Cwmpas Rule Change – AGM September 2025

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1. Summary

This paper sets out proposed rule changes which members are asked to agree.

The resolution is proposed as a complete amendment of rules which will replace the society's current rules with a clean set of rules incorporating specific changes.

2. Background

The Cwmpas Rules were adopted at an AGM in 2014 and implemented in 2015. They were amended in 2019 and again in 2022 as a result of changes in practice with regard to limiting periods of service for Directors.

There are a number of stipulations in the rules relating to the recruitment and removal of Directors that affect how we manage turnover and succession planning. The Board has reviewed the Rules and propose a number of small amendments to optimise performance in the following areas:

- **Board commitments** upon appointment. Several changes to make explicit expectations, and the associated remedy for non performance. This includes: Introduce Due diligence for board appointments; adherence to the Code of Conduct for Board members now explicitley included.
- **Retirement cycle** – currently 1/4 of existing members step down each year but can stand for re-election. The mechanism doesn't include mid-year changes, is somewhat inflexible and not straight-forward to manage.
- **Maximum length of term –** an important principle to encourage fresh perspective but has the potential for unintended negative impact on continuity and stability in some circumstances (e.g. where scheduled and non-scheduled retirements coincide).
- **Balance of appointed and elected members** – election from membership is a key part of honouring our cooperative principles, and ensuring the right balance between elected and appointed members is a key component. However, the

requirement to have more elected members can be difficult to manage in situations of unexpected turnover.

- **Removal process for Directors** is extremely limited under the existing Rules.

We have worked with Co-ops UK to bring these proposals to the membership.

A full copy of the amended Rules can be found in Appendix 1 to this document.

3. What we propose

The changes and additions to the Cwmpas Rules being commended to the membership are described below. All numbering shown assumes the new, post change, numbering scheme in accordance with the copy of the rules attached in Appendix 1 to this resolution.

i. Board Commitments.

Insert new definition referring to the Code of Conduct which applies to Directors:
"Code of Conduct" means, the Code of Coduct setting out the standards or personal behaviour and conduct required of members of the Board of Directors in force at any time;

Add wording to describe the remedy where directors do not sign eligibility for office declaration as follows:
61. All prospective directors shall sign a declaration that they are eligible to hold office and not disqualified in law, and if they fail to do so they may render their nomination for, or appointment or election to, office invalid.

Insert new Clause in the section relating to Board Appointments as follows:
62. All prospective directors shall agree to submit to reasonable due diligence measures as agreed by the Board from time to time and if they fail to do so they may render their nomination for, or appointment or election to, office invalid.

Insert new clause making explicite the requirement to follow the Code of Conduct as follows:

64. All Directors shall agree to abide by the Code of Conduct and the Rules of the Society.

ii. Retirement Cycle

Amend wording to specify two retirees annually and include mid-term changes as follows:

65. At every annual general meeting ~~one-quarter~~ at least two of the elected Directors, ~~or if their number is not eight then the number nearest to one-quarter,~~ shall retire from office. This number includes Directors who have retired during the year or who wish to retire at the AGM. In the absence of any Directors who have chosen to retire, 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 subject to the rule immediately below.

iii. Maximum Term Length

Provide the Board with a mechanism to extend the maximum term of a Director if they agree this is necessary by exception, as follows:

66. Directors, whether they are elected or appointed, shall serve for a maximum term of office of eight years at which point they shall stand down and shall not be eligible to re-stand for election or reappointment to the Board save where the Board agrees that circumstances exist where it would be in the best interests of the Society for a Director to serve a longer period. In determining the maximum term of office, a director's previous service on the Society's Board prior to the Society's 2019 annual general meeting shall not be taken into account.

iv. Balance of Appointed vs Elected

Allow for circumstances in which the number of Appointed Directors could be **equal to** the number of elected Directors. In the unusual circumstance of high turnover of Board members, this change provides an additional degree of flexibility for the Board to continue operating and/or for the recruitment of new board Director(s) to be

arranged, subject to an election process at the nearest AGM. The amendment proposed is:

68. At no time must the number of Directors either appointed or co-opted by the Board 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 a general meeting~~n EGM~~ to elect more Directors.

v. Removal of Directors

The provision for termination of a Director's appointment allows little opportunity to remove a person for reasons other than legal prohibitions, medical incapacity or at a general meeting. Where numbers on the Board are low, this could prevent us from replacing someone who has dis-engaged or indeed acted improperly, other than by calling a General Meeting. We propose the insertion of new articles in connection with Clause 91 as follows:

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

(j) the Director has not communicated with the Society for a period of 4 months despite reasonably persistent efforts to make contact.

(k) The Director has breached the Code of Conduct in a serious or persistent way in the reasonable opinion of the remaining Board Members, and is removed by a resolution of the Board; passed by 75% of the remaining Directors, at a Board Meeting for which reasonable notice of the proposed resolution has been provided to all Directors.

4. Recommendation

Members are asked to agree to the proposed Rule change at the General Meeting on Tuesday 30 September 2025.

Appendix 1 – updated Cwmpas Rules

All Previous Rules Rescinded

Rules of Cwmpas

(as amended on 30/09/2025)

Registered under the Co-operative and Community Benefit Societies Act 2014 ("the Act")
Number 24287R

NAME

1. The name of the society shall be Cwmpas (referred to as "the Society" in these rules)

REGISTERED OFFICE

2. The registered office of the society shall be at Y Borth, 13 Beddau Way, Caerphilly, CF83 2AX. The registered office may be changed at any time by resolution of the Board.

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 Co-operative and Community Benefit Societies Act 2014 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 Part 42 of the Companies Act 2006;

"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;

"Code of Conduct" means, the Code of Conduct setting out the standards of personal behaviour and conduct required of members of the Board Directors of the Society in force at any time;

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

"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;

"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 Conduct Authority (FCA) or any body that succeeds its function;

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

"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;

"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.

PURPOSE

4. The Society is Wales' national body for co-operatives, social enterprises and employee-owned businesses.

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.

OBJECTS

6. The objects of the Society shall be as follows:

   a) The relief of poverty and social exclusion by the provision of appropriate assistance based on co-operative values to social businesses and other community organisations directed to that aim.
   b) To advance education in matters related to co-operation and co-operative values and their potential to relieve poverty and social exclusion.

POWERS

7. The Society may do all such lawful things as may further the Society's objects and, in particular, but not exclusively may:
   (a) borrow or raise funds for any purpose that is beneficial to the Society:
   (b) 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) manage projects involving social businesses and community organisations;
   (d) contribute to the development of policy and legislation concerning social businesses and community organisations.
   (e) 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) promote or commission research for the public benefit;
   (g) provide educational resources;
   (h) publish books, periodicals, pamphlets or other printed material

BORROWING

8. The Society shall have the power to borrow money in order to further its objects providing that the amount outstanding at any one time shall not exceed £10,000,000.

9. 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.

10. 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 Bank of England base rate at the commencement of the loan, whichever is the greater.

11. The Society may receive from any Person, donations or loans free of interest in order to further its objects but shall not receive money on deposit.

INVESTMENT OF FUNDS

12. The Society may invest any part of its funds in the manner set out in Section 27 of the Act.

MEMBERS

13. The Board may at its discretion admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partner organisation who supports the objects of the Society, and who has paid or agreed to pay any subscription or other sum due in respect of membership for the time being in force.

14. Membership may be divided into categories by the Board from time to time. The Board may also determine the level of service, subscriptions and reporting for any identified category of membership. The principle of one member one vote will apply at all times.

Applications for Membership

15. Any individual over the age of 16 can apply for membership. All those wishing to become a Member must support the objects of the Society and complete a formal application for membership which shall include an application for one share in the Society. The Directors must approve each application for membership.

16. A corporate body which is a Member shall appoint a representative to act on its behalf and 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.

17. Applicants for membership shall be deemed by such application to accept and to agree to abide by these rules and any regulations established by the Board from time to time.

Member Commitment

18. 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

19. 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 pay the annual subscription (if any) within 3 months of it falling due; or

    (c) Resign in Writing to the Secretary; or

    (d) Are expelled from membership in accordance with these Rules; or

    (e) Die, are wound up or go into liquidation.

Expulsion of Membership

20. A Member may be expelled for conduct prejudicial or detrimental to the Society or the co-operative movement generally by resolution of the Board. The Member will have the right of reply, arbitration and/or appeal.

21. No Member expelled from membership shall be re-admitted except by an Extraordinary Resolution.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

22. Upon a claim being made by:

    a. The personal representative of a deceased Member; or

    b. The trustee in bankruptcy of a Member who is bankrupt; or

    c. 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.

23. A Member may in accordance with the Act nominate any individual or individuals to whom any of their property in the Society at the time of their death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. 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 thereunder.

Share Capital

24. The shares of the Society shall be of the nominal value of £1. Every Member shall hold one share and no more than one share.

25. Applications for shares shall be made to the Board of the Society who shall allot to Members, upon their admission, the share for which they have applied. Shares shall be paid for in full on allotment.

26. Shares shall be non-Transferable except 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), nor withdrawable. They shall carry no right of 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.

Subscriptions

27. The Society may ask Members to make an annual subscription to the Society. Such subscription shall be determined by the Board. The Board shall have power to set different annual subscriptions for any different category of membership identified, to grant rebates and to determine the procedure and method of payment.

GENERAL MEETINGS

28. All Members of the Society shall be entitled to attend General meetings either in person or by proxy.

29. The Society shall hold an annual general meeting within six months of the end of the financial year.

30. 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;

    (c) The election of the Board or the results of the election if held previously by ballot;

    (d) The application of profits;

    (e) The transaction of any other business included in the notice convening the meeting.

Calling a General Meeting

31. 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.

32. The Board of Directors upon an application signed by one-tenth of the total number of Members (with a minimum representation of at least one-tenth from each category of membership identified) 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 form and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.

Notices

33. 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.

34. Notices of the time, date and place of any general meetings shall either be given:

    a. In Writing, circulated to Members at their last known Address in the register of Members; or
    b. By such electronic means as determined by the Society and when the Member has previously agreed to this method; and
    c. By publication on the Society's website

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

36. 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.

37. 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

38. No business shall be carried out at a general meeting unless a quorum of Members is present (either in person or by proxy). Unless amended by Extraordinary Resolution, a quorum shall be 3 Members or 15% of the membership, whichever is the greater.

Chairing General Meetings

39. The chairperson of the Society shall facilitate general meetings. If they are 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 chairperson for that meeting.

Attendance and Speaking at General Meetings

40. 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 Directors 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.

41. All fully paid-up Members are entitled to attend, speak and vote at annual and general meetings either in person or by proxy.

42. The chairperson 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

43. 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 chairperson 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.

44. The chairperson 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 chairperson 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.

45. The chairperson must adjourn the meeting if directed to do so by the meeting.

46. When adjourning a meeting the chairperson 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.

47. 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.

48. 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.

Voting

49. Each Member holding one share shall have one vote.

50. 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 chairperson 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.

51. In the case of an equality of votes, whether on a show of hands or a poll, the chairperson shall not have a second or casting vote and the resolution shall be deemed to have been lost.

Paper Ballot

52. 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.

53. If a paper ballot is duly demanded it shall be taken in such a manner as the chairperson directs, provided that no Member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.

54. 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

55. Decisions at general meetings shall be made by passing resolutions:

    (a) The following decisions must be made by Extraordinary Resolution:

(i) Any amendment to the Society's Rules

(ii) Any decision to wind up the Society.

(b) All other decisions shall be made by ordinary resolution.

56. 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 (51%) of votes cast.

57. 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.

DIRECTORS

58. The Society shall have a Board of Directors comprising not less than 6 Directors and not more than 12.

59. Only members of the Society who are aged 18 years or more may serve on the Board of Directors. Members who are employed by the Society shall not be eligible for election to the Board.

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 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 for their particular skills and/or experience.

Appointment

61. All prospective directors shall sign a declaration that they are eligible to hold office and not disqualified in law and if they fail to do so they may render their nomination for, or appointment or election to office invalid.

62. All prospective directors shall agree to submit to reasonable due diligence measures as agreed by the Board from time to time, and if they fail to do so they may render their nomination for, or appointment or election to office invalid.

63. All prospective directors shall agree to undertake such training for office as shall be prescribed by the Board which may include a structured training programme for newly elected directors.

64. All Directors shall agree to abide by the Code of Conduct and the Rules of the Society.

Retirement Cycle

65. At every annual general meeting at least two of the elected Directors shall retire from office, this number includes Directors who have retired during the year or who wish to retire at the AGM. In the absence of any Directors that have chosen to retire, 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 subject to the rule immediately below.

66. Directors, whether they are elected or appointed, shall serve for a maximum term of office of eight years at which point they shall stand down and shall not be eligible to re-stand for election or reappointment to the Board save where the Board agrees that circumstances exist where it would be in the best interests of the Society for a Director to serve a longer period . In determining the maximum term of office, a director's previous service on the Society's Board prior to the Society's 2019 annual general meeting shall not be taken into account.

Independent Directors

67. As set out in Rule 60(b), the Board of Directors may appoint up to four Directors, one on the nomination of the Wales TUC and up to three selected for their particular skills and/or experience. Such Directors shall serve a fixed period, no longer than 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, and may be removed from office at any time by a resolution of the Board of Directors. 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.

68. At no time must the number of Directors either appointed or co-opted by the Board 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 a general meeting to elect more Directors.

Powers and Duties of the Board of Directors

69. 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.

70. 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.

71. 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.

72. 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.

73. 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

74. 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 consisting of Members of the Society, by such means, to such an extent, in relation to such matters and on such terms and conditions as they think fit.

75. The Directors may specify that any such delegation may authorise further delegation of the powers by any Person to whom they are delegated.

76. The Directors may revoke any delegation in whole or in part or alter any terms and conditions.

Sub-committees

77. 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.

78. The Directors may make Regulations for all or any sub-committees, provided that such Regulations are not inconsistent with these Rules.

79. All acts and proceedings of any sub-committee must be fully and promptly reported to the Directors.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Calling of a Meeting of the Board of Directors

80. 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

81. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

82. 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.

83. 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 status quo shall be maintained and the Board of Directors may choose to refer the matter to a general meeting of the Society.

Written Resolutions

84. A written resolution, circulated to all Directors and signed by a simple majority (51%) 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.

85. 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

86. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors and shall include those Directors not present in person.

87. 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

88. The chairperson shall facilitate meetings of the Board of Directors. If they are 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 chairperson for that meeting.

Declaration of Interest

89. A Director 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.

Remuneration and expenses

90. The Society may pay any reasonable expenses which the Directors properly incur in connection with their attendance at meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Society. The role of Director is not remunerated.

Termination of a Director's Appointment

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

(a) they cease to be a member

(b) Where they are appointed as an Independent Director for their skills/experience or as the Wales TUC representative, that person is removed from office by a resolution of the Board of Directors;

(c) Where there are representatives of organisations on the Board, the organisation they are representing removes their endorsement of them or the organisation they are representing ceases to exist;

(d) That person resigns from office in Writing to the Secretary of the Society, and such resignation has taken effect in accordance with its terms;

(e) 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;

(f) That person is prohibited from being a Director by law;

(g) A bankruptcy order is made against that person;

(h) That person is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions);

(i) in the written opinion, given to the Society, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a Director and may remain so for more than three months.

(j) the Director has not communicated with the Society for a period of 4 months despite persistent and reasonable efforts made by the Society to make contact.

(k) the Director has breached the Code of Conduct in either a serious or persistent way in the reasonable opinion of the remaining Board members, and is removed by a resolution of the Board; passed by 75% of the remaining Directors, at a Board meeting for which reasonable notice of the proposed resolution has been provided to all Directors.

OFFICERS

92. 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 their 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 may be removed by the Board.

DISPUTES

93. 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 (or in Scotland, to the sheriff). 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

94. 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 byelaws, 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 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

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

APPLICATION OF PROFITS

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

AMALGAMATION, TRANSFER OF ENGAGEMENTS AND CONVERSION

97. The Society may, by special resolution passed in the way required by section 111 of the Act, amalgamate with, or transfer its engagements to a Society that is charitable in law. The Society may also accept a transfer of engagements and assets by a resolution of the Board or by general meeting.

98. 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 that is a charity in law, subject to at least the same degree of restriction on the distribution of profits and assets as imposed on this Society by virtue of these Rules. 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.

DISSOLUTION

99. The Society may be dissolved:

    a. in accordance with section 119 of the Act by an instrument of dissolution;

    b. in accordance with section 123 of the Act in pursuance of a winding up order or by a resolution made or passed as directed in regard to companies by the Insolvency Act 1986; or

    c. in accordance with section 125 of the Act, after administration and administrator issues a notice to dissolve the Society without prior winding-up.

100. 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 charity or charities having objects similar to or compatible with the objects as may be decided by the Directors and recommended and approved by the Members in the general meeting.

ADMINISTRATIVE ARRANGEMENTS

Means of Communication

101. A Member may provide their consent to receive communications from the Society by Electronic Means.

102. 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

103. 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

104. 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

105. 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. As a minimum the Register will show the following information:
    a. Name and Address of Member;
    b. Date of entry into membership;
    c. Date of cessation of membership;
    d. Number of shares held.

Register of Directors and Officers

106. 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; and

Amendments to Rules

107. 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

108. 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

109. 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

110. 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.

111. 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).

112. 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

113. Unless the Society meets the criteria set out in section 83(2) of the Act or may disapply the audit requirement in accordance with section 84 of the Act, the Board shall in each financial year appoint an Auditor as required by section 83(1) of the Act, to audit the Society's accounts and balance sheet for the year.

114. 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.

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

116. 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 they shall not be re-appointed; or

(b) They have given notice in Writing to the Secretary of their unwillingness to be re-appointed; or

(c) They are ineligible for appointment as Auditor of the Society for the current financial year; or

(d) They have ceased to act as Auditor of the Society by reason of incapacity.

117. 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

118. 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 other liability incurred by that Director as an Officer of the Society.

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

120. 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.