register number: 7246

Rule 4, line 3

Delete 'East Kent' and insert 'schools in East Sussex'

Rule 21

Remove the whole section and insert the wording

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

b) A Member may apply 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 of their first payment may, at the discretion of the Board, cease to be a Member. Any person ceasing to be a Member under this rule shall have the value of their shares as at the date on which they ceased to be a Member returned to them and the relevant shares shall be cancelled.

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

d) If a Member who is required to withdraw from membership under these Rules is unable to transfer their shares and the right to withdraw has been suspended, then the nominal value of their share capital shall be converted into loan stock upon such terms as may be agreed between the Board and the Member, or their personal representative, trustee in bankruptcy, or Office Holder provided that such agreement shall require the repayment of the loan within a period not exceeding three years.

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

i) on death or bankruptcy or

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

Withdrawal of share capital

f) Shares may be withdrawn by Members upon giving three months' notice to the Society (though the Board retain sole discretion to return money paid for them), provided that:

i) All withdrawals shall be paid in the order in which the notices were received by the Society;

ii) A Member shall not be entitled to withdraw shares which would leave them with less than the minimum shareholding, unless they intend to terminate their membership of the Society;

iii) 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;

iv) The Board may, at their sole discretion, 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 suspends the right to withdraw.

Where the suspension is for a fixed period, such period may be extended from time to time by the Board;

v) During any period when the right of withdrawal has been suspended under the provision immediately

above, 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.

vi) 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 in their value in accordance with the provisions of these rules.

vii) Interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.

g) Any share withdrawn in accordance with these Rules shall be cancelled.

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

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

Reduction in Share Value

j) If the Society's Auditors (or any independent qualified accountants appointed for this 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, provided that the value of shares held by any Member shall not be reduced below the minimum shareholding as specified in these Rules.

Lien on Shares and Right of Offset

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

Rule 84

The rule title will be changed to 'Payment of interest on share capital and application of profits.'

A new paragraph is to be added to this rule which says 'The Society may pay interest on issued share capital at such rate or rates as 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'

Rule 94

The following words are to be added at the beginning of the rule 'Subject always to regulation 7 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006, which has the effect of making the 'Application of Profit' rule dealing with the restriction on use of assets unalterable, any.....'

Rule 109

An asset lock is to be added into the rules. The wording is

ASSET LOCK

109. Pursuant to regulations made under section 1 of the Co-operatives and Community Benefit Societies Act 2003:

(1) all of the Society's assets are subject to a restriction on their use.



(2) The Society must not use or deal with its assets except:

- a) Where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;
- b) To pay a Member of the Society the value of his withdrawable share capital or interest on such capital;
- c) To make a payment pursuant to sections 36 (payments in respect of persons lacking capacity), 37 (nomination by Members of entitlement to property in Society on Member's death), 40 (death of a Member: distribution of property not exceeding £5,000) of the Act;
- d) To make a payment in accordance with the Rules of the Society to trustees of the property of bankrupt Members or, in Scotland, Members whose estate has been sequestrated;
- e) Where the Society is to be dissolved or wound up, to pay its creditors; or
- f) To transfer its assets to one or more of the following:
 - i) a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;
 - ii) a community interest company;
 - iii) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
 - iv) a charity (including a community benefit society that is a charity); or
 - v) a body, established in Northern Ireland or a State other than the UK, that is equivalent to any of those persons.

(3) Any expression used in this rule which is defined for the purposes of regulations made under section 1 of the 2003 Act shall have the meaning given by those regulations.

Signatures of three members:

J. Simon
Paul Grant
[Signature]

AND

Signature of the secretary:

J. Simon