



RULES OF THE SOCIETY

ALL PREVIOUS RULES RESCINDED



Registered under the Co-operative and Community Benefit Societies Act 2014 | Register No. 5713R

Registered Office: Unit 1, 1st Floor, Imperial Place, Maxwell Road,
Borehamwood, Herts, WD6 1JN

Founded 1913

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A NAME, REGISTERED OFFICE AND SEAL

1 NAME

1.1 The name of the Society (hereinafter referred to as the "Society") shall be **HF HOLIDAYS LIMITED**.

2 REGISTERED OFFICE

- 2.1 The Registered Office of the Society shall be at Unit 1, 1st Floor, Imperial Place, Maxwell Road, Borehamwood, Herts, WD6 1JN or at such other place in Great Britain or the Channel Islands as the Board may from time to time determine.
- 2.2 In the event of any change in the situation of the Registered Office, notice of such change shall be sent within 14 days thereafter to the appropriate Registrar.

3 USE OF SEAL AND NAME

- 3.1 If the Society has a Seal its name shall be engraved in legible characters, and shall:
- 3.1.1 be kept in the custody of the Secretary; and
 - 3.1.2 only be used under the authority of a resolution of the Board, when the Seal shall be attested by the signatures of two members of the Board or one Board member and the Secretary.
- 3.2 The registered name of the Society shall:
- 3.2.1 appear in a conspicuous position and in legible characters on the outside of its registered office and every other office or place in which the business of the Society is carried on; and
 - 3.2.2 be mentioned in legible characters in all notices, websites, advertisements, official publications, business letters, bills, invoices, receipts and letters of credit of the Society, and in all bills of exchange, promissory notes, endorsements, cheques, and orders for money or goods, purporting to be Signed by or on behalf of the Society.

B PURPOSE, VALUES AND PRINCIPLES, OBJECTS AND POWERS

4 PURPOSE

4.1 The purpose of the Society is to carry out its objectives and functions as a co-operative.

5 VALUES AND PRINCIPLES

- 5.1 In conducting its affairs, the Society is committed to:
- 5.1.1 following the Co-operative Values and Principles (see Appendix);
 - 5.1.2 respecting the rights and diversity of its Members, Employees and people dealing with the Society, treating them fairly and not discriminating on any grounds;
 - 5.1.3 conducting its business in an open and honest way.
- 5.2 The net surplus of the Society's business shall be used in accordance with the Co-operative Values and Principles.

6 OBJECTS

The objects of the Society shall be:

- 6.1 To carry on the business of providing holidays, services and facilities in furtherance of the objects set out below.
- 6.2 To encourage and promote:
- 6.2.1 the healthy enjoyment of leisure, physical recreation and the open air, with particular emphasis on walking;
 - 6.2.2 education and culture;
 - 6.2.3 social and international friendship and understanding between people of all ages and backgrounds; and
 - 6.2.4 appreciation and conservation of the environment and nature's resources.

7 POWERS

7.1 The Society shall have full power to do all lawful things necessary or expedient for, or incidental to, the accomplishment of the objects stated in Rule 6, including, but without prejudice to the generality of the foregoing, the power to:

7.1.1 Acquire, own, manage and sell property of any tenure;

7.1.2 Act as principal or agent for any other person, body corporate or unincorporated body; and

7.1.3 Subscribe to or become a member of any organisation, or to make a donation to any individual or organisation, as the Board shall think fit.

C MEMBERSHIP

8 MEMBERSHIP

- 8.1 The Members of the Society are those individual persons, corporate bodies, and unincorporated bodies, who wish to support its objects and activities, as outlined in Rule 6, by holding shares in the Society. Reference to corporate and unincorporated bodies includes local clubs that may be accepted into membership provided that they meet any criteria for membership as agreed by the Board.
- 8.2 No ~~new~~ Member shall be admitted unless they apply in Writing. A ~~new~~ Member shall subscribe for a minimum shareholding which is 100 £1 shares or such other number of shares as may be determined from time to time by the Society in a general meeting. The Board shall have power to refuse an application to become a Member of the Society that does not meet the criteria for membership as set -out in these Rules or as agreed by the Board.
- 8.3 A corporate body Member, may by resolution of its governing body appoint (and revoke the appointment of) any person as its authorised representative to exercise on its behalf during the continuance of such appointment at any general meeting of the Society all such rights and powers as the corporate body could exercise if it were an individual person. A copy of such resolution Signed by two members of the Members' governing body or by one member and its secretary (by whatever name) shall be lodged with the Society.
- 8.4 An unincorporated body Member shall act through a duly authorised nominee as notified in writing to the Society and the name of its current authorised nominee shall be entered against the name of the unincorporated body in the register of Members.
- 8.5 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 for use by the Society for any communication required by these Rules to be sent to Members unless they opt to receive such communications by post, 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.
- 8.6 No applications for membership will be processed one week prior to the date on which the notice for a general meeting must be dispatched nor during the notice period.

9 TERMINATION OF MEMBERSHIP

- 9.1 A Member shall cease to be a Member if:
- 9.1.1 they fail to hold the minimum shareholding within a period of time as set by the Board; and-or
- 9.1.2 they fail, in the reasonable opinion of the Board, to participate in the activities of the Society for a minimum period of 5 years and the Board resolves that they should cease to be a Member. For the purposes of this rule "participation in the activities of the Society" means taking a holiday with the Society, or any other qualifying condition that the Board may from time determine, and whilst the process is undertaken to encourage participation they will be referred to as a "non-participating member"; or
- 9.1.23 they resign in Writing to the Secretary; or
- 9.1.34 they transfer their shares to the nominee of another unincorporated body (if they themselves are a nominee of an unincorporated body); or
- 9.1.54 they are expelled from membership in accordance with these Rules for not acting in the best interests of the Society; or
- 9.1.65 they die, (if an individual person); or
- 9.1.76, -wind up or cease to exist, (if a corporate or unincorporated body); or
- 9.1.876 they cease to meet the criteria for membership as set out in the Rules or as agreed by the Board.
- 9.2 A Member may only be expelled by a resolution passed by a two-thirds majority of the Board at a Board meeting held after the Member has been provided with at least one month's notice in Writing of the Board meeting setting out the grounds for their expulsion. The notice shall include an invitation to the Member to attend the meeting providing them with an opportunity to make representations to the meeting or, at the option of the Member, that an individual (who need not be a Member of the Society) may attend to make representations on their behalf.
- 9.3 At the Board meeting called to consider the expulsion, the Board shall consider the evidence presented. If the Member fails to attend the meeting, the meeting may proceed in the Member's absence.
- 9.4 If the resolution to remove the Member is passed, the Secretary shall amend the register of Members noting the date on which they ceased to be a Member and inform the Member of the decision of the Board.
- 9.5 When a Member ceases to be a Member, or is expelled from the Society:
- 9.5.1 The nominal value of any shares shall be paid to the Member which shall be calculated based on the value of shares held by that Member on the date they ceased to be a Member or at the time of expulsion unless the right to withdraw shares has been suspended under these Rules.
- 9.6 If the right to withdraw shares has been suspended, then the nominal value of any remaining shares shall:
- 9.6.1 be converted into loans upon such terms as may be agreed between the Board and the Member, or their personal representative or trustee in bankruptcy, provided that such -agreement shall require the repayment of the loan within a period not exceeding three years; or
- 9.6.2 be surrendered in full to the Society at which point the shares will be cancelled. The surrender must be made in such form as the Board requires.
- 9.7 Any application for membership of the Society received from a previously expelled Member must be approved by a two-thirds majority vote of the Board including those present in person and those -attending by Electronic Means or by telephone.
- 9.8 As per these Rules, a non-participating member is one that, in the reasonable opinion of the Board, has not participated in the activities of the Society for a minimum period of 5 years. Once a member is deemed to be a non-participating member, the Secretary shall send a communication to the Address/s in the Register of Members, encouraging them to make contact and participate in the activities of the Society within two months of the date of the communication and make clear that if they do not do so that they will be removed from membership. If a response is received that indicates they do not wish to participate in the activities of the Society, then their membership shall cease and their shareholding will be paid to them as per Rule 9.5.1. If no response is received within two months, then the Untraced Member process in the rule below will be followed.

D SHARE CAPITAL**10 CAPITAL**

- 10.1 The capital of the Society shall consist of £1 shares, payable in full upon application.
- 10.2 No Member shall hold more than the maximum number of shares as determined from time to time by the Board of Directors, within the limits of the 2014 Act.
- 10.3 The Society may pay to Members interest on share capital at such rate or rates as determined by the Board from time to time, but not exceeding in any case 5% per annum or 5% above Bank of England base lending rate whichever is the greater. Different rates may be paid, graduated according to the amount of share capital in the Society held by a Member, or on the basis of other terms and conditions applying to Withdrawable shares. Any such payment to Members may only be made where the Society can reasonably afford to do so, having taken into account other liabilities and any contribution to the Society's reserves. Interest on share capital is a cost of capital and should not be paid out of surplus. Whether share interest shall or shall not be payable, and at what rate, is a Board decision and, if payable, the interest rate shall be set and declared in advance of the period for which it is intended to be paid.
- 10.4 No interest shall be paid or credited to any Member in respect of any period of account where the shareholding is less than 100 shares or such other number as may be determined from time to time by the Society in general meeting.
- 10.5 Additional shares may be issued to an existing Member upon application:
- 10.5.1 provided that the maximum shareholding set by rule 10.2 is not exceeded;
- 10.5.2 to enable that Member to increase their shareholding to at least the minimum shareholding.
- 10.6 Unless otherwise requested in Writing by a Member, any interest accrued on a Member's shareholding shall not be paid to the Member but shall be credited to the share account of the Member, each whole pound so credited being applied in the issue of additional shares in the name of the Member.

11 WITHDRAWAL OF SHARE CAPITAL

- 11.1 Shares shall be Withdrawable only in accordance with the provisions of these Rules. Shares shall only be Transferable on death or bankruptcy; or (in the case of an unincorporated organisation or partnership), on a change of nominee(s) and only to the new nominee(s).
- 11.2 Subject to the provisions of this rule, share capital may be withdrawn by Members providing the Society with one month's notice in Writing.
- 11.3 Withdrawals shall be paid in order of application to the Society.
- 11.4 No partial withdrawal of share capital held by a Member shall be possible which would leave the Member with less than the minimum shareholding as set out in these Rules.
- 11.5 Applications to withdraw share capital shall be met primarily out of:
- 11.5.1 capital received by the Society in the same accounting year, on new membership applications; and
- 11.5.2 capital received by the Society in the same accounting year on applications from existing Members to increase their shareholding; and
- 11.5.3 capital arising in the same accounting year through the issue of shares in lieu of interest.
- 11.6 Applications to withdraw share capital not met under Rule 11.5 may at the discretion of the Board be met out of the funds of the Society.
- 11.7 The Board 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.
- 11.8 During any period when the right of withdrawal has been suspended under Rule 11.7, the shares of deceased Members may, if the Board agrees, be withdrawn by their personal representatives upon giving such notice as the Board may require.
- 11.9 Interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment. ~~From the 1 November 2019~~ Such interest will be calculated on a pro-rata basis.
- 11.10 Any share or shares withdrawn in accordance with these Rules shall be cancelled.

12 LIEN ON SHARES AND RIGHT OF OFFSET

- 12.1 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.

UNTRACED MEMBERS

- 13.1 Where the Society has evidence that a Member ~~is no longer contactable at the Address, no longer lives at the address~~ shown in its register of Members then, subject to carrying out the following procedures, the Secretary may treat that membership as ceased, noting the date in the register of Members of when that Member ceased to be such ~~and the remaining amount standing to the credit of such Member in the share account of the Society, together with any sum of money representing interest or dividend credited to the Member in the records of the Society shall be forfeited to the Society.~~
- 13.2 The procedures are as follows:
- 13.2.1 The Secretary shall take all reasonable steps to establish whether there is a forwarding Address, and if there is one, to contact the Member at the forwarding Address with the information set out below.
- 13.2.2 The Secretary shall ~~advertise in all places of business of the Society to which Members have access, or if no such places exist, take steps to~~ publish an advertisement on ~~its~~ the Society's website ~~and in the local media~~ giving the following information:
- advising that the Society intends, after a notice period of not less than two calendar months, to revise its register of Members to indicate that Members no longer living at their registered Address have ceased to be Members of the Society;
 - providing contact details to enable any Member to confirm their registered Address, or to confirm that they wish to withdraw from membership of the Society.

- 13.3 At the end of the notice period, if those Members have not made contact with the Society to confirm otherwise, the Secretary shall amend the register of Members to show that those memberships have ceased, cancelling the associated shares and transferring the share balances to a suspense account forfeiting them to the Society.
- 13.4 At the end of a period of two calendar years commencing with the date upon which any share balance has been transferred to a suspense account, any such share balance that remain unclaimed shall be ceded to the Society.
- 13.5 If, at any time following the ceding of funds from the suspense account, a person or Office Holder demonstrates such proof of lawful entitlement to the sum of a forfeited credit account as the Society shall reasonably require, then the Society shall transfer the ceded sum to them, together with any applicable interest, within three months of receiving said proof of entitlement.
- 13.6 Where shares have been cancelled and sums forfeited/ceded under this Rule, the Society shall, on an application in Writing from any person who would have been entitled to the shares if they had not been cancelled, pay to that person the sums so forfeited along with any interest that would have been applied to the shareholding had they not been cancelled.

E MANAGEMENT

14 BOARD OF DIRECTORS

- 14.1 The business of the Society shall be governed and controlled by a Board of Directors.
- 14.2 The Board shall, subject to vacancies arising under the Rules, comprise 12 Members of the Society who shall be elected as provided in this Rule 14.
- 14.3 Each Board member shall, subject to Rule 14.8, be elected to serve for a four year term from the close of the annual general meeting at which their election is announced to the close of the annual general meeting in the fourth year thereafter when they shall retire automatically, but shall be eligible for re-election by the members, three automatic retirements taking place at the close of each annual general meeting.
- 14.4 No Director may serve for more than two consecutive terms of four years and one term of four years, with a period of at least one year between them. Or equally, one term of four years, a break of at least one year and then another two consecutive terms, giving a total of twelve years service overall.
- 14.5 No Member may be nominated for election to the Board unless they are eligible, under the Rules, to complete a full term of four years.
- 14.6 Transitional Arrangements – from the date these Rules come into force:
- 14.6.1 Any current Directors that have exceeded twelve collective years of service shall be eligible to complete their current term of office, at the end of which they must retire and will not be eligible to serve any future terms of office.
- 14.6.2 No current Director or Member may be nominated for election to the Board unless they are eligible, under the Rules, to complete a full term of four years.
- 14.6.3 Any Member that has exceeded twelve collective years of service prior to the date that these Rules come into force will not be eligible to be nominated for election to the Board or serve any future terms of office.
- 14.7 A member of the Board whose period of office has terminated early under these Rules shall not be eligible to stand for re-election at the first AGM following that termination. If a member of the Board whose period of office was terminated for not acting in the best interests of the Society then they are only eligible for re-election at the discretion of the Board.
- 14.8 A candidate for election to the Board must be aged 18 or over, hold at least the minimum shareholding for new members prevailing at the time of their nomination and be nominated by two Members of the Society. Such nomination, with the consent of the candidate provided in Writing, must arrive at the Registered Office of the Society not later than 31 December in the year preceding the annual general meeting from which the candidate seeks to serve. A candidate may withdraw from election by notice in Writing to the Society.
- 14.9 A candidate shall submit with the nomination form an election statement containing such information as required by the Board.
- 14.10 No person shall be eligible to serve as a Board member who:
- 14.10.1 is in receipt of remuneration from the Society. Remuneration for this purpose does not include fees, allowances, accommodation or incentives received by holiday leaders;
- 14.10.2 has not attained the age of 18;
- 14.10.3 is not a Member of the Society;
- 14.10.4 is disqualified from being a director of a company or trustee of a charity;
- 14.10.5 is an undischarged bankrupt;
- 14.10.6 is not capable of managing their own affairs.
- 14.11 If the number of candidates duly nominated for election exceeds three, a ballot shall be held by such procedures, including by Electronic Means and postal ballot, as may be adopted by the Society from time to time as set out in these Rules.
- 14.12 The Board may in its discretion direct that a postal ballot or a ballot undertaken via Electronic Means shall be managed and conducted by an independent and disinterested body which the Board believes to be suitably competent and experienced to carry out such work.
- 14.13 In the event that the Board does not make a direction under Rule 14.12 the ballot shall be conducted in accordance with the process set out below.
- 14.14 Not less than 28 days before the date of the relevant annual general meeting, Members shall receive ~~by post or by Electronic Means:~~
- 14.14.1 a ballot paper relating to the election of members to the Board; and
- 14.14.2 a copy of the candidates' election statements; and
- 14.14.3 notice of the date by which the ballot paper must be submitted, being a date determined by the Board and being not less than five days prior to the date of the relevant annual general meeting.
- 14.15 Each Member shall be entitled to a maximum of three votes and each Member desiring to vote in the ballot shall return their ballot paper by post to the Registered Office of the Society or by Electronic Means to arrive not later than 1pm on the date mentioned in Rule 14.14.3.
- 14.16 The Board shall appoint three persons who are not members of the Board to be scrutineers. The

counting of votes shall proceed as soon as practicable after the closing date for returning ballot forms has passed. The scrutineers shall supervise the opening and counting of the votes and shall issue a certificate as to the result of the voting.

- 14.17 If the number of candidates duly nominated for election is less than the number of vacancies, then the unfilled vacancy or vacancies so arising shall be filled by the next postal ballot prior to a future Annual General Meeting. The procedure to be followed for each such unfilled vacancy, shall be that set out in Rule 15.4 and shall assume that the number of candidates duly nominated for election prior to the preceding relevant Annual General Meeting, had been equal to the number of vacancies, but that an elected Board member had resigned under Rule 15.1.5 immediately following the close of that preceding Annual General Meeting.
- 14.18 The candidates polling the highest votes shall fill the vacancies arising. In the event of a material equality of votes, lots shall be drawn in such manner as the Board shall decide.
- 14.19 The results of the ballot, or the names of the candidates declared elected without ballot, shall be announced either prior to or at the annual general meeting.
- 14.20 The Board of Directors may at any time fill a Casual Vacancy on the Board by co-option. Co-opted individuals must be Members of the Society and will hold office as a Director only until the conclusion of the next annual general meeting. Being co-opted to fill a Casual Vacancy shall not prevent a Member from standing for election to the Board, provided that they are eligible and able to do so. Any period of co-option will be excluded when considering a Director's future maximum term of office. No Director that has completed the maximum term of office as per these Rules should be co-opted under this rule.

15 TERMINATION OF OFFICE

- 15.1 A Board member ceases to be such as soon as:
- 15.1.1 they are disqualified from being a director or charity trustee;
- 15.1.2 they cease to be a Member of the Society if an individual or a representative of an unincorporated body Member; or
- 15.1.3 where the individual is the representative of a Member organisation, that Member organisation removes their endorsement of that representative;
- 15.1.4 where the person is the representative of a Member organisation that Member organisation ceases to exist;
- 15.1.5 they resign by notice in Writing to the Secretary;
- 15.1.6 they are declared bankrupt;
- 15.1.7 in the written opinion, given to the Society, of a registered medical practitioner treating that person, the person concerned has become physically or mentally incapable of acting as a Director and may remain so for more than three months.
- 15.1.8 they are removed from office in accordance with Rule 15.2 and Rule 15.3
- 15.1.9 that person is absent from three meetings of the Board of the Directors during a continuous period of 12 months without special leave of absence granted by the Board of Directors and the Directors pass a resolution that they have, by reason of such absence, vacated office.
- 15.2 A board member may be removed from office by the board for not meeting the standards of behaviour as set out in the Board Handbook that all directors sign up to at the start of their term of office.
- 15.2.1 A board member may be suspended by the Chair whilst an investigation is undertaken as set out in the Board Handbook. Where the Chair is absent or unwilling to act, or the breach in standards of behaviour is related to the Chair, the other Directors may exercise the power to suspend the Director.
- 15.2.2 A resolution must be passed at a board meeting, where due notice has been given that has included the nature of the resolution, by two thirds of directors' present either in person or attending by electronic means.
- 15.2.3 The director concerned will have the opportunity to appeal to a panel comprising of 3 people, 2 from the group of President/Vice Presidents plus an external person with an appropriate qualification or experience. The outcome of the appeal hearing will be presented to the board for their acceptance or to confirm the original decision.
- 15.3 A Board member may be removed from office at any time by a resolution passed by two-thirds of the Members present and voting at a general meeting of the Society of which due notice is given including in such notice the nature of the resolution.
- 15.4 If a member of the Board other than one in their final year is deemed to have vacated office under Rule 15.1 or is removed from office under Rule 15.2 or 15.3, the vacancy/s so caused shall be filled by the next postal ballot prior to a future Annual General Meeting, when
- 15.4.1 the candidate/s polling the next highest number of votes after the three highest in number shall be deemed elected to fill the said vacancy/s; and
- 15.4.2 the said candidate/s shall serve as members of the Board from the close of the Annual General Meeting at which their election is announced, until the close of the Annual General Meeting at which the Board member/s the candidate/s replace would have retired automatically had Rule 15.2 or Rule 15.3 not applied to them, when they shall themselves retire automatically. If the said Board members would have retired automatically at the close of different Annual General Meetings, the candidate polling the fourth highest vote shall serve until the latest such Annual General Meeting, the candidate polling the fifth highest until the next latest Annual General Meeting, and so on.
- 15.5 If Rule 15.1 or Rule 15.2 has applied to a Board member in the final year of their term such member shall nevertheless, for the purpose only of Rules 14.3, 14.4 and 14.18, be deemed to have retired automatically at the end of that year

16 POWERS OF THE BOARD OF DIRECTORS

- 16.1 The Board shall have full powers to conduct, manage, govern and control the business of the Society and to exercise on behalf of the Society, for the purpose of accomplishing its objects, all the powers of the Society not specifically required by these Rules, statute, or otherwise, to be exercised by the Society in general meeting. Meetings of the Board may also be held using Electronic Means or by telephone; provided that all Board members wishing to participate by such means are able to do so and are able to communicate with each other at all times.
- 16.2 Without prejudice to the generality of the above Rule, in particular, the Board shall have power to:
- 16.2.1 engage, remove or discharge the Chief Executive of the Society and any other senior Employee of the Society;

- 16.2.2 fix the duties of any senior Employee of the Society and the terms of employment (including remuneration and any appropriate pension arrangements) of any senior Employee;
- 16.2.3 share, from time to time, statements of general policy objectives and to change and/or cancel the same whenever the Board considers it expedient to do so.

16.3 CALLING A MEETING OF THE BOARD OF DIRECTORS

Any Board member may, and the Secretary on the requisition of a Board member shall, call a meeting of the Board of Directors by giving reasonable notice of the meeting to all Board members. Notice of any meeting of the Board of Directors must indicate the date, time and place of the meeting and, if the Board members participating in the meeting will not be in the same place, how they will communicate with each other.

PROCEEDINGS OF THE BOARD

- 16.4 Subject to these Rules and to any statutory requirements, the Board may regulate their meetings and other proceedings as they may think fit, and in particular, the Board:
- 16.4.1 shall elect two of their number by secret ballot to be Chair and Vice-Chair respectively of the Board and shall determine the period for which they are to hold office as such;
- 16.4.2 may from time to time delegate any of their powers to committees or sub-committees consisting of such members of the Board and other Members of the Society as the Board thinks fit. Any committee or sub-committee so formed shall in its proceedings and in the exercise of the powers so delegated conform to all directions given to it by the Board in that connection;
- 16.4.3 may from time to time delegate any of their powers to the Chief Executive or other Officer or Employee of the Society, or to any Board member(s), as the Board shall think fit. Such Officer or Board member shall in the exercise of the powers so delegated conform to all directions given by the Board in that connection.
- 16.5 Board members (and a member of a committee or sub-committee who is not a Board member) shall serve without remuneration but shall be paid all travelling, hotel or other expenses incurred by them in the discharge of their duties.
- 16.6 Questions arising at any meetings of the Board shall be decided by a majority of votes. In the case of an equality of votes the Chair shall not have a casting vote and the vote shall be lost.
- 16.7 A written resolution, circulated to all Board members and Signed or assented to in writing by a minimum of three quarters of the number of Board members, shall be valid and effective as if it had been passed at a Board meeting duly convened and held. A written resolution may consist of several identical Documents Signed by one or more Board members. All decisions made by written resolution will be reported to the Board at the next scheduled Board meeting and duly minuted.
- 16.8 The Board of Directors may, at its discretion, invite other persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.
- QUORUM*
- 16.9 The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be seven Directors, including those attending by Electronic Means and by telephone.
- 16.10 If at any time the total number of Directors in office is less than the quorum required, the Directors are unable to take any decisions other than to call a general meeting so as to enable the Members to elect further Board members.
- 16.11 **DECLARATION OF INTEREST**
- A Board member shall declare an interest in any contract or matter in which they have a personal, material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, provided that nothing shall prevent a Director from voting on a resolution concerning the payment of interest on shares of the Society, if applicable, where that Board member is a Member and will benefit only in the same way as other Members holding shares.

17 HONORARY OFFICERS

- 17.1 The Society may appoint Honorary Officers, being a President and a maximum of eight Vice Presidents. They shall all be Members of the Society.
- 17.2 Subject to this Rule, the Honorary Officers shall be elected by the Members at the annual general meeting, upon the recommendation of the Board, to serve from the close of that meeting until the close of the next following annual general meeting, when they shall be eligible for re-election, if willing to act.
- 17.3 The Honorary Officers shall have the role provided by Rule 21.1 and such other functions as the Board shall from time to time agree.
- 17.4 The Honorary Officers shall not be, or be deemed to be, members of the Board, nor be entitled or required to act as such. They shall act without remuneration.
- 17.5 An Honorary Officer can be removed from office on fair and responsible grounds by a resolution of the Board.

18 CHIEF EXECUTIVE AND OTHER SENIOR EMPLOYEES

- 18.1 The Society shall have a Chief Executive, Head of Finance and such other senior Employees as the Board shall from time to time determine.
- 18.2 The Chief Executive shall be appointed by the Board and may be removed by the Board, who shall have power to fix the Chief Executive's duties and terms of employment including remuneration.
- 18.3 The Chief Executive shall act under the control and direction of the Board. Without prejudice thereto and subject to Rule 16.2, the Chief Executive shall in particular manage the day to day business affairs of the Society.
- 18.4 All of the Board and general meetings of the Society, wherever possible, shall also be attended by the Officers of the Society, the Chief Executive, a senior financial officer, and all Board Meetings shall be attended by such other Employees (if any) as the Chief Executive shall from time to time decide or the Board shall from time to time require.
- 18.5 In the absence or incapacity of the Chief Executive the Chair and Vice-Chair shall act to appoint a temporary replacement who shall discharge the duties conferred on the Chief Executive by these Rules, the temporary appointment shall be confirmed at the first Board meeting following the appointment.

19 SECRETARY

- 19.1 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 2014 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.

F GENERAL MEETINGS**20 GENERAL MEETINGS**

- 20.1 The Society shall hold a general meeting, which shall be called an annual general meeting, on a Saturday within six months of the close of the Society's financial year.
- 20.2 The business of the annual general meeting shall be:
- 20.2.1 to consider the annual report, accounts, and auditor's report in relation to the Society's affairs for the preceding financial year or period of account;
 - 20.2.2 to elect the Honorary Officers;
 - 20.2.3 to note the result of the ballot for election to the Board or the names of the candidates elected without ballot, as the case may be;
 - 20.2.4 to transact any other business of the Society included in the notice of Meeting;
 - 20.2.5 to consider any motion relating to the business of the Society submitted to the Secretary by not less than three members of the Society not later than 31 December preceding the annual general meeting. Motions must be accepted by the Secretary prior to being included in the notice of the meeting and can be rejected if the Secretary deems them to be vexatious, based on incorrect information or if a similar motion has been considered at an annual general meeting in the previous three years. Having regard to Rule 16.1 such a motion, if passed, shall have the effect of a recommendation, but not a direction, to the Board.

CALLING A GENERAL MEETING

- 20.3 A general meeting shall be convened either:
- 20.3.1 by the Secretary on receipt of a clear direction from the Board; or
 - 20.3.2 upon a written requisition Signed by at least one tenth of the Members of the Society, or 100 Members, whichever is fewer. Such a requisition shall be delivered to the Secretary and shall state in the form of a motion the business to be considered at the general meeting in question.
- 20.4 A general meeting shall be convened as soon as practicable after the direction of the Board or the delivery of a requisition under Rule 20.3.2, and shall not transact any business other than that specified in the notice convening the Meeting. Should the Society fail to convene a general meeting within 21 days after the delivery of the requisition referred to above, the requisitionists may apply to the Registrar to convene a meeting pursuant to the 2014 Act.
- 20.5 A general meeting shall be convened by appropriate notice being given to all Members ~~by displaying the same in a prominent position in an area of the registered office of the Society to which visitors in the normal course of business would have access.~~
- 20.6 In addition, appropriate notice shall be given to every Member in accordance with Rule 36.
- 20.7 Appropriate notice shall in the case of:
- 20.7.1 an annual general meeting be not less than 28 days; and
 - 20.7.2 a general meeting be not less than 14 days.
- 20.8 The notice shall:
- 20.8.1 specify whether the meeting is an annual general meeting or a general meeting;
 - 20.8.2 specify the date, time and place of the meeting as determined by the Board; the time in the case of an annual general meeting to be not earlier than 12.00 noon;
 - 20.8.3 state the nature of the business for which it is convened;
 - 20.8.4 in the case of notice of an annual general meeting given to a Member under Rule 20.7 include a copy of, or a link to, the annual report, accounts, and auditor's report.
- 20.9 An annual general meeting may be treated as a general meeting for the purpose of any business, of which due notice is given, which would otherwise be discussed at a separately convened general meeting, provided such business is not considered until the substantive business of the annual general meeting is concluded.
- 20.10 A Member who is unable to attend an annual or general meeting may appoint another Member as their proxy, provided only that the Member so appointed may not act as proxy for any other Member. The proxy shall be an open proxy, which the appointed Member may cast as they think fit, having heard the deliberations of the meeting.

QUORUM

- 20.11 No business shall be transacted at a general meeting unless a quorum of Members is present which shall include those Members attending by Electronic Means or by proxy. A quorum shall be 100 Members or 5% of the membership, whichever is the fewer.

21 CONDUCT OF GENERAL MEETINGS

- 21.1 At all general meetings the President, or in the absence of the President, the Chair of the Board or one of the Vice Presidents, shall preside as Chair. If neither the President, nor the Chair of the Board or any of the Vice Presidents, are present or is willing to act, the members of the Board present shall choose one of their number to preside as Chair.
- 21.2 The Chair of the meeting shall adjourn a general meeting if a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present. The Chair of a general meeting may adjourn the meeting whilst a quorum is present if:
- 21.2.1 the majority of Members present, including those present by Electronic Means or by proxy, consents to that adjournment; or
 - 21.2.2 it appears to the Chair that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

When adjourning a meeting the Chair may specify the date, time and place to which it will stand adjourned or delegate the re-convening of the adjourned meeting to the Secretary. No business shall be transacted at the adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. It shall not be necessary to give notice of an adjournment or of the business to be transacted at the adjourned meeting. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the Members present including those present by Electronic Means or by proxy shall constitute a quorum.

ATTENDANCE, VOTING AND SPEAKING AT GENERAL MEETINGS

- 21.3 A Member is able to exercise the right to speak at a general meeting and is deemed to be in attendance when that person is in a position to communicate to all those attending the meeting. The Board may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it including by Electronic Means. In determining attendance at a general meeting, it is immaterial whether any two or more Members attending are in the same place as each other, provided that they are able to communicate with each other.
- 21.4 If the Society has appointed an Auditor in accordance with these Rules, 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.
- 21.5 Subject to the provisions of these Rules or any statutory requirements, a motion put to the vote at a general meeting shall be decided by a simple majority of the votes cast.
- 21.6 Every Member present in person, including those attending by Electronic Means and by proxy, shall have one vote on any question to be decided, subject to the provisions of Rule 20.10. In the case of an equality of votes the Chair of the meeting shall not have a second or casting vote.
- 21.7 A declaration by the Chair of the meeting that a motion voted upon has been carried or lost, stating if so desired the number of votes for and against, shall be conclusive, and an entry in the minutes of the proceedings at the meeting recording the Chair's declaration shall be conclusive evidence of the passing or rejection of the resolution.

G FINANCIAL

22 LOANS AND BORROWING

- 22.1 The Society shall, subject to any statutory provisions, have power to borrow money for any of the purposes of the Society, providing that the amount outstanding at any one time shall not exceed £15,000,000
- 22.2 The power shall be exercised by the Board in its absolute discretion as to amount borrowed, the terms and conditions of repayment, the rate of interest (which may be variable), other costs, charges and expenses, and the nature of any security to be given by the Society provided, however, that:
- 22.2.1 the total amount borrowed for the time being and remaining undischarged shall not exceed the aggregate of the share capital and the capital and revenue reserves of the Society; and
- 22.2.2 the rate of interest, except on money borrowed by way of bank overdraft or loan, or hire-purchase or leasing agreement, or borrowed from a building society, bank, local authority, or other public body on the security of a mortgage, shall not exceed on the commencement of the borrowing 5% above Bank of England base lending rate.
- 22.3 The Society shall not receive money on deposit.
- 22.4 The Society may receive from any person, whether a Member or not, donations towards the work of the Society.

23 INVESTMENTS

- 23.1 The Board may authorise the investment of any part of the funds of the Society in or upon any investment or security as the Board shall think fit.
- 23.2 Without prejudice to the Rule above the Board may authorise the investment of any part of the funds of the Society in or upon any of the securities mentioned in the 2014 Act.

24 ALLOCATION OF RESOURCES

- 24.1 In any year of account, starting from this amendment of the Rules, the Society may, after paying or providing for the expenses of management and administration and interest upon loans, use its resources:
- 24.1.1 In paying such dividend or benefits to Members upon the value of purchases made from the Society as agreed by the Society in general meeting;
- 24.1.2 In the creation of such specific reserve funds as the Board shall deem to be adequate;
- 24.1.3 In applying any such part of the surplus then remaining for any other purpose as the Board may determine; and
- 24.1.4 In applying any balance then remaining to the revenue reserves of the Society.

H ACCOUNTS AND AUDIT

25 ACCOUNTS AND ANNUAL RETURNS

- 25.1 The Board shall cause proper accounts of the Society to be kept in accordance with the 2014 Act.
- 25.2 The Board shall lay a revenue account and balance sheet duly audited and Signed by the Auditor of the Society appointed under Rule 26 before each annual general meeting, accompanied by a report of the Board on the position of the affairs of the Society. The account shall be made up to such date within the period 1 September to 31 January inclusive as the Board shall determine to be the end of the financial year.
- 25.3 Every year, not later than the date required by law, the Secretary shall send to the Registrar an annual return in the form directed by the Registrar relating to the affairs of the Society for the period required by the 2014 Act to be included in the return together with:
- 25.3.1 a copy of the report of the Auditor on the Society's accounts for the period included in the return; and
- 25.3.2 a copy of each balance sheet made during that period and of any report of the Auditor on that balance sheet.
- 25.4 The Society shall supply, free of charge, to every Member or person interested in the funds of the Society who applies for it, a copy of the latest annual return of the Society and accompanying Documents under Rule 25.3.

25.5 The Society shall keep a copy of the latest balance sheet of the Society, together with the report thereon of the Auditor, displayed at all times in a conspicuous position at the Registered Office of the Society.

26 AUDIT

26.1 There shall be appointed in each year of account in accordance with the 2014 Act, a qualified auditor to audit the Society's accounts and balance sheet.

26.2 The following persons shall not be appointed as Auditor of the Society:

26.2.1 An Officer or Employee of the Society;

26.2.2 A person who is a partner or employee of, or who employs, an Officer of the Society.

26.3 The Board may appoint an Auditor to fill a casual vacancy occurring between general meetings.

26.4 An Auditor for the preceding financial year shall be re-appointed as Auditor of the Society for the current financial year unless:

26.4.1 A decision has been made by the Members in a general meeting of the Society, after a recommendation made to them by the Board, to appoint a different Auditor or that the Auditor for the preceding financial year is not appointed; or

26.4.2 They have given notice in writing to the Secretary of their unwillingness to be re-appointed; or

26.4.3 They are ineligible for appointment as Auditor of the Society for the current financial year; or

26.4.4 They have ceased to act as Auditor of the Society by reason of incapacity.

26.5 Any ordinary 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 correctly served by the Society at least 28 days prior to the meeting at which the resolution is to be considered, the notice is then served in Writing upon the Auditor as soon as possible. At least 14 days' notice of such resolution must then be given to Members of the Society in the manner prescribed in these Rules.

I TRANSMISSIONS OF INTEREST

27 NOMINATION TO MEMBERS' PROPERTY IN SOCIETY

27.1 In accordance with section 37 of the Act, a Member may nominate one or more persons to whom property which that Member holds in the Society may be transferred on death. 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 individual or individuals entitled to it.

28 DEATH OR BANKRUPTCY OF MEMBER

~~28.1 Any property held by a Member who dies which is not dealt with by nomination under this Rule shall be dealt with as follows. On a claim being made by the executor or administrator of the estate of the deceased Member, the Society shall, subject to receiving satisfactory evidence of entitlement, if requested, transfer or pay property to which the executor or administrator has become entitled as that person may direct them.~~

~~28.2 If a Member becomes bankrupt, or being a corporate body, goes into liquidation, administration or administrative receivership, the Member's property in the Society shall be dealt with as follows. On a claim being made to any property that the Member has in the Society by the Member's trustee in bankruptcy or Office Holder, the Society shall, if requested, and always subject to receiving satisfactory evidence of entitlement, transfer or pay property to which the trustee in bankruptcy or Office Holder has become entitled as that person may direct.~~

28.1 In accordance with section 37 of the Act, a Member may nominate one or more persons to whom property which that Member holds in the Society may be transferred on death. 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 individual or individuals entitled to it.

28.2 Subject to the rule titled 'Property held by nominees of unincorporated bodies' any property held by a Member who dies which is not dealt with by nomination under the above rule shall be dealt with as follows. On a claim being made by the executor or administrator of the estate of the deceased Member, the Society shall, subject to receiving satisfactory evidence of entitlement, if requested, transfer or pay property to which the executor or administrator has become entitled as that person may direct them. This rule does not prevent the Board from the distribution of a Member's property not exceeding £5,000 on the death of a Member provided that the provisions of section 40 of the Act are complied with.

28.3 Subject to the rule titled 'Property held by nominees of unincorporated bodies' if a Member becomes bankrupt, or being a corporate body, goes into liquidation, administration of administrative receivership, the Member's property in the Society shall be dealt with as follows. On a claim being made to any property that the Member has in the Society by the Member's trustee in bankruptcy or Office Holder, the Society shall, if requested, and always subject to receiving satisfactory evidence of entitlement, transfer or pay property to which the trustee in bankruptcy or Office Holder has become entitled as that person may direct.

Property held by nominees of unincorporated bodies

28.4 Where the Society is notified of the death or bankruptcy of a Member who is a nominee of an unincorporated body, the Society shall hold all the Member's property in the Society on trust for the unincorporated body and shall invite the unincorporated body to make a new nomination (unless the unincorporated body has previously so notified the Society). On receiving a valid nomination under this rule, the Society shall then (subject to receiving written confirmation from the person concerned that they are willing to become a nominee Member) transfer the non-Withdrawable share, any further shares, if any, and any other property in the Society held by the deceased or bankrupt nominee to the person who has been so nominated.

28.5 Where no claim is made against any property held by a deceased Member, the Secretary shall send a communication to the Address/s in the Register of Members to attempt to make contact with a family member or representative of the deceased. If a response is received then the deceased Member's property shall be dealt with as per Rule 28.1. If no response is received within two months then the Untraced Member process in these Rules will be followed.

13.528.6 If, at any time following the ceding of funds from the suspense account, a person or Office Holder demonstrates such proof of lawful entitlement to the sum of a forfeited credit account as the Society shall reasonably require, then the Society shall transfer the ceded sum to them, alongside any applicable interest, within three months of receiving said proof of entitlement.

J RULES

29 COPIES OF RULES

29.1 The Secretary shall supply a copy of the Rules of the Society:

29.1.1 Free of charge to each new Member of the Society on becoming a Member;

29.1.2 To any other person on request subject to the payment of such fee (if demanded) as may be permitted by the 2014 Act.

30 ALTERATION OF RULES

30.1 Any of these Rules may be amended or rescinded, or a new Rule may be made, at a general meeting at which the resolution for change must be carried by two-thirds of the votes cast by those persons present, including those present by Electronic Means and by proxy. Every Member present, which shall include those Members present by Electronic Means or by proxy, having one vote subject to the provisions of Rule 20.10. The Chair of the meeting shall not have a second or casting vote.

30.2 Full details of the proposed alteration of Rules must be given to Members at the same time as the notice of the meeting.

30.3 Any alteration of Rules shall not be valid and effective until registered with the Registrar, which shall be actioned as soon as practicable after a resolution for change has been carried. When submitting the Rule amendments for registration the Secretary may at their sole discretion accept any alterations required or suggested by the Registrar without reference back to a further general meeting of the Society.

31 DISPUTES UNDER RULES

31.1 This Rule applies solely to a dispute relating to the rights, duties and obligations directly arising under the Rules of the Society, between the Society, an Officer or an Employee of the Society, and:

31.1.1 a Member of the Society; or

31.1.2 a person aggrieved who has ceased to be a Member not more than six months previously; or

31.1.3 a Person Claiming through a Member of the Society or any such person aggrieved; or 31.1.4 any Person Claiming under the Rules of the Society.

31.2 Either party to a dispute to which this Rule applies may refer the dispute for determination by the Board. Unless the determination by the Board is referred for determination by the County Court under Rule 31.3, it shall be binding and conclusive on all parties without appeal, and application for the enforcement of the determination may be made to the County Court.

31.3 If either party to a dispute to which this Rule applies is dissatisfied with the determination of the Board, such party may, within three months after such determination, refer the dispute for determination by the County Court, in which event:

31.3.1 this Rule shall be deemed to be the consent of the other party to such determination by the County Court; and

31.3.2 such determination by the County Court shall be binding and conclusive on all parties without appeal and shall be enforceable by the County Court.

K STATUTORY PROCEDURES

32 REGISTERS AND BOOKS

32.1 The Society shall keep at its Registered Office a register in which shall be entered:

32.1.1 the name and Address of every Member;

32.1.2 a statement of the number of shares held by each Member, and of the amount paid or agreed to be considered as paid on the shares of each Member;

32.1.3 a statement of other property in the Society, whether in loans or otherwise, held by each Member;

32.1.4 the date at which each person was entered in the register as a Member and the date at which any person ceased to be a Member;

32.1.5 the name and Addresses of each Officer of the Society as defined in the 2014 Act, with the Offices held by them respectively and the dates on which they assumed Office.

32.2 Any Member shall notify the Society promptly of any change of name or Address.

32.3 The register shall be so constructed that it is possible to inspect the particulars under Rules 32.1.1, 32.1.4, and 32.1.5 without exposing to inspection the other particulars entered in the register.

32.4 Any Member or person having an interest in the funds of the Society may inspect at all reasonable hours at the Registered Office of the Society or at any place where they are kept:

32.4.1 the Member's own account; and

32.4.2 those parts of the register specifically mentioned in Rule 32.3, subject to such regulations as to the time and manner of inspection which may be made from time to time by a general meeting of the Society.

33 STATUTORY APPLICATIONS TO THE REGISTRAR

33.1 Any ten Members of the Society, each of whom has been a Member of the Society for not less than twelve months immediately preceding the date of application, may apply to the Registrar in accordance with the 2014 Act to appoint an accountant or actuary to inspect the books of the Society and report on them.

33.2 An application may be made to the Registrar in accordance with the 2014 Act:

33.2.1 to appoint an inspector or inspectors to examine and report on the affairs of the Society; or

33.2.2 to call a special meeting of the Society.

33.3 An application of the kind referred to in Rule 33.2 may be made by one-tenth of the Society's Members or (if less) 100 Members.

34 AMALGAMATIONS, TRANSFERS OF ENGAGEMENTS AND CONVERSIONS

- 34.1 The Society may, by special resolution passed in the way required by section 111 of the Act, amalgamate with, or transfer its engagements to another society. The Society may also accept a transfer of engagements and assets by a resolution of the Board or by ordinary resolution at a general meeting.
- 34.2 The Society may, by a special resolution passed in a way required by section 113 of the Act, amalgamate with, or transfer its engagements to, or convert to a company. In relation to calling a general meeting for the purpose of such resolution, the following provisions shall apply:
- 34.2.1 The Society shall give to Members not less than two months' notice of the meeting;
- 34.2.2 Notice of the meeting shall be ~~provided posted in a prominent place at the Registered Office and at all business premises of the Society to which Members have access;~~ by the means set out in the Rules;
- 34.2.3 The notice shall be accompanied by a separate statement setting out for Members:
- i the reasons for the proposal;
 - ii whether the proposal has the support of the Board of the Society;
 - iii what alternative proposals have been considered, and whether they are viable;
 - iv details of the number of shares in the Society held by Members of the Board, and Persons connected with them;
 - v a recommendation by reputable independent financial advisors that the Members should support the proposal rather than any alternative proposal.
- 34.3 Where the separate statement is contained in another Document, information shall be provided in the notice specifying where Members can obtain a copy of the Document.
- 34.4 The quorum for a meeting at which a special resolution to amalgamate, transfer engagements to or convert into a company is to be voted upon shall be 500 members present in person, or 50% of the Society's total membership present in person, whichever is the lower.

35 DISSOLUTION

- 35.1 The Society may be dissolved:
- 35.1.1 on its being wound up pursuant to an order or resolution made as is directed in regard to companies by the Insolvency Act 1986; or
 - 35.1.2 by an instrument of dissolution in accordance with the 2014 Act to which not less than three-quarters of the Members of the Society have given their consent testified by their signatures to the instrument.
 - 35.1.3 If after administration the administrator issues a notice to dissolve the Society without prior winding up, in accordance with the 2014 Act.
- 35.2 If on winding up or dissolution of the Society there remain any assets whatever, after:
- 35.2.1 the discharge or satisfaction of all debts and other liabilities; and
 - 35.2.2 the repayment of share capital and any uncapitalised interest, such assets shall not be paid or distributed among the Members of the Society, but shall be disposed of in such manner as may be decided by a general meeting of the Society.

L SUPPLEMENTAL

36 NOTICES

- 36.1 Any notice, ballot paper or other Document required by law, or by these Rules, to be given by the Society to any Member, may be provided to a Member:
- 36.1.1 personally; or
 - 36.1.2 by sending it by post to the Member at the Member's Address from time to time -recorded in the register of Members; or
 - 36.1.3 ~~by leaving it at such address~~ by publishing it on the Society's website or;
 - 36.1.4 by Electronic Means to a Member's registered email address.
- 36.2 A notice, ballot paper or other such Document sent by post or by Electronic Means shall be deemed to have been served 48 hours after it is sent.
- 36.3 The accidental omission to send any notice, ballot paper or other Document to, or the non-receipt or late receipt of any notice by a Member entitled to receive notice shall not invalidate the proceedings at the general meeting.
- 36.4 If the Society has appointed an Auditor in accordance with these Rules they shall be entitled to receive all notices of and communications relating to any general meeting which any Member of the Society is entitled to receive.

37 MEANS OF COMMUNICATION

- 37.1 ~~The Society shall communicate with its Members by Electronic Means, and by default to the Member's email address held by the Society. A Member must provide their consent to receive communications from the Society by Electronic Means. Where no specific consent has been received then the Society must communicate with the Member via postal means.~~
- 37.2 ~~The Society shall communicate with a Member by post where it has received a written request to do so.~~
- 37.3 ~~When sending any notice, ballot paper or other Document required by law, or by these Rules, where the Society does not have an email address for a Member, the Members may refer to these documents that shall be published on the Society's website.~~
- 37.24 A notice sent to a Board members' address shall be deemed to have been duly served 48 hours after its posting. A Board member may agree with the Society that notices or Documents sent to them in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

38 INDEMNITY AND INSURANCE

- 38.1 Subject to the following Rule, any Board member or former Board member of the Society may be indemnified out of the Society's assets against:
- 38.1.1 Any liability incurred by that Board member in connection with any negligence, default, breach of duty or breach of trust in relation to the Society;

38.1.2 Any liability incurred by that Board member in connection with the activities of the Society in its capacity as a trustee of an occupational pension scheme;

38.1.3 Any other liability incurred by that Board member as an Officer of the Society.

38.2 The above Rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.

38.3 The Board may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any Board member or former Board member of the Society in respect of any loss or liability which has been or may be incurred by such a Board member in connection with their duties or powers in relation to the Society or any pension fund or employees' share scheme of the Society.

39 INTERPRETATION AND CONSTRUCTION

In this Rule "The Bank of England base rate" means The Bank of England base rate at the time of determining the rate of interest or at such time within 2 years prior to the date of such determination as the Board decides. In these Rules, except where the context otherwise requires:

39.1 "the 2014 Act" means the Co-operative and Community Benefit Societies Act 2014 or any Act or Acts amending or in substitution for it for the time being in force;"

39.2 "Address" means a postal address or, for the purposes of electronic communication, email address or telephone number for receiving text messages;

39.3 "Auditor" means a person eligible for appointment as a company auditor under Part 42 of the Companies Act 2006;

39.4 "Ballot" means a vote not taken by a show of hands but by paper or secure Electronic Means which enables a participant to indicate their choice on a proposed resolution;

39.5 "The Board of Directors" or "Board" means all those persons appointed to perform the duties of directors of the Society;

39.6 "Board Handbook" means a Document of said name as agreed by the Board and to which all Directors agree to abide by;

39.7 "Board Meeting" includes, except where inconsistent with any legal obligation a physical meeting, a meeting held by Electronic Means and a meeting held by telephone;

39.8 "Board member" means a director of the Society and includes any person occupying the position of director, by whatever name called;

39.9 "Casual Vacancy" means a vacancy on the Board created when a Director vacates their seat prior to the expiration of their term of office;

39.9~~10~~ "Chair" means any director elected as Chair by the Board under Rule 16.4.1

39.11~~9~~ "Co-operative Values and Principals" are the principles defined in the International Co-operative Alliance Statement of Co-operative Identity as:

- Voluntary and open membership;
- Democratic member control;
- Member economic participation
- Autonomy and independence;
- Education, training and information;
- Co-operation among co-operatives;
- Concern for the community;

And the values defined in the International Co-operative Alliance Statement of Co-operative Identity which states that co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others;

39.12 "Document" means a communication in Writing whether sent or supplied by Electronic Means or otherwise;

39.13 "Electronic Means" shall include email, video links, websites, website links and secure authenticated online transactions;

39.14 "Employee" means anyone over the age of 16 holding a contract of employment with the Society;

39.15 "Honorary Officer" means the President and Vice President(s), such Honorary Officers are not Officers as defined in this Rule;

39.16 "Member", means a person admitted into membership under Rule 8;

39.17 "Office Holder" means a receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member's -assets;

39.18 "Officer" means a member of the Board of Directors and the Secretary as defined in these Rules.

39.19 "Person Claiming" shall have the same meaning as in the 2014 Act;

39.20 "President" means a member appointed to take this office under the Rules;

39.21 "Registrar" means the Financial Conduct Authority (FCA) or any body that succeeds its function;

39.22 "Rules" means these Rules;

39.23 "Secretary" means any person appointed to perform the duties of the Secretary of the Society;

39.24 "Signed" shall mean a wet signature or an electronic signature;

39.25 "Society" means the above named Society;

39.26 "Vice Chair" means any director elected as Vice Chair by the Board under Rule 16.4.1;

39.27 "Writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied by Electronic Means or otherwise;

39.28 "Withdrawable" in relation to shares means shares with the associated right for the Member to withdraw their shares and receive in return the value of their shares from the Society;

39.29 words importing the singular or plural shall include the plural or singular respectively;

39.30 the headings to these Rules do not form part of the Rules themselves.

CO-OPERATIVE VALUES AND PRINCIPLES

APPENDIX

This page does not constitute part of the registered Rules.

DEFINITION

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

VALUES

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

PRINCIPLES

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st principle: Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2nd principle: Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and Co-operatives at other levels are also organised in a democratic manner.

3rd principle: Member Economic Participation

Members contribute equitably to, and – democratically control, the capital of their Co-operative. At least part of that capital is usually the common property of the Co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th principle: Autonomy and Independence
Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6th principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

7th principle: Concern for Community

7th principle: concern for community Co-operatives work for the sustainable development of their communities through policies approved by their members.

Approved at the ICA (International Co-operative Alliance) Congress, Manchester, September 1995

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