

**Industrial and Provident Societies Act 1965**

**Rules of**

**Suffolk's Libraries IPS Limited  
(Registration Number: 31542R)**

**All Previous Rules Rescinded**

*Certified to be  
a true & current copy  
as at 7th August 2013  
MWR  
Commercial Lawyer  
Suffolk Legal  
Howard Russell*

**NAME**

1. The name of the society shall be Suffolk's Libraries IPS Limited.

**REGISTERED OFFICE**

2. The registered office of the society shall be at: County Library, Northgate Street, Ipswich, IP1 3DE.

**INTERPRETATIONS**

3. In these rules:

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

**"the Act"** refers to the Industrial and Provident Societies Act 1965 or any Act or Acts amending or in substitution of it or them for the time being in force;

**"Auditor"** means a person eligible for appointment as a company auditor under section 25 of the Companies Act 1989;

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

**"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;

**"Clear Days"** in relation to the period of notice does not include the day on which the meeting is to be held and the day on which the notice is handed to someone or left at their Address, or the day on which it is sent, is in the process of being sent and is assumed to be delivered;

**"Community Based Library Group"** means any body corporate or a formally constituted unincorporated association (recognised by the Society as representing a local public library)

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**"Connected Person"** means the spouse, civil partner, child, step-child, parent, grandparent, grandchild, brother, sister or other person in a relationship with a director, which may reasonably be regarded as equivalent to such a relationship or any company or business controlled or managed by a director or any partnership in which they are a partner or a member and includes a trustee of any trust, the beneficiaries of which include a Connected Person;

**"Director"** means a director of the society and includes any person occupying the position of director, by whatever name called;

**"Document"** includes, unless otherwise stated, any document sent or supplied in electronic form;

**"Electronic Means"** shall include, for example, email, video links and secure authenticated website transactions;

**"Extraordinary Resolution"** means, unless the context requires otherwise, those decisions requiring an Extraordinary Resolution as detailed under 'Resolutions' in these rules;

**"Founder Member"** means a subscriber to the rules for the purposes Registering the Society;

**"Member"** has the meaning as detailed under 'Membership' in these rules;

**"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;

**"Officer"** has the meaning as detailed under 'Officers' in these rules;

**"Person"** means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or the nominee of an unincorporated body, firm, partnership or corporate body;

**"Registrar"** means the Financial Services Authority (FSA) or any body that succeeds its function;

**"Regulations"** has the meaning as detailed under 'Regulations' in these rules;

**"Restricted Fund"** has the meaning given in the Charity SORP issued by the Charity Commission;

**"Rules"** means these Rules;

**"Secretary"** means any person appointed to perform the duties of the Secretary of the society;

**"Society"** means the above named society;

**"Sub-contractor"** means a Community Based Library Group who has entered into a contract with the Society to provide services;

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**"Transferable"** means shares that are transferable to another Person who also qualifies for membership of the Society in accordance with these Rules;

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

**"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.

## **OBJECTS**

4. The objects of the Society shall be to carry on any business for the benefit of the community by enabling comprehensive and efficient library services principally but not exclusively for the people of Suffolk, that includes any of the following:-:
- (a) promote and enable reading, learning and the sharing of knowledge through free access to book borrowing, electronic and other information services;
  - (b) make other educational, cultural and entertainment materials available for hire;
  - (c) encourage access to informal adult learning, skills training and employment opportunities;
  - (d) facilitate activities to improve well-being;
  - (e) provide welcoming accessible environments where social inclusion and community development can safely prosper in response to changing demographic, socio-economic and educational needs of the people in the area of benefit;
  - (f) build partnerships of shared interest between public, private and voluntary sectors at the heart of communities.

The Society shall carry out its objects for public benefit in a manner that is conducive to the spirit and ethos of Co-operation.

## **POWERS**

5. The Society may do all such lawful things as may further the Society's objects and, in particular, may borrow or raise funds for any purpose that is beneficial to the Society.

## **BORROWING**

6. The Society shall have the power to borrow money from its Members and others in order to further its objects providing that the amount outstanding at any one time shall not exceed One Million Pounds (£1,000,000).
7. The Society shall have the power to mortgage or charge any of its property, including the assets and undertakings of the Society, present and future, and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Society or its customers or Persons having dealings with the Society.

8. The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a building society or local authority, shall not exceed 5% per annum or 2% above the Co-operative Bank's base rate at the commencement of the loan, whichever is the greater.
9. The Society may receive from any Person, donations or loans free of interest or Restricted Funds in order to further its objects but shall not receive money on deposit.

#### **FINANCIAL SERVICES AND MARKETS ACT 2000 ACTIVITY**

10. For the avoidance of doubt the Society shall not engage in any activity by virtue of any of these Rules that would require a permission from the Registrar to carry on that activity without first having applied for and obtained such permission.

#### **INVESTMENT OF FUNDS**

11. The Society may invest any part of its funds in the manner set out in Section 31 of the Act.

#### **MEMBERS**

12. The first Members of the Society are the Founder Members. The Board may at its discretion admit to membership
  - (a) any Community Based Library Group within Suffolk that supports the objects of the Society;
  - (b) any corporate body or an unincorporated body, firm or partnership that support the objects of the Society and that wish to engage with the services provided by the Society on such terms and conditions as specified at the point of entry into membership of the Society.
  - (c) any body cited in clause 12(a) and (b) shall be entitled to nominate a person who has attained the minimum age of sixteen years to represent them as Member.

#### **Applications for Membership**

13. All those wishing to become a Member must support the objects of the Society and complete an application for membership which shall include an application for one share in the Society. Such an application form must be approved by the Directors and the Directors must approve each application for membership.
14. All members shall be required to complete an annual membership declaration in a form agreed by the Directors confirming support for the objects of the Society and the Directors must consider approving each annual membership declaration.
15. A corporate body which is a Member shall by resolution of its governing body appoint a representative who may during the continuance of her/his appointment be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual person. Each such corporate body Member shall supply notification in Writing to the Society of its choice of representative.

16. A representative appointed under Rule 15 or 12 (a) and (b) shall cease to be the member of the Society on receipt by the Society in Writing of a resolution signed by two duly authorised officers of the incorporated or unincorporated body.

### **Member Commitment**

17. All Members agree to participate in general meetings and take an active interest in the operation and development of the Society and its business. Members have a duty to respect the confidential nature of the business decisions of the Society.

### **Termination of Membership**

18. A Member shall cease to be a Member of the Society immediately that they:
- (a) Fail to hold the minimum shareholding; or
  - (b) Fail to have the annual membership declaration accepted by the Board; or
  - (c) Fail to pay the annual subscription (if any) within 3 months of it falling due; or
  - (d) Resign in Writing to the Secretary; or
  - (e) Are expelled from membership in accordance with these Rules; or
  - (f) Are wound up or go into liquidation.

### **Expulsion from Membership**

19. A Member may by an Extraordinary Resolution be expelled for conduct detrimental to the Society, 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 make representations to the meeting or, at the option of the Member, an individual who is there to represent them (who need not be a Member of the Society) has been allowed to make representations to the general meeting.
20. If on due notice having been served the Member fails to attend the meeting the meeting may proceed in the Member's absence. No Member expelled from membership shall be re-admitted except by an Extraordinary Resolution.

### **PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER**

21. Upon a claim being made by the Office Holder to any property in the Society belonging to such a Member, the Society shall transfer or pay property to which the Office Holder has become entitled as the Office Holder may direct them.

### **Share Capital**

22. The shares of the Society shall be of the nominal value of £1 issued to Persons upon admission to membership of the Society. The shares shall be fully paid prior to issue, and shall be non-Transferable except in the case of an unincorporated organisation or

partnership, on a change of nominee and only to the new nominee, nor Withdrawable, shall carry no right to interest, dividend or bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause, and the amount paid up on such cancelled shares shall become the property of the Society. Each Member shall hold one share only in the Society.

### **GENERAL MEETINGS**

23. The Society shall, within six months of the end of the financial year, hold a general meeting of the Members as its annual general meeting and shall specify the meeting as such in the notice calling it.
24. The business of an annual general meeting shall comprise, where appropriate:
  - (a) The receipt of the accounts and balance sheet and of the reports of the Board and Auditor (if any);
  - (b) The appointment of an Auditor, if required;
  - (c) The election of the Board or the results of the election if held previously by ballot;
  - (d) The transaction of any other business included in the notice convening the meeting.

### **Calling a General Meeting**

25. The Secretary, at the request of the Board of Directors may convene a general meeting of the Society. The purpose of the general meeting shall be stated in the notice of the meeting.
26. The Board of Directors upon an application signed by one-tenth of the total number of Members, or 100 Members, whichever is the lesser, delivered to the registered office of the Society, shall convene a general meeting. The purpose of the general meeting shall be stated in the application for and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.
27. If within one month from the date of the receipt of the application the Board have not convened a general meeting to be held within six weeks of the application, any three Members of the Society acting on behalf of the signatories to the application may convene a general meeting, and shall be reimbursed by the Society for any costs incurred in convening such a meeting.

### **Notices**

28. The Directors shall call the annual general meeting giving 14 Clear Days' notice to all Members. All other general meetings shall be convened with at least 14 Clear Days' notice but may be held at shorter notice if so agreed in Writing by 90% of the Members.
29. Notices of meetings shall be sent to Members at their Address and prominently displayed on the Society's website(s) Notices shall specify the date, time and place at which the meeting is to be held, and the business which is to be transacted at that

meeting. A general meeting shall not transact any business other than that specified in the notices calling the meeting.

30. A notice sent to a Member's Address shall be deemed to have been duly served 48 hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any Person entitled to receive notice shall not invalidate the proceedings at the meeting.
31. All notices shall specify the date, time and place of the meeting along with the general nature of business to be conducted and any proposed resolutions.
32. 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.

#### **Quorum**

33. No business shall be transacted at a general meeting unless a quorum of Members is present which shall include those Members not present in Person. Unless amended by Extraordinary Resolution, a quorum shall be 5 Members or 25% of the membership, whichever is the greater.

#### **Chairing General Meetings**

34. The chair of the Society shall facilitate general meetings. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Members present shall choose one of their number to be the chair for that meeting.

#### **Attendance and Speaking at General Meetings**

35. A Member is able to exercise the right to speak at a general meeting
36. The chair of the meeting may permit other persons who are not Members of the Society to attend and speak at general meetings, without granting any voting rights.

#### **Adjournment**

37. 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 must adjourn the meeting. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the Members present shall constitute a quorum.
38. The chair of a general meeting may adjourn the meeting whilst a quorum is present if:
  - (a) The meeting consents to that adjournment; or
  - (b) 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.

39. When adjourning a meeting the chair must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Directors.
40. If the meeting is adjourned for 14 days or more, at least 7 Clear Days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.
41. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.

**42. Content of proxy notices**

(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the society in accordance with the rules and any instructions contained in the notice of the general meeting to which they relate.

(2) The Society may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

**43. Delivery of proxy notices**

(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

**Voting**



44. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper ballot is demanded in accordance with these Rules. A declaration by the chair that a resolution has on a show of hands been carried or lost with an entry to that effect recorded in the minutes of the general meeting shall be conclusive evidence of the result. Proportions or numbers of votes in favour for or against need not be recorded.
45. In the case of an equality of votes, whether on a show of hands or a poll, the chair shall not have a second or casting vote and the resolution shall be deemed to have been lost.

### **Paper Ballot**

46. A paper ballot on a resolution may be demanded before or on the declaration of the result of the show of hands by three Members at a general meeting.
47. If a paper ballot is duly demanded it shall be taken in such a manner as the chair 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.
48. The demand for a paper 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 paper ballot may be withdrawn.

### **Resolutions**

49. Decisions at general meetings shall be made by passing resolutions:
- (a) The following decisions must be made by Extraordinary Resolution:
- (i) Decisions to expel Members;
  - (ii) Any amendment to the Society's Rules;
  - (iii) The decision to wind up the Society.
- (b) All other decisions shall be made by ordinary resolution.
50. An Extraordinary Resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority (more than 50%) of votes cast.
51. Resolutions may be passed at general meetings or by written resolution. A written resolution may consist of several identical Documents signed by one or more Members and shall be a valid resolution when signed by sufficient members to satisfy the requirements within these rules for a resolution to be passed on a vote at a general meeting.

### **DIRECTORS**

52. The Society shall have a Board of Directors comprising not less than three Directors.

53. The initial Directors of the Society from registration until the first annual general meeting shall be appointed by the Founder Members.
54. Subject to Rule 56(b) under no circumstances shall any Employee of the Society serve on the Board.
55. Only persons of the Society who are aged 18 years or more may serve on the Board of Directors.
56. The composition of the Board shall be as follows:
  - (a) Up to 7 Directors elected by and from Society Members;
  - (b) A person appointed as a Director ex officio the holder of the office of General Manager;
  - (c) The Board of Directors may co-opt up to 2 Directors, who are Members,
  - (d) The Board of Directors may in addition co-opt up to three Directors who need not be Members. Such non Member Directors shall serve a fixed period determined by the Board of Directors at the time of the co-option, subject to a review at least every 12 months.
  - (e) The Board of Directors may at any time fill a casual vacancy on the Board by co-option, where the vacancy is caused by a resignation of a director appointed under rules 56 (a) and 56 (c) and 56 (d) Members will hold office as a Director only until the next annual general meeting.
57. Any director co-opted under Rule 56 (c) and (d) and (e) are to be selected by the Board of Directors for their particular skills and/or experience:

#### Retirement Cycle

58. (a) At the first annual general meeting all elected Directors shall stand down. At every subsequent annual general meeting one-third of the elected Directors, or if their number is not a multiple of three then the number nearest to one-third, shall retire from office. The Directors to retire shall be the Directors who have been longest in office since their last election. Where Directors have held office for the same amount of time the Directors to retire shall be decided by lot. A retiring Director shall be eligible for re-election
- (b) No director shall serve beyond the sixth Annual General Meeting after their appointment.

#### Powers and Duties of the Board of Directors

59. The business of the Society shall be managed by the Board who 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.
60. All decisions made by a meeting of the Board of Directors or by any person acting as a Director shall remain valid even if it is later discovered that there was some defect in

the Director's appointment or that the individual had previously been disqualified from acting as a Director or as a charity trustee.

61. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Board shall from time to time direct.
62. Without prejudice to its general powers, the Board may exercise all the powers of the Society to borrow money and to mortgage or charge its undertaking and property or any part of it and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Society or of any third party.
63. No Regulation made by the Society in general meeting shall invalidate any prior act of the Board which would have been valid had that Regulation not been made.

#### **Delegation**

64. Subject to these Rules, the Directors may delegate any of the powers which are conferred on them under these Rules to any Person or committee, by such means, to such an extent, in relation to such matters and on such terms and conditions as they think fit.
65. The Directors may specify that any such delegation may authorise further delegation of the powers by any Person to whom they are delegated.
66. The Directors may revoke any delegation in whole or in part or alter any terms and conditions.

#### **Sub-Committees**

67. A sub-committee to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Rules which govern the taking of decisions by Directors.
68. The Directors may make Regulations for all or any sub-committees, provided that such Regulations are not inconsistent with these Rules.
69. All acts and proceedings of any sub-committee must be fully and promptly reported to the Directors.

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

#### **Calling a Meeting of the Board of Directors**

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

#### **Proceedings of a Meeting of the Board of Directors**

71. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
72. A Director is able to exercise the right to speak at a meeting of the Board of Directors and is deemed to be in attendance when that person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a meeting of the Board of Directors to exercise their rights to speak or vote at it including by Electronic Means. In determining attendance at a meeting of the Board of Directors, it is immaterial whether any two or more Directors attending are in the same place as each other.
73. Questions arising at any meetings of the Board shall be decided by a simple majority (more than 50%) of votes with each Director having one vote. In the case of an equality of votes, the chair shall have a second casting vote.
74. A written resolution, circulated to all Directors and signed by a simple majority of Directors, 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 Directors.
75. 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**

76. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 4 Directors.
77. 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 appoint further Directors or to call a general meeting so as to enable the Members to appoint further Directors.

#### **Chairing Board Meetings**

78. The chair shall facilitate meetings of the Board of Directors. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Directors present shall choose one of their number to be the chair for that meeting.

#### **Declaration of Interest**

79. 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.

#### **Expenses**

80. The Society's income and property shall be applied solely to the promotion of the objects of the Society and no portion shall be transferred directly or indirectly by way of dividend, bonus or otherwise whatsoever by way of profit to the Members of the Society and no Director or Connected Person may buy goods or services from the Society on terms preferential to those applicable to other members of the public, sell goods, services, any interest in land to the Society, be employed by, or receive any

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remuneration from the Society, or receive any other financial benefit from the Society, unless the payment is permitted under the following circumstances:

- (a) A Director, or Connected Person may receive a benefit from the Society in the capacity of a beneficiary provided that a majority of the Directors do not benefit in this way;
- (b) A Director or Connected Person may enter into the contract for the supply of services, or of goods that are supplied in connection with the provision of services to the Society;
- (c) A Director or Connected Person may provide the Society with goods that are not supplied in connection with services provided to the Society by a Director or Connected Person;
- (d) A Director or Connected Person may receive interest on money lent to the Society at a reasonable and proper rate which must be 2% or more per annum below the base rate of the Bank of England for the time being;
- (e) A Director or Connected Person may receive rent for premises let by the Director or Connected Person, to the Society if the amount of the rent and other terms of the lease are reasonable and proper and provided that the Director concerned shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion;
- (f) A Director is entitled to be reimbursed from the property of the Society or may pay out of such property reasonable expenses properly incurred by them when acting on behalf of the Society;
- (g) A Director or Connected Person may take part in the normal trading and fundraising activities of the Society on the same terms as members of the public;
- (h) The Directors may arrange for the purchase, out of the funds of the Society, of insurance designed to indemnify the Directors.

#### **Termination of a Director's Appointment**

81. A person ceases to be a Director of the Society as soon as:

- (a) That person is removed from office by a resolution of the Board of Directors passed by a simply majority of those entitled to attend the meeting and vote,
- (b) That person ceases to hold that office or that office ceases to exist, where the person is a Director ex officio;
- (c) The organisation they are representing removes their endorsement of them;
- (d) The organisation they are representing ceases to exist;
- (e) That person resigns from office in Writing to the Secretary of the Society, and such resignation has taken effect in accordance with its terms;

- (f) That person fails to attend in person 2/3rds of the board meetings in any 6 month period unless the absences have been approved by the Board of Directors;
- (g) That person is removed from office by an ordinary resolution of the Society in general meeting, the notices for which specified that the question of the Director's removal was to be considered;
- (h) That person is prohibited from being a Director by law or otherwise disqualified by law from serving as a charity trustee;
- (i) A bankruptcy order is made against that person;
- (j) A registered medical practitioner who is treating that person gives a written opinion to the Society stating that the person has become mentally incapable of acting as a Director and may remain so for more than three months;
- (k) By reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.

#### **OFFICERS**

82. The Board shall elect from among their own number a chair and Secretary and such other Officers as they may from time to time decide. These Officers shall have such duties and rights as may be bestowed on them by the Board or by law and any Officer appointed may be removed by the Board. A serving Officer who is not re-elected to the Board at the annual general meeting shall nevertheless continue in office until the first Board meeting following the annual general meeting.

#### **DISPUTES**

83. In the event of a dispute between the Society or its Board and a Member of the Society or a former Member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute or in the absence of agreement to be nominated by the Secretary General of Co-operatives UK (or any role or body that succeeds to its function). The decision of such an arbitrator shall be binding. In the event that a dispute cannot, for whatever reason, be concluded by reference to an arbitrator, the matter may be referred to the County Court. Any Person bringing a dispute must, if so required, deposit with the Society a reasonable sum (not exceeding £100) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

#### **REGULATIONS**

84. The Society in a general meeting, or the Board of Directors, may from time to time make, adopt and amend such Regulations in the form of bye-laws, standing orders, secondary rules or otherwise as they think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board of Directors and sub-committees. Such Regulations (if any) shall be made available to Members. No Regulation shall be made which is inconsistent with these Rules or the

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Act. All Members of the Society and the Board of Directors shall be bound by such Regulations whether or not they have received a copy of them.

#### **LIABILITY OF MEMBERS**

85. The liability of a Member is limited to the amount of their shareholding.

#### **APPLICATION OF PROFITS**

86. The Society shall not trade for profit. Any profits generated by the Society shall be applied solely to the continuation and development of the Society.

#### **AMALGAMATION, TRANSFER OF ENGAGEMENTS AND CONVERSION**

87. The Society may, by special resolution passed in the way required by s52(3) of the Act, amalgamate with or transfer its engagements to any other charitable society with objects similar to or compatible with those of the Society. The Society may also accept a transfer of engagements and assets by resolution of the Board or of a general meeting.

88. The Society may, by special resolution passed in the way required by s52(3) of the Act, amalgamate with or transfer its engagements to a charitable company or convert itself into a charitable company under the provisions of the Act. In relation to calling a general meeting for the purpose of such resolution, the following provisions shall apply.

- (a) The Society shall give to Members not less than two months' notice of the meeting;
- (b) Notice of the meeting shall be posted in a prominent place at the registered office and at all trading premises of the Society to which Members have access.;
- (c) 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.
- (d) 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.

- (e) The quorum for a meeting at which a special resolution to amalgamate with, transfer engagements to or convert into a charitable company is to be voted upon shall be 150 Members or 50% of the Members present in Person, whichever is the lesser, subject to an absolute minimum of three Members.

## **DISSOLUTION**

89. The Society may be dissolved by the consent of three quarters of the Members by their signatures to an instrument of dissolution, or by winding up in a manner provided for by the Act.
90. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the Members, but shall be transferred instead to some other charitable body or bodies with objects similar to or compatible with those of the Society as may be decided by the members at the time of or prior to the dissolution.

## **ADMINISTRATIVE ARRANGEMENTS**

### **Means of Communication**

91. A Member may provide their consent to receive communications from the Society by Electronic Means and a notice sent to a Members address shall be deemed to have been served 48 hours after its posting.
92. A notice sent to a Director's Address shall be deemed to have been duly served 48 hours after its posting. A Director may agree with the Society that notices or Documents sent to her/him 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.

### **Seal**

93. If the Society has a seal, it shall only be used by the authority of the Board of Directors acting on behalf of the Society. Every instrument to which the seal shall be attached shall be signed by a Director and countersigned by a second Director or the Secretary.

### **Registers**

94. The Board of Directors shall ensure accurate registers are maintained which shall include a register of Members, a register of Directors and a register of Officers.

#### **Register of Members**

95. The Board shall ensure that the register is maintained in accordance with the Act and that the particulars required by the Act are available for inspection and accessible without the need to disclose other particulars contained in the register.

#### **Register of Directors and Officers**

96. The Society shall maintain a register of Directors and Officers which shall include the following particulars:

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- (a) Name of the Director;
- (b) Address of the Director;
- (c) The date on which they assumed office;
- (d) The date on which they vacated office; and
- (e) The position held by a Director if s/he is also an Officer and the date on which the Director assumed and vacated his/her Officer position.

#### **Amendments to Rules**

97. Any of these Rules may be rescinded or amended or a new rule made by an Extraordinary Resolution at a general meeting of which 14 Clear Days' notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment may be made to the Rules which shall cause the Society to cease to be a charity in law. No amendment of Rules is valid until registered by the Registrar. When submitting the rule amendments for registration, the Secretary may at their sole discretion accept any alterations required or suggested by the Registrar without reference back to a further general meeting of the Society.

#### **Copies of the Society's Rules**

98. 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.

#### **Minutes**

99. The Society shall ensure that minutes are kept of all:
- (a) Proceedings at general meetings of the Society; and
  - (b) Proceedings at meetings of the Board of Directors and its sub-committees which include names of the Directors present, decisions made and the reasons for those decisions.

#### **Annual Return**

100. Every year and within the period prescribed by the Act, the Secretary shall send the annual return in the prescribed form to the Registrar. The annual return shall be accompanied by:
- (a) A copy of the Auditor's report on the Society's accounts for the period covered by the annual return or a copy of such other report (if any) as is required by statute for such a period; and
  - (b) A copy of each balance sheet made during that period and report of the Auditor or other appropriate person as required by statute on that balance sheet.

101. The Society shall on demand supply free of charge to any Member or any person with an interest in the funds of the Society a copy of the latest annual return together with a copy of the Auditor's report on the accounts and balance sheet contained in the annual return and the Auditor's Report (if any).
102. The Society shall at all times keep a copy of the latest balance sheet of the Society together with a copy of the corresponding Auditor's report (if any) hung up in a conspicuous place at the registered office and displayed on the Society's website (if any).

### **Audit**

103. Unless the Society meets the criteria set out in section 4(2) of the Friendly and Industrial and Provident Societies Act 1968 or fulfils the exemptions set out in sub-sections 4(A) (1) and (2) of the Friendly and Industrial and Provident Societies Act 1968, the Members shall in each financial year appoint an Auditor as required by section 7 of the Friendly and Industrial and Provident Societies Act 1965 as amended, to audit the Society's accounts and balance sheet for the year. This provision also applies if the Society is in its first financial year.
104. The following persons shall not be appointed as Auditor of the Society:
  - (a) An Officer or Employee of the Society;
  - (b) A person who is a partner or employee of, or who employs, an Officer of the Society.
105. The Board may appoint an Auditor to fill a casual vacancy occurring between general meetings.
106. An Auditor for the preceding financial year shall be re-appointed as Auditor of the Society for the current financial year unless:
  - (a) A decision has been made by the Board to appoint a different Auditor or expressly decided that s/he shall not be re-appointed; or
  - (b) S/he has given notice in writing to the Secretary of her/his unwillingness to be re-appointed; or
  - (c) S/he is ineligible for appointment as Auditor of the Society for the current financial year; or
  - (d) S/he has ceased to act as Auditor of the Society by reason of incapacity.
107. 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 given to the Society at least 28 days prior to the meeting at which the resolution is to be considered. At least 14 days' notice of such resolution must then be given to Members of the Society in the manner prescribed in these Rules and in Writing to the Auditor(s).

### **Indemnity and Insurance**



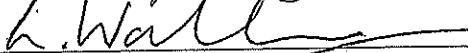
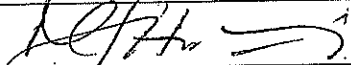
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108. Subject to the following rule, any Director or former Director of the Society may be indemnified out of the Society's assets against:

- (a) Any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Society;
- (b) Any liability incurred by that Director in connection with the activities of the Society in its capacity as a trustee of an occupational pension scheme;
- (c) Any other liability incurred by that Director as an Officer of the Society.

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

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

Signatures Members	Full Names of Members in BLOCK CAPITALS (no initials)
1. 	SYLVIA MARY KNIGHTS
2. 	ROBERT MALCOLM SPIVEY
3. 	LYNNE WALKER
Signature of Secretary	Full Name of Secretary in BLOCK CAPITALS (no initials)
1. 	MICHAEL CADFIELD HOSKING

