# Rule Changes

1. Background

Cwmpas rules were originally adopted by Wales Co-operative Centre at an AGM in 2014 and implemented in 2015. In 2019 a specific change to rule 64 along with some clarification of ‘meaning’ in several rules were adopted by the membership.

Earlier this year (March 2022) the membership adopted the current company name ‘Cwmpas’ and the following changes to the rules at an EGM:

* **Changes to the ‘Objects’ and ‘Powers’ to allow for future application for HMRC charitable status.**
* **Amendment to Rule 59 – only members over the age of 18 years may serve on the Board; employees may not serve on the board.**
* **Amendment to Rule 60 – amalgamating (b) & (c) and changing ‘co-opted’ to ‘independent’ directors.**
* **Amendment to rule 63 - changing one third to one quarter.**
* **Amendment to Ruel 64 – removing ‘consecutive’ and changing ‘nine’ years to ‘eight’.**
* **Amendment to Rules 65, 66, and 67 – bringing them in line with Rules 59 to 64.**
* **Amendment to the grammar in Rules 87 & 88.**
* **Amendment to the subheading ‘Expenses’ adding ‘Remuneration’ and amend Rule 89 adding that Directors are not remunerated.**
* **Amendment to Rule 90(a) – replacing co-option with independent.**
* **Amendment to Rule 91 – adding a sentence that an independent director recruited as a Chair must stand for membership and election at the first available AGM.**
* **Amended wording of Rules 96, 97, and 99 to allow for future application for HMRC charitable status**
* **Amendment to Rule 105 – clarifying the fifth bullet point regarding officers.**

1. Current position

At the EGM in March 2022, the amendments listed above were adopted. It was also agreed at the EGM that the board would further review the grammar, spelling, and formatting throughout the document. The EGM also agreed that the rules regarding the Board of Directors and Officers required further consideration

The board undertook a further review in June 2022. The board proposed the changes to the rules listed in section 3.

One of the issues discussed in June was whether there was a need to make changes to the objects. On reflection we are not recommending making any changes to the objects at this time. We do not believe it is necessary or prudent to make any changes to the objects (rule 6) which already sufficiently reflect the work that the society undertakes and make it clear that the society pursues co-operative values.

The Rules as adopted in March 2022 are attached as appendix 1 for your reference.

1. Proposed actions

The membership is asked to adopt the following amendments to the Rules (strikeout = delete; *red italics* = additional words):

**Rule 4:** The Society is Wales’s national body for co-operatives, social enterprises, and employee-owned businesses. ~~The Society champions and strengthens co-operatives, social enterprises, and employee-owned businesses in Wales~~.

**Rule 5:** *The Society champions and strengthens co-operatives, social enterprises, and employee-owned businesses* as well as supporting social businesses, the Society applies its co-operative values to strengthening communities and it develops and implements co- operative solutions to tackle poverty and promote inclusion.

**Rule 7:** The Society may do all such lawful things as may further the Society's objects and, in particular, but not exclusively *may*:

(a) ~~may~~ borrow or raise funds for any purpose that is beneficial to the Society:

(b) ~~providing or assisting~~ provide or assist in the provision of advisory and consultancy services to support the growth and development of enterprises based upon the principles of social justice and democratic control;

(c) ~~managing~~ manage projects involving social businesses and community organisations; ~~and~~

(d) ~~contributing~~ contribute to the development of policy and legislation concerning ~~those organisations~~ social businesses and community organisations.

(e) ~~providing or assisting~~ provide or assist in the provision of education and training to the public in the knowledge and skills relevant to the establishment and management of social businesses and the wider promotion of the values and principles of co-operation:

(f) ~~the promotion~~ promote or commission ~~of~~ research for the public benefit;

(g) ~~providing an~~ provide educational resources; ~~and~~

(h) ~~the publication of~~ publish books, periodicals, pamphlets, or other printed material.

**Rule 60:** The composition of the Board shall be as follows:

(a) Up to 8 Directors elected by and from the Society’s Members.

(b) Up to 4 directors appointed by the Board including ~~up to~~ 1 person nominated as a Director by the Wales TUC or any successor body in name and title and up to 3 Independent Directors appointed by the Board ~~Independent Directors are to be selected by the Board of Directors~~ for their particular skills and/or experience.

**Rule 65:** As set out in Rule 60(b), the Board of Directors may appoint up to ~~three~~ *four*Directors, *one on the nomination of the Wales TUC and up to three* ~~and are~~selected for their particular skills and/or experience. Such Directors shall serve a fixed period, no longer than ~~eight~~ *four*years, determined by the Board of Directors at the time of the appointment. *They may be reappointed but shall not serve as a Board Director for more than eight years in any event,* ~~subject to a review at least every 12 months. Independent Directors~~ *and*may be removed from office at any time by a resolution of the Board of Directors.

**Rule 66:** ~~The Board of Directors may at any time fill a casual vacancy on the Board and the appointee~~ *Should an elected Director vacancy arise, for whatever reason, during the course of a year, the Board of Directors may fill the vacancy by co-opting a member of the Society who* will hold office only until the next annual general meeting. ~~The appointee must be a member or become a member within a reasonable time.~~

**Rule 67**: At no time must the number of ~~Independent~~ Directors *either appointed or co-opted by the Board* ~~comprise more than one-third of the Board of Directors~~ *be equal to or greater than the number of elected Directors*. *In circumstances where appointed and co-opted directors temporarily outnumber elected directors the board undertakes to address this within 28 days by calling an EGM to elect more directors*.

**Rule 91:** ~~From time to time, the Board shall elect a chairperson and Secretary and such other Officers, who may, but need not be from among their own number. Officers must be members or agree to become members within a reasonable time.~~

*The Society shall have a Chair, a Treasurer and a Secretary and such other officers as the Board may decide from time to time. At the first Board meeting following each year’s annual general meeting, the Board of Directors shall elect a Chair and Treasurer and appoint a Secretary who shall serve as the Chair, Treasurer and Secretary of the Society.*

*a) Chair. The Chair must be an elected Board Director at the time of the election and must continue to be an elected Board Director whilst holding office. However, should the Chair not be re-elected to the Board at an annual general meeting, the Chair shall then continue in office until the next Board meeting elects a new Chair. The Chair may stand for re-election for as long as they remain an elected Board Director.*

*b) Treasurer. The Treasurer must be a Board Director at the time of the election and must continue to be a Board Director whilst holding office. However, should the Treasurer be an elected Director and not be re-elected to the Board at an annual general meeting, the Treasurer shall then continue in office until the next Board meeting elects a new Treasurer. The Treasurer may stand for re-election for as long as they remain a Board Director.*

*c) Secretary. The Secretary must not be a Board Director at the time of appointment and shall not become a Board Director whilst holding office. The Secretary must be a member of the Society and may be an employee. The Secretary may be re-appointed for as long as they remain eligible.*

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 from office at any time by a resolution of the Board of Directors. ~~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~~

**Rule 105**: The Society shall maintain a register of Directors and Officers which shall include the following particulars:

Name;

Home Address;

*Position/s held;*

The date*/s* on which they assumed office;

The date*/s* on which they vacated office.

~~The name and addresses of the Officers including the position held and the date on which they assumed and vacated their Officer position.~~

1. Recommendations

The board of directors have scrutinised the amendments listed herewith and recommend that members adopt all of the amendments as listed.