

Comparison between Current Rules (2018) and Updated Rules (2024) of the Society

Current Rules	Updated Rules
<p>1. Definitions</p> <p>In these rules, except where the context otherwise requires:</p> <p>(a) Words importing the singular or plural include the plural or singular respectively, and words importing the masculine gender only shall include the feminine gender and vice versa.</p> <p>(b) "the Act" means the Co-operative and Community Benefit Societies Act 2014, as amended by any subsequent enactments;</p> <p>(c) "the Society" means the Scottish Midland Co-operative Society Limited;</p> <p>(d) "society" means any society registered under the Act;</p> <p>(e) "he", "him", "his", and "person" include a society;</p> <p>(f) ""Authority" shall have the same meaning as in the Act;</p> <p>(g) "these rules" or "the rules" means the registered rules for the time being of the Society;</p> <p>(h) "the Board" means the Board of Directors of the Society established under Rule 19, and "Regional Committee" means a Regional Committee established under Rule 18;</p> <p>(i) "officer" shall include any president or director elected or appointed by the members, together with the chief executive,</p>	<p>2. Definitions</p> <p>In these Rules, unless the context requires otherwise:</p> <p>"address" means a postal address or, for the purposes of electronic communication, a fax number, email address or telephone number for receiving text messages;</p> <p>"the Act" means the Co-operative and Community Benefit Societies Act 2014 (including any modification or re-enactment thereof for the time being in force);</p> <p>"auditor" means a person eligible for appointment as the auditor of a society under the Act;</p> <p>"ballot" means a vote not taken by a show of hands but by paper or secure electronic means which enable a participant to indicate their choice on a proposed resolution;</p> <p>the "Board" means all those people appointed to perform the duties of the directors of the Society;</p> <p>"buy-out value" shall be determined by calculating the value of assets and liabilities under those pension schemes in accordance with Regulation 5 of the Occupational Pension Schemes (Employer Debt) Regulations 2005 (SI 2005/678) as though they were being wound up at the date of completion of the unsolicited transaction or such equivalent superseding regulation;</p> <p>"casual vacancy" means a vacancy on the Board or a Regional Committee created when a director or Regional Committee member</p>

<p>and the secretary of the Society.</p> <p>(j) “elected representative” means a regional committee member or an elected member of the Board.</p> <p>(k) An “employee” shall be defined as an employee of the Society or any majority owned subsidiary or majority owned subsidiary company of the Society.</p> <p>(l) A “retired employee” shall be defined as a retired employee who is in receipt of a pension from the Trustee of any pension scheme established for the benefit of employees either of the Society or of any society which has transferred its engagements to the Society, or of any society or company established, acquired or taken over by the Society.</p> <p>(m) A “recently retired employee” shall be defined as one who has retired within the preceding three year period.</p> <p>(n) “qualifying purchases” means the amounts paid (net of discounts) by a member of the Society for goods or services supplied to the member or member’s spouse/partner by one of the Society’s businesses.</p> <p>(o) these rules are to be construed and take effect in accordance with Scots Law.</p> <p>(p) A family member means, in respect of any person, that person’s spouse, partner, parent, grandparent, child, sibling, and for the purposes of the foregoing (a) grandparents, parents, children and siblings shall include those of whole or half blood, those by birth or by legal adoption, and those of a step relationship, (b) persons shall be treated as partners if they lived together in the same household in a long term relationship.</p>	<p>ceases to hold office prior to the expiration of their term of office;</p> <p>“clear days” in relation to a period of notice does not include the day on which the meeting is to be held and the day on which the notice is delivered or assumed to be delivered;</p> <p>“connected person” means a person with whom a person shares a common interest such that they may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person (but does not include interest in a publicly listed company where that interest consists of less than 1% of the voting rights);</p> <p>“Co-operative Values and Principles” means the values and principles defined in the International Co-operative Alliance Statement of Co-operative Identity (or such other statement as may replace it). This states that co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity, and the principles of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, co-operation among co-operatives and concern for the community;</p> <p>“corporate body” and/or “unincorporated body” references to corporate and/or unincorporated bodies includes but is not limited to limited or unlimited companies, societies, corporations sole, firms and partnerships of all kinds;</p> <p>“director” means a director of the Society and includes any person occupying the position of director, by whatever name called;</p> <p>“document” includes, unless otherwise specified, any document sent or supplied by electronic means;</p> <p>“electronic means” shall include, in relation to meetings,</p>
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(q) “buy out value” shall be determined by calculating the value of assets and liabilities under those pension schemes in accordance with Regulation 5 of the Occupational Pension Schemes (Employer Debt) Regulations 2005 (SI 2005/678) as though they were being wound up at the date of completion of the unsolicited transaction or such equivalent superceding regulation.

communication by video link or any other means of electronic communication which enables participants to understand proceedings and communicate with one another and, in relation to transactions, documents or notices, shall include communication by email and secure authenticated website transactons;

“employee” means anyone holding a contract of employment with the Society or a subsidiary of the Society;

“Employee Share Scheme” has the meaning given in Rule 6;

“family member” means a member of a person’s direct family, that is the person’s spouse, civil partner, any person with whom the person lives as a partner in an enduring family relationship, a child or stepchild of the person, a child or stepchild of a person’s partner, or the person’s siblings, parents or grandparents;

“Member” means a person who meets the criteria for membership as set out in these Rules and whose name is entered in the Register of Members;

“officer” includes any director, the Chief Executive Officer, the Secretary and the members of the Senior Management Team;

“person” means a natural person, unincorporated or corporate body, or the nominee of an unincorporated or corporate body;

“qualifying purchases” means the amounts paid (net of discounts) by a Member of the Society for goods or services supplied to the Member or Member’s spouse/partner by one of the Society’s businesses;

“Region” means the constitutional regions into which the Society shall be divided for the purposes of establishing Regional Committees to represent Members, nominating and electing

	<p>representatives to the Regional Committees and Board, and holding regional Members' meetings, all as provided for in these Rules. (Under Rule 54, the Board shall determine the Regions into which the Society is to be divided for these purposes, with the Society for the time being divided into East, West and North Regions);</p> <p>"Regional Committee" means a committee established by the Society to represent any Region of the Society;</p> <p>"Registrar" means the Financial Conduct Authority or any body that succeeds its function;</p> <p>"Rules" means these rules;</p> <p>"Secretary" means any person appointed to perform the duties of the Secretary of the Society;</p> <p>"Society" means the above named society;</p> <p>"Withdrawable" in relation to shares means shares with the associated right for the Member to withdraw their shares and receive in return the value of their shares from the Society in accordance with the provisions of these Rules; and</p> <p>"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.</p>
<p>Comment: Updated to reflect changes made throughout the Rules.</p>	
<p>2. Name The Society is called "Scottish Midland Co-operative Society Limited" ("Scotmid") and is called "the Society" in these rules.</p>	<p>1. Name and Registered Office The name of the Society is Scottish Midland Co-operative Society Limited and it is called "the Society" in these Rules. The Society's</p>

	registered office is Hillwood House, 2 Harvest Drive, Newbridge, Midlothian EH28 8QJ.
Comment: Added registered office details.	
<p>3. Purpose</p> <p>The purpose of the Society is to carry out its objectives and functions as a co-operative.</p>	<p>3. Purpose</p> <p>The purpose of the Society is to carry out its objectives and functions as a co-operative.</p>
Comment: No change	
<p>4. Values and Principles</p> <p>4.1. The Society is committed to:</p> <p>a) Following the Co-operative Values and Principles</p> <p>b) Respecting the rights and diversity of its members, employees and people dealing with the Society, treating them fairly and not discriminating on any grounds;</p> <p>c) Conducting its business in an open and honest way.</p> <p>4.2. The net profits of the Society's business shall be used in accordance with Co-operative principles</p> <p>4.3. The Board shall determine if the Society shall be a member of Co-operatives UK Limited.</p>	<p>4. Values and Principles</p> <p>4.1. The Society is committed to:</p> <p>(a) following the Co-operative Values and Principles;</p> <p>(b) respecting the rights and diversity of its Members, employees and people dealing with the Society, treating them fairly and not discriminating on any grounds; and</p> <p>(c) conducting its business in an open and honest way.</p> <p>4.2. The net profits of the Society's business shall be used in accordance with Co-operative Values and Principles.</p>
Comment: Deleted Current Rule 4.3 as not required in Rules.	
<p>5. Objects</p> <p>5.1. The objectives of the Society are, in accordance with its purpose:</p> <p>a) to carry on the business of dealing (on a retail or wholesale basis) in, producing, creating, supplying and providing, property, goods and services of all kinds, including engaging</p>	<p>5. Objects</p> <p>The objectives of the Society are, in accordance with its purpose:</p> <p>(a) to carry on the business of dealing (on a retail or wholesale basis) in, producing, creating, supplying and providing, property, goods and services of all kinds, including engaging in, credit sale, rental and other services or credit transactions; and</p>

<p>in, credit sale, rental and other services or credit transactions; and</p> <p>b) to engage, as principals or agents, in any other business, trade, industry or activity which seems to the Society directly or indirectly conducive to carrying out the functions above.</p>	<p>(b) to engage, as principals or agents, in any other business, trade, industry or activity which seems to the Society directly or indirectly conducive to carrying out the objectives and functions above.</p>
<p>Comment: No change</p>	
<p>6. Members</p> <p>6.1. The Society consists of its members whose names are entered in the register of members.</p> <p>6.2. Each member is required to hold at least one fully paid share. No member other than a society shall have an interest in the shares of the Society greater than the maximum number of shares as permitted by the Act.</p> <p>6.3. Any member changing their address shall give notice to the Secretary, and the necessary alterations shall be made in the register of members.</p>	<p>8.Members</p> <p>8.1 The Society consists of those Members whose names are entered in the Register of Members.</p> <p>8.2 The Society may admit to membership any natural person who is 16 years of age or older, any corporate body or nominee of an unincorporated body that buys goods and/or services from the Society and meets any additional criteria for membership set out in these Rules.</p> <p>8.3 A corporate or unincorporated body that is a Member of the Society shall appoint a representative who may, during the continuation of their appointment, be entitled to exercise all such rights and powers as the corporate or unincorporated body would exercise if it were a natural person. Each such corporate or unincorporated body shall supply notification in writing to the Society of its choice of representative.</p> <p>8.4 Any Member changing their address shall give notice to the Secretary and the necessary alterations shall be made in the Register of Members.</p>
<p>Comment: no substantive changes other than to re-order some Rules. Deleted Current Rule 6.2 as covered elsewhere in Rules.</p>	
<p>7. Application for Membership</p>	<p>9. Application for membership</p>

<p>7.1. Membership is open to any individual who is 16 years old or older, and any corporate body who completes the membership application form specified by the Board (which shall include an application for the minimum number of shares), and whose application is accepted by the Board.</p> <p>7.2. The Board shall determine the procedures for the submission, consideration and determination of all applications for membership of the Society. It has an absolute discretion to accept or refuse any membership application. It does not have to give reasons for its decision, and may take into consideration (amongst other things) the applicant's likely participation in the Society's business and affairs and their support of the Co-operative Values and Principles. The Board may delegate responsibility for deciding membership applications to the management of the Society. Any such decision shall be made in accordance with the Society's membership policy which shall be determined by the Board.</p> <p>7.3. No person shall be admitted into membership until the date of receipt by the Society of a duly completed application for membership in the prescribed form together with payment in full for at least one share.</p>	<p>9.1. All those wishing to become a member of the Society must complete an application for membership in the prescribed form, which shall include an application for the minimum number of shares in the Society.</p> <p>9.2. The Board shall determine the procedures for the submission, consideration and determination of all applications for membership of the Society and has an absolute discretion to accept or refuse any membership application. The Board does not have to give reasons for its decision and may take into consideration (amongst other things) the applicant's likely participation in the Society's business and affairs and their support of the Co-operative Values and Principles. The Board may delegate responsibility for deciding membership applications to the management of the Society. Any such decision shall be made in accordance with the Society's membership policy which shall be determined by the Board.</p> <p>9.3. No person shall be admitted into membership until the date of receipt by the Society of a duly completed application for membership in the prescribed form together with payment in full for at least one share.</p>
<p>Comment: No substantive changes.</p>	
<p>8. Joint Membership</p> <p>With effect from the registration of these rules, no further shares for individual members shall be registered jointly, but shares held jointly at that time, may continue to be held as such. Joint applications may be accepted from a maximum of two persons acting on behalf of any corporate or unincorporated body which supports the Society's aims and objectives. Where a share is held jointly, the first-named person</p>	<p>10. Joint membership</p> <p>10.1. Where two or more individuals are joint Members, they may continue to be joint Members, but no new joint memberships may be created.</p> <p>10.2. Where a share is held jointly, the first-named person shall be regarded as the Member for Member participation matters</p>

<p>shall be regarded as the member for member participation matters and only he shall be entitled to vote and to take part in the administration of the Society.</p> <p>An application for the withdrawal of any shares or part of a share held jointly shall be made by either or any of the joint holders, who shall be able to give a valid receipt for any share capital repaid.</p>	<p>and only they shall be entitled to vote and to take part in the administration of the Society.</p> <p>10.3. An application for the withdrawal of any shares or part of a share held jointly shall be made by either or any of the joint holders, who shall be able to give a valid receipt for any share capital repaid.</p>
<p>Comment: No substantive changes.</p>	
<p>9. Termination of Membership</p> <p>9.1.A member shall cease to be a member if:</p> <ul style="list-style-type: none"> (a) less than the minimum number of shares required under rule 6.2 is held. (b) membership is withdrawn by giving at least one month's written notice to the Secretary, and his shares are withdrawn under these rules; or (c) he is expelled or ceases to be entitled to be a member of the Society under these rules; (d) he is removed from the register of members by the Secretary in accordance with the Maintenance of Register provisions in these rules; (e) if being an individual person they die; or (f) if being a corporate body they cease to exist. <p>How a Member may be expelled</p> <ul style="list-style-type: none"> g) A member may be expelled by the Board for conduct which is or could become injurious or detrimental to the Society. The procedure will be as follows: 	<p>11. Termination of membership</p> <p>A Member shall cease to be a Member of the Society if they:</p> <ul style="list-style-type: none"> (a) are no longer eligible for membership; (b) fail to hold the minimum number of shares required; (c) withdraw their membership by providing at least one month's notice in writing to the Secretary and withdraw all of their shares under these Rules; (d) transfer their shares under these Rules; (e) have their entry in the Register of Members updated by the Secretary to show they are no longer a Member in accordance with any of the provisions in these Rules; (f) being a natural person, they die; (g) being a corporate or unincorporated body, are wound up or go into liquidation; or (h) are expelled from membership under Rule 12.

<ul style="list-style-type: none"> (i) the Board may exercise the power to expel an individual Member if a complaint is made by a director, Regional Committee member or the Secretary. (ii) any such complaint shall be communicated to the Member by such means as the Board considers appropriate in the circumstances. (iii) the Member against whom a complaint is made may attend and speak at the meeting whilst the question is under discussion and consideration, but no longer, or may make written representations. (iv) the Board may proceed in the absence of the Member provided the Member has received such notice of the meeting as the Board considers appropriate in the circumstances. (v) a Member can only be expelled if: <ul style="list-style-type: none"> a resolution for removal is passed by two thirds of the votes cast at the meeting of the Board; and at a subsequent confirmatory meeting of the Board, to be held not less than 48 hours later and no more than 14 days later, and at which the Member has the same right to attend and speak, a confirmatory resolution for removal is passed by two thirds of the votes cast at the meeting. (vi) If expelled by this procedure, on the date of expulsion the Member shall cease to be a Member, their name shall be deleted from the Register of Members, and their shares shall be cancelled. 	<p>12. Expulsion from membership</p> <ul style="list-style-type: none"> 12.1. The Board may expel a Member for conduct which is detrimental to the Society's interests by following the procedure set out in this Rule. 12.2. Where concerns are raised about the conduct of a Member, then the Board shall ensure that there is an investigation of that conduct. The result of that investigation shall be reviewed by a committee appointed by the Board for the purpose, which shall be formed of no more than three elected directors and such other persons as the Board may decide. 12.3. The committee shall consider whether the conduct of the Member concerned fell below the standard expected of Members under these Rules, any agreed codes of conduct, and the general law. 12.4. Before taking any decision, the committee shall ensure that the Member concerned has the opportunity to put forward their case. If the Member concerned declines to do so then the committee may proceed to make a decision. 12.5. Subject to the Board ratifying any decision of the committee before it takes effect, if the committee considers that the conduct of the Member concerned has fallen below the expected standard then the committee may: <ul style="list-style-type: none"> (a) issue such warning as to the future conduct of the Member, or require the Member to undertake additional training, as the committee sees fit; (b) suspend the Member from membership for a period of no more than twelve months; or
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<p>(vii) No person shall be admitted or re-admitted to membership of the Society who has ever been expelled from membership of the Society.</p> <p>Payment of Expelled Member</p> <p>h) The Society will pay to the expelled member the amount standing to their credit in the share ledgers of the Society, together with any interest credited in respect of their shares, and cancel their shares.</p>	<p>(c) remove the Member from membership.</p> <p>12.6. The Board will be asked to ratify the decision of the committee at the next scheduled meeting of the Board.</p> <p>12.7. Any person sanctioned under Rule 12.5 may by written notice to the Society appeal the decision at the next scheduled meeting of the Board. The Board shall ensure that:</p> <p>(a) no member of the committee appointed under Rule 12.2 shall take part in the Board deliberation of the matter or in making a decision concerning the appeal; and</p> <p>(b) the person concerned has the opportunity to put forward their case to the Board if they wish to do so.</p> <p>12.8. If the Board resolves to uphold the appeal, the decision of the committee shall be discarded. If the Board reject the appeal, or if no appeal was lodged within the required timeframe, the Board may ratify the decision of the committee and it will take effect from the conclusion of the relevant Board meeting.</p> <p>12.9. The Society will pay to an expelled Member the amount standing to their credit in their share account of the Society together with any interest or dividend credited in respect of their shares and then cancel their shares.</p> <p>12.10. Any person who has been expelled from membership under the Rules shall not be readmitted to membership for such period as the Board acting reasonably may determine.</p>
<p>Comment: Updated in line with procedure set out in Co-ops UK Model Rules.</p>	
<p>10. Shares</p>	<p>13. Shares</p>

<p>10.1. The shares of the Society shall be of the nominal value of £1.00 and shall be withdrawable only and are not transferrable except where permitted by these rules.</p> <p>10.2. Every member shall hold at least one fully paid up share, and all shares shall be paid for in full on application.</p> <p>10.3. The Board shall allot –</p> <p>a) to members when they are admitted the shares or shares for which they have applied, and after that shall allot any further share or shares applied for;</p> <p>b) to the trustee of any Employee Share Scheme such shares as the Board shall in its absolute discretion from time to time determine, and any shares issued in this way shall, subject to the rules of such Employees Share Scheme, be transferable only by the trustee to employees or former employees who are already individual members or are then admitted as individual members by a transfer document in a form approved by the Board, but such shares shall not subsequently be transferable;</p> <p>provided that the total number of shares allotted to any member other than a society shall not together with any shares already held by him exceed in nominal value the maximum permitted by the Act.</p> <p>11. All sums due from any member shall be recoverable from him, his executors or administrators, as a debt due to the Society.</p>	<p>10.4. The shares of the Society shall be of the nominal value of £1.00. Shares can be withdrawn but cannot be transferred, except as permitted by these Rules.</p> <p>10.5. Every Member shall hold at least one fully paid-up share at all times (not including Fixed-Term Withdrawable Shares).</p> <p>10.6. Subject to Rule 13.4, the Board shall allot:</p> <p>(a) to Members when they are admitted the share or shares for which they have applied, and after that shall allot any further share or shares applied for; and</p> <p>(b) to the trustee of any Employee Share Scheme such shares as the Board shall in its absolute discretion from time to time determine, and any shares issued in this way shall, subject to the rules of such Employee Share Scheme, be transferable only by the trustee to employees or former employees who are already individual Members or are then admitted as individual Members by a transfer document in a form approved by the Board, but such shares shall not subsequently be transferable.</p> <p>13.4. The total number of shares allotted to any Member other than a society shall not exceed the maximum number of shares permitted by the Act.</p> <p>13.5. All sums due from any Member shall be recoverable from them, their executors or administrators, as a debt due to the Society.</p>
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	<p>14. Fixed-Term Withdrawable Shares</p> <p>14.1 The Society may designate certain shares as Fixed-Term Withdrawable Shares.</p> <p>14.2 Fixed-Term Withdrawable Shares shall also be of the nominal value of £1.00 and, subject to the other terms and conditions that shall apply as determined by the Board and published when Fixed-Term Withdrawable Shares are made available to Members, can be withdrawn as provided in these Rules, but cannot be transferred except where permitted by these Rules.</p> <p>14.3 The interest rate payable on Fixed-Term Withdrawable Shares shall be determined by the Board and may be different from the interest rate payable on shares which are not Fixed-Term Withdrawable Shares on the basis that the right to withdraw is deferred for a period of time. The Board may also set different rates of interest for Fixed-Term Withdrawable Shares with different terms and conditions and/or periods of deferral.</p> <p>14.4 The interest rates, periods of deferral and other terms and conditions that shall apply to Fixed-Term Withdrawable Shares shall be determined by the Board and made available to Members by any means agreed by the Board, including electronic means.</p> <p>14.5 Fixed-Term Withdrawable Shares shall be included in the Society's withdrawable share capital and a Member's share account shall include both shares and any Fixed-Term Withdrawable Shares.</p>
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	<p>14.6 Shares and Fixed-Term Withdrawable Shares shall rank pari passu for all purposes including any repayment of shares on the solvent dissolution of the Society.</p> <p>14.7 At the end of the fixed-term period set by the Board for the relevant shares any Fixed-Term Withdrawable Shares which are retained in the Society shall be reclassified as ordinary withdrawable shares unless the Member and the Society agree otherwise in writing.</p> <p>14.8 References in these Rules to a share or shares in the Society shall include Fixed-Term Withdrawable Shares unless stated to the contrary.</p>
<p>Comment: No substantive change to Shares Rule. Added Fixed-Term Withdrawable Shares (based on Co-ops UK Model Rules).</p>	
<p>12. Interest shall be calculated and applied to the share account on an annual basis. Interest shall be calculated on balances of more than £5.00 and shall not be calculated on or for any fraction of £1.00. A member withdrawing from the Society shall have interest calculated to the date of withdrawal and applied to the share account.</p>	<p>15. Interest</p> <p>Interest shall be calculated on balances of £5.00 and over and applied to the share account on an annual basis. A Member withdrawing from the Society shall have interest calculated to the date of withdrawal and applied to the share account.</p>
<p>Comment: Changed from 'more than £5' to '£5 and over'.</p>	
<p>13. Withdrawal of Shares</p> <p>Subject to the other provisions of this rule below and the minimum shareholding requirements under these rules, shares may be withdrawn by members upon giving one week's notice to the Society. Provided that:</p>	<p>16. Withdrawal of shares</p> <p>16.1 Subject to the other provisions of this Rule 16 and the minimum shareholding requirements under these Rules, and to any terms and conditions applying to Fixed-Term Withdrawable Shares, shares may be withdrawn by Members by giving one week's notice to the Society. Provided that:</p>

<p>13.1. all withdrawals shall be paid in the order in which the notices were received by the Society.</p> <p>13.2. the Board may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit.</p> <p>13.3. except with the consent of the Board not more than one-tenth of the paid up share capital at 1st January in each year, including all sums under notice of withdrawal at such date, shall be withdrawable during that calendar year unless the member withdraws from membership of the Society.</p> <p>13.4. the right to withdraw may by resolution of the Board be suspended either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the Board. Where the suspension is for a fixed period, such period may be extended from time to time by a resolution of the Board.</p> <p>13.5. during any period when the right of withdrawal has been suspended, the shares of a deceased member may, if the Board so determines, be withdrawn by his legal personal representative upon giving such notice as the Board may require and subject as regards the amount payable on withdrawal to such deduction as the Board may from time to time determine.</p>	<p>a) all withdrawals shall be paid in the order in which the notices were received by the Society;</p> <p>b) no repayment of withdrawable share capital shall be made while amounts are outstanding on any payment due from the relevant Member to the Society;</p> <p>c) the Board may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers fit;</p> <p>d) except with the consent of the Board not more than one-tenth of the paid-up share capital as at 1st January in each year (including all sums under notice of withdrawal at such date) shall be withdrawable during that calendar year;</p> <p>e) interest shall be payable on any share in respect of which notice of withdrawal has been received by the Society, until the date of repayment;</p> <p>f) the Board, at its sole discretion, may suspend the right to withdraw either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board; and</p> <p>g) during any period when the right of withdrawal has been suspended:</p>
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<p>13.6. the amount to be paid to a member on withdrawal shall be the amount paid up on the share to be withdrawn.</p> <p>13.7. no interest shall be payable upon any share if a notice of withdrawal has been given after the date of the notice.</p> <p>14. Any share withdrawn in accordance with the foregoing rule shall be cancelled.</p> <p>15. A member may withdraw from the Society by withdrawing all his shares in the Society or, if the right to withdraw shares has been suspended, by surrendering all his shares to the Society.</p> <p>Upon such surrender the Board may in its discretion pay to the withdrawing member any amount not exceeding the amount paid up in the shares surrendered.</p>	<p>(i) the shares of a deceased Member may, if the Board so determines, be withdrawn by their personal representative upon giving such notice as the Board may require and subject as regards the amount payable on withdrawal to such deduction as the Board may from time to time determine; and</p> <p>(ii) any Member who is withdrawing their membership under Rule 11 may surrender all their shares to the Society. Upon such surrender the Board may, in its discretion, pay to the withdrawing member any amount paid up on their shares along with any interest payable under Rule 16.1(e).</p> <p>16.2 Any share withdrawn in accordance with this Rule 16 shall be cancelled.</p>
<p>Comment: No substantive changes, updated in line with Co-ops UK Model Rules.</p>	
<p>16. Transfer of Shares</p> <p>Subject to the provisions of the Act dealing with the nomination of property (all of which shall apply), the following provisions shall apply:</p> <p>16.1. On the death of a joint holder of any share, it shall be transferred into the name of the survivor or survivors on his or their application.</p> <p>16.2. On receiving satisfactory proof of death of a member who has made a nomination the Board shall, if and to the extent that the nomination is valid, either transfer</p>	<p>17. Proceedings on death or bankruptcy of a Member</p> <p>17.1 In accordance with the Act, a Member may nominate one or more persons to whom property which that Member holds in the Society may be transferred on death. On receiving 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(s) entitled to it.</p> <p>17.2 Any property held by a Member who dies which is not dealt with by nomination under Rule 17.1 shall be dealt with as follows: on a claim being made by the executor or</p>

<p>or pay the full value of the property comprised in the nomination to the person entitled to it.</p> <p>16.3. Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member, the Board shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.</p> <p>16.4. With effect from the registration of these rules, and, except as mentioned above, no further nominations shall be accepted, but nominations held at that time may continue to be held as such.</p>	<p>administrator of the estate of the deceased Member the Society shall, subject to receiving satisfactory evidence of entitlement, transfer or pay property to which the executor or administrator has become entitled as that person may direct them.</p> <p>17.3 On the death of a joint holder of any share(s), the share(s) shall be transferred into the name of the surviving joint holder(s) on their application.</p> <p>17.4 Rule 17.2 does not prevent the Board from the distribution of a Member's property not exceeding £5000 on the death of a Member provided that the provisions of Section 40 of the Act are complied with.</p> <p>17.5 If a Member becomes bankrupt or, being a corporate or unincorporated body, goes into liquidation, administration or administrative receivership, the Member's property in the Society shall be dealt with as follows: on a claim being made to any property that the Member has in the Society by the Member's trustee in bankruptcy, receiver, administrative receiver, liquidator, provisional liquidator or administrator, the Society shall, subject to receiving satisfactory evidence of entitlement, transfer or pay property to which the trustee in bankruptcy, receiver, administrative receiver, liquidator, provisional liquidator or administrator has become entitled as that person may direct.</p> <p>17.6 Where the Society is notified of the death or bankruptcy of a Member who is a nominee of an unincorporated body, the Society shall hold all the Member's property in the Society on trust for the unincorporated body and shall invite the unincorporated body to make a new nomination. On receiving</p>
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	<p>a valid nomination and subject to receiving written confirmation from that person that they are willing to become a nominee Member, the Society shall transfer the property in the Society held by the deceased or bankrupt nominee to the person so nominated.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>17. The Society comprises the following:</p> <ul style="list-style-type: none"> a) Members; b) Regional Committees; c) Board of Directors; d) The Secretary ;and e) Management Executive, including the Chief Executive Officer <p>The affairs of the Society are to be conducted by all of them in order to fulfil the Society’s purpose. Their respective responsibilities or functions, which are at all times to be performed in accordance with these rules are as follows:</p>	<p>18. Organisation of the Society</p> <p>18.1 The Society comprises of the following:</p> <ul style="list-style-type: none"> (a) the Members; (b) the Regional Committees; (c) the Board; (d) the Chief Executive Officer and the Management Executive; and (e) the Secretary. <p>18.2 The affairs of the Society shall be conducted collectively by those persons and committees outlined in Rule 18.1, in order to fulfil the Society’s objects and purpose. Their respective responsibilities and functions shall be performed in accordance with these Rules.</p>
<p>Comment: no substantive changes.</p>	
	<p>19. Function of the Members</p> <p>Members should engage economically with the Society and are encouraged to actively participate in the governance of the Society including attending Members’ meetings, voting in elections, holding</p>

	the Board to account for the performance of the Society and taking part in the affairs of the Society in the ways provided in these Rules.
Comment: New Rule added. Wording based on Co-ops UK Model Rules.	
<p>18. Regional Committees</p> <p>The Regional Committees have the following functions:-</p> <ul style="list-style-type: none"> 18.1. to provide nominees to the Board. 18.2. to represent the views of members in their Regions and to feedback local issues relevant to trade in that Region. 18.3. to promote the membership of the Society and to implement the Society’s overall membership strategy in the Region as agreed by the Board of Directors. 18.4. to participate and support Community activities and events in the Region. 18.5. to manage the Regional Community Budget and to allocate Community Fund awards from that budget in accordance with guidelines determined by the Board. 18.6. to receive reports on appropriate matters from the Board representative(s) and to be consulted on any issues or undertake such duties as the Board may determine from time to time. 18.7. to receive reports from management on the sales performance of the Society’s main businesses in the Region. 18.8. to develop an awareness of the Society’s activities and the general business environment within the Region. 	<p>20. Function of the Regional Committees</p> <p>The Regional Committees have the following functions:</p> <ul style="list-style-type: none"> (a) to provide nominees to the Board; (b) to represent the views of Members in their Region and to provide feedback to the Board on local issues relevant to trade in that Region; (c) to promote the membership of the Society and to implement the Society’s overall membership strategy in the Region as agreed by the Board; (d) to participate in and support community activities and events in the Region; (e) to manage the community budget for their Region as determined by the Board from time to time and to allocate community awards from that budget in accordance with the guidance issued by the Board; (f) to receive trading statements, financial information and other reports from the Board or their representatives and to discuss and challenge the information they receive as appropriate;

<p>18.9. to represent the Society at activities organised by the wider Cooperative Movement within the Region, as approved by the Board.</p> <p>18.10. to report to the Board on the activities of the Regional Committee</p>	<p>(g) to develop an awareness of the Society’s activities and the general business environment within the Region;</p> <p>(h) to represent the Society at activities organised by the wider co-operative movement within the Region, as approved by the Board;</p> <p>(i) to respond when consulted by the Board; and</p> <p>(j) to encourage Member participation in the affairs of the Society.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>19. Board of Directors</p> <p>The Board has the following responsibilities:-</p> <p>19.1. to ensure that the Society’s affairs are conducted in accordance with these Rules, the best interests of the Society and its members and in accordance with the Co-operative Values and Principles;</p> <p>19.2. to determine the strategy and policy of the Society in consultation with the Chief Executive and the Management Executive;</p> <p>19.3. to oversee the Chief Executive and the Management Executive in the day-to-day management of the business of the Society.</p> <p>20. The Board has the following rights and powers:</p> <p>Subject to what the Act and these Rules say, the Board:</p> <p>20.1. may exercise all the powers of the Society;</p>	<p>21. Function of the Board</p> <p>21.1 The Board has the following responsibilities:</p> <p>(a) to ensure that the Society’s affairs are conducted in accordance with these Rules, the best interests of the Society and its Members, the views of its Members and with Co-operative Values and Principles;</p> <p>(b) to determine the purpose, strategy, culture, values and policy of the Society in consultation with the Chief Executive Officer and the Senior Management Team; and</p> <p>(c) to oversee the work of the Chief Executive Officer and the Senior Management Team in the day-to-day management of the business of the Society.</p> <p>21.2 Subject to the Act and these Rules, the Board has the following rights and powers:</p> <p>(a) to exercise all the powers of the Society;</p>

<p>20.2. appoints, removes and fixes the remuneration and terms of employment of the Chief Executive and the Secretary;</p> <p>20.3. ratifies the appointment and removal by the Chief Executive of other members of the Management Executive;</p> <p>20.4. may at any time call upon the Chief Executive, any member of the Management Executive or the Secretary to report or obtain a report in writing upon any matter in connection with or concerning the business of the Society;</p> <p>20.5. may appoint an auditor;</p> <p>20.6. fix the auditor's remuneration;</p> <p>20.7. determines from time to time those matters which require the approval of the Board;</p>	<p>(b) to appoint, remove and fix the remuneration and terms of employment of the Chief Executive Officer and the Secretary;</p> <p>(c) to ratify the appointment and removal by the Chief Executive Officer of other members of the Senior Management Team;</p> <p>(d) to call upon the Chief Executive Officer, any member of the Senior Management Team, or the Secretary to report or obtain a report in writing upon any matter in connection with or concerning the business of the Society;</p> <p>(e) to set the rate of interest to be paid to Members on paid up share capital;</p> <p>(f) to appoint an auditor and fix the auditor's remuneration; and</p> <p>(g) to determine from time to time those matters which require the approval of the Board.</p>
<p>Comment: No substantive changes.</p>	
<p>21. Secretary</p> <p>The office of the Secretary shall not be held by the person who for the time being holds the office of Chief Executive of the Society.</p> <p>The functions of the Secretary include:</p> <p>21.1. acting as the Secretary to the Board;</p> <p>21.2. monitoring the conduct of the Society's affairs to ensure that they are conducted in accordance with the these Rules;</p>	<p>23. Function of the Secretary</p> <p>23.1 The functions of the Secretary include:</p> <p>(a) acting as the Secretary to the Board and the Society's subsidiaries;</p> <p>(b) advising the Board, the Board committees and the Regional Committees, and offering assurance on all governance matters;</p> <p>(c) monitoring the conduct of the Society's affairs to ensure that they are conducted in accordance with these Rules;</p>

<p>21.3. publishing to members in an appropriate form information which they should have about the affairs of the Society;</p> <p>21.4. acting as returning officer for elections;</p> <p>21.5. preparing and sending all returns required to be made to the Financial Conduct Authority; and</p> <p>21.6. making all necessary entries in all registers required by these rules or the Act to be kept by the Society.</p>	<p>(d) publishing to Members, in an appropriate form, information about the affairs of the Society;</p> <p>(e) acting as returning officer for elections;</p> <p>(f) preparing and sending all returns required to be made to the Registrar; and</p> <p>(g) making all necessary entries into all registers required to be kept by the Society by these Rules or by the Act.</p> <p>23.2 The position of Secretary shall not be held by the same person who holds the role of Chief Executive Officer.</p>
<p>Comment: No substantive changes.</p>	
<p>22. Chief Executive Officer and Management Executive</p> <p>The Chief Executive Officer and the members of the Management Executive are responsible for conducting the day-to-day business of the Society and shall do so in accordance with these rules.</p>	<p>22. Function of the Chief Executive Officer and Management Executive</p> <p>The Chief Executive Officer and the Management Executive are responsible for conducting the day-to-day business of the Society and shall do so in accordance with these Rules.</p>
<p>Comment: No change.</p>	
<p>23. Meetings</p> <p>Members' meetings of the Society shall be either ordinary meetings or special meetings. These meetings may be separate Regional Member Meetings ("Regional Meetings") and may be held in more than one venue. Every member entitled to vote may attend such meetings on the production of such evidence as the Board may from time to time determine.</p>	<p>24. Members' meetings</p> <p>24.1 Meetings of the Members of the Society shall be either ordinary meetings or special meetings. In each year, the Society shall hold an ordinary meeting called the annual general meeting, and such other additional Members' meetings as the Board decides or as requisitioned under these Rules.</p>

	<p>24.2 These meetings may be separate Regional Members' meetings and may be held in more than one venue at such place or places as the Board decides. Each Regional Members' meeting shall have the same agenda of business, save for any business that only applies to a particular Region.</p>
<p>Comment: see comments below.</p>	
<p>24. Ordinary Meetings</p> <p>24.1. Ordinary meetings of the Society shall be held on the date, times and place or places as the Board may from time to time determine. In each year, the Society shall hold at least one meeting within four calendar months of the financial year end called the annual general meeting.</p> <p>24.2. Ordinary meetings shall be held in such place or places as the Board determines from time to time.</p> <p>24.3. Members of the Society are entitled to attend any meeting.</p> <p>24.4. Each Regional meeting shall have the same agenda of business. With the exception of votes cast for elected representatives, all votes cast on matters coming before the Regional meetings shall be added together in order to determine a Society wide decision.</p> <p>In the case of motions and amendments, all meetings shall vote as though the amendments were separate motions. The highest number of votes cast in support of any motion or amendment shall be carried. Notice of the results of all voting shall be exhibited on the</p>	<p>25. Ordinary meetings</p> <p>25.1 The Secretary, at the request of the Board, shall convene an ordinary meeting, the purpose of which shall be stated in the notice of the meeting. An ordinary meeting may transact the following business:</p> <ul style="list-style-type: none"> (a) consideration of the accounts, balance sheet, and the reports of the Board and the auditor; (b) the application of the Society's profits; (c) the appointment of an auditor; (d) the nomination and/or election of elected representatives; (e) any other competent business in accordance with the standing orders for the conduct of Members' meetings as made by the Board under Rule 35; <p>25.2 An ordinary meeting may also consider and transact any motion of which at least twenty-one clear days' notice in writing has been given to the Secretary by a Member. The Board has</p>

<p>Society's website.</p> <p>24.5. A Regional meeting may also transact any business relating to that Regional Committee only, as may be determined by the Board.</p> <p>25. Business of Ordinary Meetings</p> <p>An ordinary meeting may transact the following business:</p> <p>25.1. the consideration of the accounts, balance sheets, and the reports of the Board and auditor and the application of the profits;</p> <p>25.2. the appoint an auditor;</p> <p>25.3. nomination and/or election of elected representatives;</p> <p>25.4. any other competent business in accordance with Standing Orders;</p> <p>25.5. any other matter of which at least 21 clear days' written notice has been given to the Secretary by a Member. The Board has the discretion not to include such a motion if in its and the Secretary' s reasonable opinion:</p> <p>a) it concerns matters relating to the day to day management of the Society falling properly within the discretion of the Board; or</p> <p>b) the publicity for it would be likely to diminish substantially the confidence in the Society of investing members of the public; or</p> <p>c) it seeks needless publicity for defamatory matters; or</p> <p>d) it is submitted for frivolous or vexatious purposes; or</p>	<p>the discretion not to include such a motion if, in the Board's and the Secretary's reasonable opinion:</p> <p>a) it seeks to intervene in the exercise of the powers given under these Rules to the Board, the Chief Executive Officer or the Senior Management Team, the Secretary, or any authorised committee or sub-committee of the Society;</p> <p>b) the publicity for it would be likely to diminish substantially the confidence in the Society of investing members of the public;</p> <p>c) it seeks needless publicity for defamatory matters;</p> <p>d) it is submitted for frivolous or vexatious purposes;</p> <p>e) it does not relate directly to the affairs of the Society; or</p> <p>f) it is substantially in the same terms as any motion which has been defeated at any meeting of the Society held during the preceding two years.</p> <p>25.3 Any amendments to proposals appearing on the notice convening a meeting shall be submitted in writing to the registered office not less than fourteen clear days before the date of the meeting.</p>
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<p>e) it does not relate directly to the affairs of the Society; or</p> <p>f) it is in substantially the same terms as any motion which has been defeated at any meeting of the Society held during the preceding two years.</p> <p>Any amendments to proposals appearing on the notice convening a meeting shall be submitted in writing to the registered office not less than 14 clear days before the date of the meeting.</p>	
<p>Comment: re-ordered, with some provisions removed to avoid duplication with later Rules.</p>	
<p>26. Special Meetings</p> <p>Special meetings shall be convened by the secretary, either on an order of the Board, or upon a written requisition signed by at least 100 members, save that a members' requisition for a special meeting at which a special resolution for any purpose specified in Rule 96 is to be proposed shall be signed by at least 500 members. Special meetings shall be held as soon as is reasonable after the receipt of the order or delivery of the requisition, at such places and times as ordinary meetings are held. A requisition must state the objects of the meeting and must contain the name, address and share number of each requisitionist and be delivered at the registered office.</p> <p>27. Business of Special Meetings</p> <p>A special meeting shall not transact any business not specified in the notice convening it. The Board has the discretion not to include a motion requisitioned by Members under Rule 26 for consideration at a Special Meeting if, in its and the Secretary's reasonable opinion, it relates to an item of business which would be excluded under Rule 25.5 (a) – 25.5 (f). An ordinary meeting may be made a special meeting for any purpose of which due notice has been given,</p>	<p>26. Special meetings</p> <p>26.1 Special meetings shall be convened by the Secretary, either on an order of the Board, or upon a written requisition signed by at least 100 Members, save that a Members' requisition for a special meeting at which a special resolution for any purpose specified in Rule 71 is to be proposed shall be signed by at least 500 Members. Special meetings shall be held as soon as is reasonable after the receipt of the order or delivery of the requisition, at such places and times as ordinary meetings are held. A requisition must state the objects of the meeting and must contain the name, address and share number of each requisitionist and be delivered at the registered office.</p> <p>26.2 A special meeting shall not transact any business not specified in the notice convening it. The Board has the discretion not to include a motion requisitioned by Members under Rule 26.1 for consideration at a special meeting if, in its and the Secretary's reasonable opinion, it relates to an item of business which would be excluded under Rule 25.2. An ordinary meeting may be made a special meeting for any</p>

<p>provided that such business is not brought on until the business of the ordinary meeting is concluded.</p> <p>28. Failure to Convene Special Meetings</p> <p>Should the secretary fail to convene a special meeting after the expiry of 14 clear days from the delivery of the written request for a special meeting at the registered office any of the members requesting the meeting may convene a special meeting by giving notice of the meeting as provided in these rules and the Society shall require to reimburse the member for any costs properly incurred in giving such notice.</p>	<p>purpose of which due notice has been given, provided that such business is not brought on until the business of the ordinary meeting is concluded.</p> <p>26.3 Should the Secretary fail to convene a special meeting after the expiry of fourteen clear days from the delivery of the written request for a special meeting at the registered office any of the Members requesting the meeting may convene a special meeting by giving notice of the meeting as provided in these Rules and the Society shall be required to reimburse the Member for any costs properly incurred in giving such notice.</p>
<p>Comment: No change.</p>	
<p>29. Notice Convening Meetings</p> <p>A meeting shall be convened by notice posted conspicuously in the registered office and in all other places of business of the Society trading as "Scotmid" to which the members have access eight clear days at least before the day of the meeting. The notice shall specify the place, the time, and the date of the meeting, whether the meeting is an ordinary, annual, or special meeting and the business to be transacted.</p>	<p>Notices</p> <p>27.1 Members' meetings shall be convened by giving at least twenty-one clear days' notice to members.</p> <p>27.2 Notices of meetings may be sent to Members by electronic means (where this has been provided by a Member). Notices may also be posted on the Society's website and conspicuously at the registered office and in all other places of business where the Society trades as Scotmid or Lakes & Dales and to which the Members have access.</p> <p>27.3 Notices shall indicate the type of meeting to be convened, specify the date, time, and place at which the meeting is to be held and the business which is to be transacted at the meeting. A Members' meeting shall not transact any business other than that specified in the notices calling the meeting.</p>

Comment: Updated to include electronic means of communication and to provide for 21 days' notice.

30. Quorum

A special meeting convened on the requisition of the members for any purpose specified in Rule 96, or at which a resolution for the rescission or alteration of this rule or Rules 26, 94 or 97 is to be proposed and any ordinary meeting at which a special resolution for any purpose specified in Rule 96, or at which a resolution for the rescission or alteration of this rule or Rules 26, 94 or 97 is to be proposed, may only proceed to business if a quorum of at least 1% of the membership of each Region of the Society entitled to vote is present at each Regional meeting within half an hour after the time fixed for the meeting, provided always that no resolution may be passed at any such meeting unless the aggregate number of members entitled to vote is present at all the Regional meetings equates to at least 1% of the total membership of the Society.

Except as aforesaid a meeting may proceed to business if a quorum is present within half an hour after the time fixed for the meeting; otherwise the meeting, if a special meeting convened on the requisition of the members, shall be dissolved, but if an ordinary meeting or a special meeting convened by order of the Board, shall stand adjourned to the same day in the week following, at the same time and place, and the meeting so adjourned may proceed to business whatever is the number of members present but only in respect of business other than for any purpose specified in Rule 96 or at which a resolution for the rescission or alteration of this rule or Rules 26, 94 or 97 is to be proposed. Notwithstanding the foregoing, in the event of the Board proposing business for any purpose specified in Rule 96 or putting forward a Resolution for the rescission or alteration of this rule or Rules 26, 94 or 97, then such business

33. Quorum

33.1 A special meeting convened on the requisition of the Members for any purpose specified in Rule 71, or at which a resolution for the rescission or alteration of this Rule or Rules 26.1, 69 or 72 is to be proposed and any ordinary meeting at which a special resolution for any purpose specified in Rule 71, or at which a resolution for the rescission or alteration of this Rule or Rules 26.1, 69 or 72 is to be proposed, may only proceed to business if a quorum of at least 1% of the membership of each Region of the Society entitled to vote is present at each Regional meeting within half an hour after the time fixed for the meeting, provided always that no resolution may be passed at any such meeting unless the aggregate number of Members entitled to vote is present at all the Regional meetings equates to at least 1% of the total membership of the Society.

33.2 Except as aforesaid a meeting may proceed to business if a quorum is present within half an hour after the time fixed for the meeting; otherwise the meeting, if a special meeting convened on the requisition of the Members, shall be dissolved, but if an ordinary meeting or a special meeting convened by order of the Board, shall stand adjourned to the same day in the week following, at the same time and place, and the meeting so adjourned may proceed to business whatever is the number of Members present but only in respect of business other than for any purpose specified in Rule 71 or at which a resolution for the rescission or alteration of this Rule or Rules 26.1, 69 or 72 is to be proposed. Notwithstanding the foregoing, in the event of the Board proposing business for any purpose specified in Rule 70 or

<p>may be considered and transacted at such adjourned meeting whatever the number of members present.</p> <p>No meeting shall become incompetent to transact business from the want of a quorum arising after the chair has been taken.</p> <p>Except as aforesaid ten members (including deputies of societies or companies) having a vote and present in person shall be a quorum for each Regional meeting.</p>	<p>putting forward a resolution for the rescission or alteration of this Rule or Rules 26.1, 69 or 72, then such business may be considered and transacted at such adjourned meeting whatever the number of Members present.</p> <p>33.3 No meeting shall become incompetent to transact business from the want of a quorum arising after the chair has been taken.</p> <p>33.4 Except as aforesaid ten Members (including deputies of societies or companies) having a vote and present in person shall be a quorum for each Regional meeting.</p>
<p>Comment: No changes.</p>	
<p>31. Chairman of Meetings</p> <p>The president of the Society shall chair any Members' meeting, or, if there is no president, or if he is not present, the chair shall be taken by the vice-president, or if he is not present the chair shall be taken by the chairman or vice-chairman of a Regional Committee, failing all of whom, by any director as the meeting may determine.</p>	<p>32. Chair of meeting</p> <p>The President of the Society shall chair any Members' meeting. If there is no President, or if they are not present or have decided not to chair the meeting for any reason, then the Vice-President shall take the chair. If there is no Vice-President, or if they are not present or have decided not to chair the meeting for any reason, then the Chair or Vice-Chair of the Regional Committee of the Region in which the Members' meeting is taking place shall take the chair, failing all of whom, the directors present shall choose one of their number to chair the meeting.</p>
<p>Comment: Updated wording but no change to procedure.</p>	
<p>32. Power of Adjournment</p> <p>Any meeting, duly constituted, may adjourn to such place, time, and day within 30 days as the Board direct, and may continue any such adjournment from time to time. No business shall be transacted at any adjourned meeting which could not have been transacted at the meeting from which the adjournment took place; and the same notice</p>	<p>34. Adjournment</p> <p>Any meeting, duly constituted, may adjourn to such place, time and date within thirty days as the Board may direct, and may continue any such adjournment from time to time. No business shall be transacted at any adjourned meeting which could not have been transacted at the meeting from which the adjournment took place; and the same notice shall be given of any meeting adjourned for</p>

<p>shall be given of any meeting adjourned for more than 14 days, as is required in the case of an original meeting.</p>	<p>more than fourteen days, as is required in the case of an original meeting.</p>
<p>Comment: No change.</p>	
<p>33. Standing Orders</p> <p>Standing orders for the conduct of meetings and for the closure of business may be made by the Board and, subject to any resolution passed at an ordinary meeting, shall be binding on all members and their representatives.</p>	<p>35. Standing Orders</p> <p>The Board may make standing orders for the conduct of Members' meetings and such regulations, subject to any resolution passed at a Members' meeting, shall be binding on all Members.</p>
<p>Comment: no substantive changes.</p>	
<p>34. Votes of Members</p> <p>34.1. A member is entitled to vote if a minimum of one fully paid share is held for a qualifying period of six calendar months from the date of admission into membership.</p> <p>34.2. Members holding shares jointly shall have one vote between them which may be exercised only by the person whose name appears first in the register of members. A society or company may exercise its vote by its deputy appointed as hereinafter provided. No member may vote at more than one meeting.</p> <p>34.3. Members of the Society are entitled to attend any meeting and shall be entitled to vote only once on any motion or resolution.</p> <p>35. Votes for elected representatives</p> <p>35.1. The eligibility to vote for elected representatives in a Region will normally be determined by the member's principle residential address.</p> <p>35.2. In the event of a dispute or to provide clarification regarding membership of a Region, the Board shall</p>	<p>28. Attending and speaking at Members' meetings</p> <p>28.1 Every Member shall be entitled to attend a Members' meeting on the production of such evidence as the Board may from time to time determine.</p> <p>28.2 A Member is deemed to be in attendance and able to exercise the right to speak at a Members' meeting when that person is in a position to communicate to all those attending the meeting. The Board may make whatever arrangements it considers appropriate to enable those attending to exercise their right to speak and vote at a meeting, including holding Members' meetings in person at a physical location, virtually by electronic means, or at a hybrid of both.</p> <p>28.3 In determining attendance at a Members' 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.</p>

<p>have the power to determine the Region to which a Member is allocated.</p> <p>35.3. Members of the Society shall have their eligibility to vote for elected representatives confirmed prior to the commencement of the meeting.</p> <p>35.4. Voting shall be decided by ballot unless the election is uncontested in which case voting may be taken on a show of hands.</p> <p>35.5. A Member of the Society, who is required, by virtue of their employment, to attend a Regional Meeting but who is a member of a another Region, may apply to the Secretary for permission to cast their vote and have it counted at the relevant Regional Meeting.</p> <p>35.6. At the discretion of the Board, an individual may apply for permission to become a member of another Region by virtue of the location of their place of employment.</p> <p>35.7. A Member of the Society may only change membership of the Region to which they belong upon application to the Secretary. No applications will be accepted within two months of receipt of nominations for elected office.</p> <p>36. How Votes shall be taken</p> <p>At any meeting a resolution put to the vote shall be decided on a show of hands unless a ballot is demanded by the Board or by ten members present at the meeting.</p> <p>The ballot shall be taken at the meeting in such manner as the chairman of the meeting directs. Subject to any special provision contained in these rules or an Act of Parliament all resolutions shall be carried by a simple majority of votes.</p>	<p>28.4 The chair of the meeting may permit persons who are not Members to attend and speak at Members' meetings without granting any voting rights.</p> <p>29. Voting – general</p> <p>29.1 A Member is entitled to vote if a minimum of one fully paid share is held for a qualifying period of six calendar months from the date of admission as a Member of the Society.</p> <p>29.2 Each Member shall be entitled to one vote on any motion or resolution to be decided by the Members. No Member may vote at more than one meeting.</p> <p>29.3 Members holding shares jointly shall have one vote between them which may only be exercised by the person whose name appears first in the Register of Members.</p> <p>29.4 A corporate or unincorporated body that is a Member of the Society may exercise their vote through their nominated person or appointed representative.</p> <p>29.5 Except where these Rules or the Act require voting to take place at a Members' meeting, the Board may make whatever arrangements it considers appropriate to enable Members to exercise their right to vote on any proposed resolution in advance of a Members' meeting, which may include postal voting or voting by electronic means.</p> <p>30. Voting for elected representatives</p>
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	<p>30.1 Eligibility to vote for elected representatives in a Region will normally be determined by the Member's principal residential address. In the event of a dispute over which Region a Member has the right to vote in, or in order to provide clarification on the matter, the Board shall have the power to determine the Region to which a Member is allocated.</p> <p>30.2 Members shall have their eligibility to vote for elected representatives confirmed prior to the commencement of the meeting.</p> <p>30.3 Voting for elected representatives shall be decided by ballot unless the election is uncontested in which case no vote shall be required.</p> <p>30.4 A Member who is required by virtue of their employment by the Society to attend a Regional meeting that is not the one they are entitled to vote at may apply to the Secretary for permission to cast their vote and have it counted at the Regional meeting that they attend.</p> <p>31. Voting procedure</p> <p>31.1 Subject to Rule 30.3 and Rule 31.2, a resolution or decision put to the vote may be decided by ballot or on a show of hands, unless a ballot is demanded by the Board, the chair of the meeting, or by a minimum of ten Members present at the meeting.</p> <p>31.2 Where the Board has made arrangements for Members to exercise their right to vote on any proposed resolution or decision in advance of a Members' meeting as provided by</p>
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	<p>Rule 29.5, a ballot will be held and all the votes cast will be added to those received in advance of the meeting.</p> <p>31.3 If a ballot is duly demanded it shall be taken at such time and in such manner as the chair of the meeting directs and shall not prevent the remaining business of the meeting from being transacted.</p> <p>31.4 Subject to Rule 31.5, all votes cast on matters coming before the Regional meetings shall be added together in order to determine a Society-wide decision.</p> <p>31.5 Where there is a vote on business that only applies to a particular Region, such as the election of an elected representative for a Region, only the votes of Members who are eligible to vote under Rule 30 shall be counted.</p> <p>31.6 In the case of motions and amendments, all meetings shall vote as though the amendments were separate motions. The motion or amendment with the highest number of votes cast in support shall be carried.</p> <p>31.7 Subject to any provisions of these Rules or the Act, all resolutions shall be carried by a simple majority of votes.</p> <p>31.8 In the case of an equality of votes, whether on a show of hands or a ballot, the chair of the meeting shall have a second or casting vote.</p> <p>31.9 A declaration by the chair of the meeting that a resolution has been carried or lost, either on a show of hands or by ballot, with an entry to that effect recorded in the minutes of the Members' meeting, shall be conclusive evidence of the result.</p>
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Comment: Proposed Rules 28-31 – some provisions moved from elsewhere in Current Rules with wording updated to reflect Co-ops UK Model Rules.

37. Appointment and Powers of Deputies

A member, being a society or company, may by resolution of its directors or committee of management appoint any person as deputy to act on its behalf at any meeting or meetings of the Society. The Society must be provided with a copy of the resolution appointing the person to act as deputy on behalf of the member at least 24 hours before the meeting or meetings is/are to be held. The resolution must be signed by the secretary and two directors or members of the committee of management of the society making the appointment. Upon receipt of the resolution by the Society, the deputy shall be considered competent to act as if he were a member and his appointment shall be taken to continue until a copy of a resolution appointing another person as deputy in his place is received.

Comment: Deleted. Was already covered elsewhere e.g. Updated Rule 8.2 and 8.3.

38. Composition

The Board of Directors shall consist of a maximum of twelve elected directors as follows:-

- 38.1. A maximum of five directors shall be elected by the membership of the East Region, a maximum of five directors shall be elected by the membership of the West Region and a maximum of two directors shall be elected by the membership of the North Region.
- 38.2. No more than three directors may be employees.
- 38.3. No more than five directors may be employees, superannuated recently retired employees or spouses/partners of the foregoing.

36. Composition of the Board

- 36.1 Subject to Rule 36.2, the Board shall consist of a maximum of twelve elected directors as follows:
 - (a) A maximum of five directors shall be elected by the membership of the East Region, a maximum of five directors shall be elected by the membership of the West Region, and a maximum of two directors shall be elected by the membership of the North Region;
 - (b) no more than three directors may be current employees of the Society; and
 - (c) no more than five directors may be current employees of the Society, superannuated employees of the Society who

<p>38.4. The Board shall have the power to fill casual vacancies on the Board from the Regional Committee from which the vacating director was elected. Any person temporarily appointed to fill any casual vacancy shall retire from office at the following Ordinary or annual General meeting at which time the individual filling the casual vacancy may stand for re-election.</p> <p>38.5. The Board may co-opt up to two professional external directors to the Board in addition to the number of elected directors specified in these Rules provided that at all times the number of professional external directors shall be in the minority. A co-opted director shall not require to be a member. He shall serve for a fixed period determined by the Board at the time of co-option, subject to a review at least every twelve months, may be removed from office at any time by a resolution passed by a majority of the members of the Board, and shall be remunerated in an amount (to be disclosed in the published accounts) from time to time fixed by the Board.</p>	<p>ceased to be employees within three years before the date of nomination, or family members of the foregoing.</p> <p>36.2 Where the Board creates new, or restructures existing, Regions and Regional Committees under Rule 54, the Board shall have the power to temporarily increase its size and the Regional Committee representation on it subject to a maximum number of fifteen elected directors, and to determine the timescale for returning the Board to twelve elected directors.</p> <p>36.3 The Board shall have the power to fill a casual vacancy on the Board from the same Regional Committee from which the vacating director was elected. Any person temporarily appointed to fill a casual vacancy shall retire from office at the following Members' meeting at which time they may stand for election provided they are eligible to do so.</p> <p>36.4 In addition to the elected directors specified in Rule 36.1, the Board may appoint up to two independent non-executive directors who need not be Members and are selected for their particular skills and/or experience, provided that at all times the number of independent non-executive directors shall be in the minority. Independent non-executive directors shall be remunerated in an amount fixed by the Board. Members shall be asked to ratify the appointment of an independent non-executive director at the next Members' meeting.</p>
<p>Comment: Updated wording but no substantive changes. Proposed Rule 36.2 comes from the existing Transitional Rules, which have been incorporated into other Rules so they can be deleted as far as possible.</p>	
<p>39. Term of Office</p>	<p>37. Term of office for directors</p>

<p>39.1. Directors shall normally serve for a term of three years from the date of their election, and at each annual general meeting one-third of their number shall retire but shall be eligible for re-election if otherwise duly qualified in all respects.</p> <p>A director's term of office shall normally be the same as their Regional Committee term. When a director is elected to the Board, the Board may determine, if appropriate, a different Board or Regional Committee term of office, to ensure that there is an even distribution of Board elections and to ensure that a director's term of office and Regional Committee member's term of office run concurrently.</p> <p>The Board shall be refreshed using a 'Balanced Board' approach to ensure a balance of both experienced and newly elected board members serving. The process to achieve that balance shall be determined by the Board. Directors may serve for a maximum 6 terms of office. Upon election to the Board a director will serve concurrently on a Regional Committee. A Regional Committee member may have his term of office extended, to enable him to fully serve his maximum six terms of office as a director.</p> <p>Should a director who has already served his maximum term of office on a Regional Committee (but not served his maximum term of office on the Board) be re-nominated, stand for Board election and fail to be re-appointed to the Board then he may continue to serve on the Regional Committee for a further two year period during which time he will be eligible for</p>	<p>37.1 Elected directors shall normally serve for a term of three years at which point they must stand down but are eligible for re-election. A minimum of one-quarter of the Board shall normally retire at each annual general meeting but shall be eligible for re-election if they continue to meet the eligibility criteria set out in these Rules.</p> <p>37.2 When a director is elected to the Board, the Board may determine, if appropriate, a different Board or Regional Committee term of office, to ensure that there is an even distribution of Board elections and to ensure that a person's term of office as a director and as a Regional Committee member are aligned. Notwithstanding the aforesaid, no person shall serve a term of office as a director exceeding four years.</p> <p>37.3 The Board shall be refreshed using a 'Balanced Board' approach to ensure a balance of both experienced and newly elected board members serving. The process to achieve that balance shall be determined by the Board.</p> <p>37.4 Subject to Rules 38 and 51, directors may serve for a maximum six terms of office in total. Past service as a director of a society which has transferred its engagement to the Society shall count as service on the Board for the purposes of these Rules. On completing their sixth term of office (whether these terms run consecutively or otherwise) a director shall retire as a director and Regional Committee member and shall not be eligible for re-election.</p> <p>37.5 Upon election to the Board a director will serve concurrently on a Regional Committee. A Regional Committee member</p>
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<p>nomination and to stand for re-election to the Board for a maximum of a further two times.</p> <p>39.2. The Board shall appoint from their number a President and a Vice –</p> <p>President who shall normally hold office for a maximum term of three years. A Director may only serve as President of the Society for a maximum of two terms, subject to rule 54.5.</p> <p>The President shall act as chairman at all Board meetings and at ordinary and special meetings of the Society, at which he shall have a deliberative as well as a casting vote, and shall, by virtue of his office, be a member of the General Purposes Committee and any special sub-committees. The President may not be a member of the Audit or Remuneration Committees.</p>	<p>may have their term of office extended to enable them to fully serve their maximum six terms of office as a director.</p> <p>37.6 Should a director who has already served their maximum term of office on a Regional Committee (but not served their maximum term of office on the Board) be re-nominated, stand for Board election and fail to be re-appointed to the Board then they may continue to serve on the Regional Committee for a further two year period during which time they will be eligible for nomination and to stand for re-election to the Board for a maximum of a further two times.</p> <p>37.7 Independent non-executive directors shall serve for a fixed period determined by the Board at the time of appointment subject to review at least every twelve months. Members must re-affirm each independent non-executive director appointment every three years. Independent non-executive directors shall serve for a maximum term of office of nine years and shall not be eligible for re-appointment as an independent non-executive director. Independent non-executive directors may be removed from office at any time by a resolution of the Board.</p> <p>38. President and Vice-President of the Society</p> <p>38.1 The Board shall elect from their number a President and a Vice-President of the Society who shall normally hold office for a term of three years.</p> <p>38.2 No director shall serve as President of the Society for more than two terms in total.</p>
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	<p>38.3 If a director who is serving as President of the Society would otherwise be required to retire from the Board having served the maximum term of office under Rule 37 then, subject to the usual election rules, that person may continue to serve as a Regional Committee member, director, and President of the Society until they have served the maximum term as President of the Society as set out in Rule 38.2.</p> <p>38.4 To be eligible to be elected as the President or Vice-President of the Society a director must have served at least one year on the Board. No director who is a current employee of the Society, or who is an employee of any corporate or unincorporated body that supplies goods or services to the Society and which in the opinion of the Board is to a material extent dependent upon the continued business of the Society, may be elected as the President or Vice-President of the Society.</p>
<p>Comment: Wording has been updated/re-structured but no substantive changes with exception of Updated Rule 38.3, which is new.</p>	
<p>40. Election to office</p> <p>40.1. Elections and nominations for the Board shall be conducted under such arrangements as the Board shall determine and voting shall be by ballot at the annual or ordinary meetings each year.</p> <p>40.2. Prospective elected directors must be members of a Regional Committee and be nominated and seconded by Regional Committee members. A Regional Committee member wishing to stand for election to the Board may self nominate.</p>	

Comment: Deleted. Provisions covered in other Rules.

41. Eligibility to be a Director

A person shall only be eligible to be nominated for election as a director if they fulfil the following criteria and, if already elected as a director, shall immediately cease to be a director if they cease to be eligible:

- 41.1. A director shall be a member of the Society.
- 41.2. No member shall be eligible who has served six terms of office. Any member of the Board on completing his sixth term of office shall retire as a director and Regional Committee member immediately and shall not be eligible for re-nomination, subject to transitional rule 54.
- 41.3. No member shall be eligible for the office of director who has ever been dismissed (save for redundancy) from the employment of the Society or a society which has transferred its engagements to the Society, or who has ever been removed from office or expelled from membership of the Society pursuant these rules.
- 41.4. No member shall be eligible for nomination for or service as a director who or whose family member is engaged in a senior managerial capacity in the carrying on of any business trade or undertaking which in the opinion of the Board conflicts with any business trade or undertaking carried on by the Society.

44. Eligibility to be a director or Regional Committee member

- 44.1 A person cannot become a director or Regional Committee member or, if a serving director or Regional Committee member, ceases to be eligible to serve, if that person:
- (a) is not, or ceases to be, a Member of the Society (except for independent non-executive directors appointed under Rule 36.4 who need not be Members);
 - (b) is under eighteen years of age;
 - (c) has already served the maximum term of office as set out in these Rules;
 - (d) has been dismissed (save for redundancy) from the employment of the Society or a society which has transferred its engagements to the Society;
 - (e) has previously been removed from the office of director or Regional Committee member, or expelled from membership of the Society, under these Rules;
 - (f) is engaged in, or their family member is engaged in, a senior managerial capacity in the carrying on of any business, trade or undertaking which, in the opinion of the Board, conflicts or competes in any way with any business, trade or undertaking carried out by the Society;
 - (g) is employed, appointed or elected to represent and promote another organisation which, in the opinion of

<p>41.5. Any member who or whose family member holds an elected representative position in another Society, which in the opinion of the Board, is considered to be a conflicting Society shall not be eligible to act as a director.</p> <p>41.6. Any member who or whose spouse or partner is concerned in or participates in the profits of any contract made with the Society except as a non-managerial member or employee of any society or company which contracts with or does work for the Society shall not be a director.</p> <p>41.7. The president shall not be an employee of the Society nor an employee of any person, firm or corporate body which supplies goods or services to the Society and which in the opinion of the Board is to a material extent dependent upon the patronage of the Society, nor a family member of any of the foregoing.</p> <p>41.8. Any person who is or becomes bankrupt or who served on the board of any society or other corporate body immediately before it went into insolvent liquidation, receivership or administration, or against whom any disqualification order has been made under the Company Directors Disqualification Act 1986 shall be disqualified from being a director and if a sitting member of the Board shall thereupon vacate his office.</p> <p>41.9. A person who is incapable through disorder or disability of mind of managing his own affairs shall not be a director.</p> <p>41.10. A director who is absent from four successive meetings of the Board without good reason established to the satisfaction of the Board shall vacate his seat.</p>	<p>the Board, conflicts or competes in any way with any business, trade or undertaking carried out by the Society;</p> <p>(h) holds, or their family member holds, an elected representative position in another society which in the opinion of the Board is considered to be a conflicting Society;</p> <p>(i) is concerned with or participates, or their family member is concerned with or participates, in the profits of any contract made with the Society, except where they are a non-managerial member or employee of any corporate or unincorporated body which contracts or does work for the Society;</p> <p>(j) is an undischarged bankrupt;</p> <p>(k) is disqualified by law from acting as a director of a company or as a trustee of a charity;</p> <p>(l) has, in the written opinion of a registered medical practitioner treating that person and provided to the Society, become physically or mentally incapable of acting as a director or Regional Committee member and may remain so for more than three months;</p> <p>(m) previously resigned from the Board or Regional Committee during the Society's investigation into their conduct;</p>
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<p>41.11. Directors who without good reason established to the satisfaction of the Board fail to undertake such personal training and development throughout their terms of office as may be prescribed by the Board pursuant to the following provisions of this clause of this rule shall if the Board in their absolute discretion so determine thereupon vacate their seat and shall be disqualified from further service until they have undertaken the requisite training to the satisfaction of the Board.</p> <p>41.12. All directors shall undertake such training for office as shall be prescribed by the Board in accordance with the following minimum requirements –</p> <p>a) a structured training programme of continuing development for all directors with a minimum requirement of attendance at one course per annum.</p> <p>b) All training and development programmes prescribed for the purpose of this clause of this rule shall be facilitated by a recognised higher or tertiary educational institution; or by individuals(s) with an appropriate professional qualification or are, in the opinion of the Board, considered to be specialists in their field, in relation to the training provided.</p> <p>41.13. At any one time, only up to two family members will be eligible to serve as members of the Board of Directors of the Society.</p> <p>42. Eligibility for Office</p> <p>42.1. No member shall be eligible for the office of director who, at the time of nomination, has not held at least £75 share capital, and during his term of office continues to hold</p>	<p>(n) is a serving director or Regional Committee member and is absent for four consecutive Board or Regional Committee meetings without a good reason established to the satisfaction of the Board; or</p> <p>(o) is a serving director or Regional Committee member and has failed to comply with the expected behaviours and conduct (including the commitments to training and ongoing professional development) in the Codes of Conduct prepared by the Board under Rule 43.</p> <p>44.2 A maximum of two family members will be eligible to serve as directors or Regional Committee members at any one time.</p> <p>44.3 In addition to the eligibility criteria set out in Rule 44.1, no Member shall be eligible for the office of director:</p> <p>(a) who, at the time of nomination or re-nomination, has not:</p> <p>(i) held at least £75 share capital, and during their term of office has continued to hold at least £75 share capital, in the Society or a society which has transferred engagements to the Society; and;</p> <p>(ii) had, and continued to have during their term of office, a minimum of £300 per annum of qualifying purchases;</p> <p>(b) who, at the time of election or re-election, has not been a member of a Regional Committee, or the equivalent committee of a transferring society, for at least two years; or</p>
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<p>at least £75 share capital, in the Society or a society which has transferred engagements to the Society.</p> <p>42.2. No member shall be eligible for the office of director who, at the time of election, has not been a member of a Regional Committee or an equivalent Committee from a transferring society for at least two years.</p> <p>42.3. No member shall be eligible for the office of director who, at the time of nomination, has not had, and during his term of office continued to have, a minimum of £300 per annum of qualifying purchases.</p> <p>42.4. No member shall be eligible for office of director if he/she has not satisfied the minimum number of core training courses, as prescribed by the Board.</p> <p>42.5. No member shall be eligible for the office of director if he/she is a member of the Society's Senior Management Team or an employee who reports directly to a member of the Society's Senior Management Team.</p>	<p>(c) if they are a member of the Senior Management Team or an employee who reports directly to a member of the Senior Management Team.</p> <p>44.4 In addition to the eligibility criteria set out in Rule 44.1, no Member shall be eligible for the office of Regional Committee member:</p> <p>(a) who, at the time of nomination or re-nomination, has not:</p> <ul style="list-style-type: none"> (i) been a member of the Society for at least one year; (ii) held at least £40 share capital, and during their term of office has continued to hold at least £40 share capital, in the Society or a society which has transferred engagements to the Society; and (iii) had, and continued to have during their term of office, a minimum of £300 per annum of qualifying purchases; or <p>(b) who has their principal residential address outwith the Region they wish to represent. Notwithstanding the foregoing, a Member may apply to the Board for permission to represent a Regional Committee within the geographical location of their place of employment. Once elected to serve on a Regional Committee, an elected member is not required to resign from that elected position due to a change in their principal residential address or place of employment.</p>
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Comments: We currently have separate Rules covering directors and regional committee members. However, the vast majority of the provisions within them are identical, so these have been combined (where appropriate) in the Updated Rules to cover both directors and regional committee members, to remove duplication and reduce overall length of Rules.

43. Removal from Office

43.1. A director may be removed from office at any time by two-thirds of the votes cast at a special meeting of the Society, and such meeting may by resolution fill the vacancy. Pending the decision of the special meeting, a director may be suspended from his duties by resolution of two-thirds of the Board if in their opinion he has been guilty of conduct detrimental to the interests of the Society or is otherwise thought to be unfit to carry out his duties.

43.2. A director may be removed from office at any time by not less than two-thirds of the remaining directors if, in their opinion he is guilty of: a serious breach of the code of conduct ; conduct detrimental to the interests of the Society; or is otherwise thought to be unfit to carry out his duties.

43.3. The Board shall have the power to:

- a) suspend the rights of the director/Regional Committee member to attend Board/Regional Committee meetings and vote under these rules for an initial period of six months in order to allow the Board to investigate the allegations. A director/Regional Committee member suspended will be entitled to receive full basic fees during the period of suspension.
- b) extend the suspension period beyond the initial 6 month period in order to conclude the investigations relating to the suspension.

45. Removal from office of director or Regional Committee member

45.1 A director or Regional Committee member may be removed from office on the grounds that:

- (a) they have refused to sign an acceptance, or have committed a serious breach, of the relevant code of conduct;
- (b) their conduct is detrimental to the interests of the Society;
- (c) they have not adequately demonstrated the required knowledge, skills and/or experience; or
- (d) the Board considers them to be unfit to carry out their duties or for it to no longer be in the best interests of the Society for them to continue as a director or Regional Committee member.

45.2 In determining whether the above grounds have been met, or where any other concerns are raised about the conduct of a director or Regional Committee member, the Board shall ensure that there is an investigation of that conduct. The result of that investigation shall be reviewed by a committee appointed by the Board for the purpose, which shall be formed of no more than three elected directors and such other persons as the Board may decide.

<p>c) request repayment of any fees paid to a director/Regional Committee member during the period of suspension.</p> <p>43.4. A director/Regional Committee member removed from office by the Board of Directors is entitled to a right of an appeal against his removal from elected office. The written request for an appeal must be submitted to the Society Secretary within 21 days. The appeal shall be heard by an independent arbiter to be agreed by both parties. If the parties are unable to agree on a mutually acceptable independent arbiter, the appeal will be heard by an appropriate appeal body such as Cooperatives UK. The decision of the independent arbiter will be final and binding on both parties.</p>	<p>45.3 The committee shall consider whether the conduct of the director or Regional Committee member concerned fell below the standard expected of them under these Rules, any agreed codes of conduct, and the general law.</p> <p>45.4 Before taking any decision, the committee shall ensure that the director or Regional Committee member concerned has the opportunity to put forward their case. If the director or Regional Committee member concerned declines to do so then the committee may proceed to make a decision.</p> <p>45.5 Subject to the Board ratifying any decision of the committee before it takes effect, if the committee considers that the conduct of the director or Regional Committee member concerned has fallen below the expected standard then the committee may:</p> <ul style="list-style-type: none"> (a) issue such warning as to the future conduct of the director or Regional Committee member, or require the director or Regional Committee member to undertake additional training, as the committee sees fit; (b) suspend the director or Regional Committee member from office for a period of no more than twelve months; or (c) remove the director or Regional Committee member from office. <p>45.6 The Board will be asked to ratify the decision of the committee at the next scheduled meeting of the Board.</p>
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	<p>45.7 Any person sanctioned under Rule 45.5 may by written notice to the Society appeal the decision at the next scheduled meeting of the Board. The Board shall ensure that:</p> <ul style="list-style-type: none"> (a) no member of the committee appointed under Rule 45.2 shall take part in the Board deliberation of the matter or in making a decision concerning the appeal; and (b) the person concerned has the opportunity to put forward their case to the Board if they wish to do so. <p>45.7 If the Board resolves to uphold the appeal, the decision of the committee shall be discarded. If the Board reject the appeal, or if no appeal was lodged within the required timeframe, the Board may ratify the decision of the Committee and it will take effect from the conclusion of the relevant Board meeting.</p> <p>45.8 The Members may remove a director or Regional Committee member from office by a resolution passed by two-thirds of the Members at a Members' meeting.</p> <p>46. Suspension of a director or Regional Committee member</p> <p>46.1 The Board may suspend the rights of a director or Regional Committee member for an initial period of six months in order to allow the Board to conduct an investigation as set out in Rule 45.2. This period can thereafter be extended to allow such investigations to be concluded.</p> <p>46.2 A director or Regional Committee member who has been suspended under this Rule will be entitled to receive full basic fees during the period of suspension, but the Board has the</p>
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	<p>right to request repayment of any fees in the event the director or Regional Committee member is later removed based on the outcome of their investigations.</p> <p>46.3 During the period of any suspension the director or Regional Committee member must not participate in any Board or Regional Committee meetings; authorise or incur expenditure on behalf of the Society; actively hold themselves out as a director or Regional Committee member of the Society; or seek to commit the Society to any obligation.</p>
<p>Comment: Updated in line with procedure set out in Co-ops UK Model Rules.</p>	
<p>44. Board Meetings</p> <p>The Board shall meet and regulate their meetings as they may determine.</p> <p>45. Chairman</p> <p>The President shall act as chairman at all Board meetings, or in his absence the vice-president, or in his absence another director.</p> <p>46. Quorum</p> <p>The Board shall not proceed to business unless a quorum consisting of seven directors is present the majority of whom shall be non-employee directors.</p> <p>47. Voting at Meetings of the Directors</p> <p>Questions arising at any meeting of the Board shall be decided by a majority of votes cast and in the case of an equality of votes the chairman of the meeting shall have a second or casting vote.</p> <p>48. Special Meetings of the Board</p>	<p>47. Board meetings</p> <p>47.1 The Board shall meet and regulate their meetings as they may determine and may make standing orders for the conduct of Board meetings, which shall be binding on all directors. Notice of any Board meeting 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.</p> <p>47.2 The quorum for Board meetings shall be seven directors, which shall include those directors present by electronic means, provided that a majority of the directors present are elected, non-employee directors.</p> <p>47.3 A director is deemed to be in attendance and able to exercise the right to speak and vote at a Board meeting when that person is in a position to communicate to all those attending the meeting.</p>

<p>A special meeting of the Board may be called by a notice in writing given to the secretary by not less than one-third of the directors for the time being at least seven clear days before the meeting to be called. The notice shall state the objects of the meeting and the secretary shall communicate such notice to all directors as soon as possible. No other business shall be conducted at the meeting other than the business stated in the notice.</p>	<p>47.4 The Board may make whatever arrangements it considers appropriate to enable those attending a Board meeting to exercise their rights to speak or vote at it, including holding Board meetings in person at a physical location, virtually by electronic means, or at a hybrid of both. In determining attendance at a Board meeting, it is immaterial whether two or more directors attending are in the same place as each other, provided they are able to communicate with each other.</p> <p>47.5 Meetings of the Board shall be chaired by the President, or in their absence the Vice-President, or in their absence another director.</p> <p>47.6 Unless otherwise required by these Rules, questions arising at any Board meeting shall be decided by a majority of votes cast and in the case of an equality of votes the chair shall have a second or casting vote.</p> <p>47.7 The Secretary shall, on receiving notice in writing at least fourteen clear days prior to the date set for the meeting from not less than one-third of the directors of the Board, call a special Board meeting. The notice shall state the business of the meeting and the Secretary shall communicate such notice to all directors as soon as possible prior to the meeting. No other business shall be transacted at the meeting than the business stated in the notice.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules, mainly around providing for online or hybrid meetings.</p>	
<p>49. Disclosure of Interest</p> <p>49.1. Any director who has a material interest in a matter as defined below shall declare such interest to the Board and:</p>	<p>49. Conflicts of Interest</p>

<p>a) may not be present in any discussion of the matter unless a majority of the Board agrees to their presence, but</p> <p>b) shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted).</p> <p>49.2. A material interest in a matter is any interest in any transaction or act or proposed transaction or act of the society and any office or position (save for the exceptions referred to below) held by a director or their family member in any firm or company or business which, is involved in a transaction or proposed transaction with the Society. The exceptions which shall not be treated as material interests are as follows:</p> <p>a) An employment contract with the Society</p> <p>b) Shares not exceeding 2% of the total shares in issue in any company whose shares are listed on a Stock Exchange.</p> <p>49.3. Details of any such interest shall be recorded by the Secretary in the register of the interests of directors.</p> <p>49.4. Any director who knowingly fails to disclose any interest required to be disclosed under the preceding paragraph must permanently vacate their office if required to do so by a majority of the remaining Board.</p>	<p>49.1 A director must avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interest of the Society.</p> <p>49.2 A director shall declare an interest in any contract or matter in which they have, or a family member or connected person has, a personal, material or financial interest, whether directly or indirectly. The director shall not be present for any discussion of the matter (unless authorised by a majority of the Board under Rule 49.3) and must not vote on the matter, provided that nothing shall prevent a director:</p> <p>(a) who is an employee from voting on a resolution concerning the terms and conditions of employment of employees generally or any associated matter (but not a resolution concerning that director as an individual employee); and</p> <p>(b) from voting on a resolution concerning the payment of interest on shares of the Society, if applicable, where that director is a Member and will benefit only in the same way as other Members holding shares.</p> <p>49.3 Where a director has declared an interest, a majority of the unconflicted directors may authorise such conflict of interest provided:</p> <p>(a) the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting them;</p> <p>(b) the conflicted director does not vote on any such matter and is not counted towards the quorum of the meeting; and</p>
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	<p>(c) the unconflicted directors consider it to be in the best interests of the Society to authorise the conflict of interest in the circumstances.</p> <p>49.4 Any director who knowingly fails to disclose any interest required under this Rule may be permanently removed from office by a decision of the Board passed by the majority of the remaining directors.</p> <p>49.5 In additions to this Rule all directors must comply with any conflicts of interest provisions included in the code of conduct for directors prepared and enforced by the Board under Rule 43.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>50. Validity of Acts of Directors</p> <p>All acts done in good faith by any meeting of the Board or of a committee or by any director shall be valid, notwithstanding that it be afterwards discovered that there was any defect in the appointment of any director, and shall be as valid as if such director had been duly appointed and was duly qualified.</p> <p>51. Remuneration of Directors</p> <p>The Society shall from time to time fix the remuneration of the directors. Directors shall be re-imbursed their reasonable travel, hotel and out of pocket expenses wholly and necessarily incurred on Society business in accordance with Society policy.</p> <p>52. Independent Professional Advice</p> <p>Upon a written request handed to the Secretary signed by not less than one-third of the total membership of the Board for the time being</p>	<p>Remuneration and protection of directors</p> <p>50.1 All decisions made in good faith by the Board or by any person acting as a director shall remain valid, even if it is later discovered that there was some defect in the calling of the meeting or the manner in which the decision was made; any quorum requirement; the director's appointment; or that the person had previously been disqualified from acting as a director.</p> <p>50.2 No decisions made by the Society at a Members' meeting shall invalidate any prior act of the Board or a person acting as a director which would have been valid had such decision not been made by the Society.</p> <p>50.3 The Society shall from time to time fix the remuneration of the directors. In addition, directors shall be reimbursed their</p>

those directors ("the requisitionists") shall be entitled to take independent professional advice at the Society's expense regarding any question or questions relating to the governance of the Society or the conduct of its affairs, in accordance with the following agreed procedure: -

- 52.1. the request need not state the precise question or questions upon which independent professional advice is required, but shall identify the broad area(s) of concern (eg. legal, accountancy, taxation, valuation, employment, trade, etc);
- 52.2. for the purpose of taking advice the requisitionists shall appoint one of their number to act as the requisitionists clerk, whose identity shall forthwith be notified to the secretary;
- 52.3. the requisitionists shall be entitled to production and copies of any documents and information which they may reasonably require and may call upon the Society' s secretary for any necessary assistance in preparing their case and in seeking and obtaining advice;
- 52.4. before any professional fees are incurred by the requisitionists a written estimate or quotation in respect of the anticipated expense shall be submitted for the approval of the Society's secretary who shall give his written approval of the expenditure or if he thinks fit may refer the matter to the Board for approval. In either case such approval shall not be unreasonably withheld or delayed, and any question or dispute as to the grant or refusal of such approval shall immediately be referred by the Board to Co-operatives UK or such other appropriate appeal body as determined by the Board, whose decision shall be binding and conclusive;

reasonable out of pocket expenses wholly and necessarily incurred on Society business in accordance with the Society's remuneration policy.

- 50.4 Upon the written request of not less than one-third of the Board being submitted to the Secretary, those directors shall be entitled to take independent professional advice at the Society's expense regarding any question or questions relating to the governance of the Society or the conduct of its affairs, provided that:
 - (a) the request states the broad area of concern;
 - (b) before any professional fees are incurred a written estimate or quotation shall be submitted for the approval of the Secretary who will give their approval of the expenditure or, if they think fit, refer the matter to the Board for approval. In either case approval may not be unreasonably withheld or delayed and any question or dispute as to the granting or refusal to grant such approval shall be referred to Co-operatives UK or such other appropriate appeal body as determined by the Board;
 - (c) any written advice or opinion obtained shall be provided to the Secretary and made available to the remainder of the Board; and
 - (d) this procedure shall not be used as a means of causing unreasonable delay in the implementation of any Board resolution or resolutions relating to the matter in question.
- 50.5 Separate from any other indemnity to which they may be entitled, and subject to this Rule, every director and officer shall be indemnified out of the funds and assets of the Society

<p>52.5. a complete copy of any written advice or opinion obtained by the requisitionists shall be passed to the Society's secretary who shall make it available for inspection (if required) by the remainder of the Board.</p> <p>The above procedure must not be used as a means of causing unreasonable delay in the implementation of any Board resolution or resolutions relating to the matter in question.</p> <p>53. Indemnity</p> <p>Separate from any other indemnity to which a director may be entitled at common law or otherwise, every director or other officer of the Society shall be indemnified out of the funds and assets of the Society against all actions, claims, costs, demands and expenses and any personal liability whatsoever whether civil or criminal arising out of or in connection with the exercise or purported exercise of his duties as a director or officer of the Society. The Indemnity excludes liability for offences incurred under Section 128 of the Act or for wilful default, fraud or dishonesty, provided that any officer who has given security under Section 41 of the said Act shall not be indemnified for and to the extent of any sum of money due under such security and further provided that no person shall be indemnified against costs or expenses recovered from him by order of the Authority. For the purposes of this paragraph of this rule, any reference to a Section of an Act includes reference to any legislation replacing or amending the same.</p> <p>The Society is hereby authorised to purchase and maintain insurance for the purpose of –</p> <p>53.1. indemnifying the directors and officers for the time being of the Society against any liability which by virtue of any rule of law would otherwise attach to them or any of them in respect of any negligence,</p>	<p>against all actions, claims, costs, demands and expenses and any personal liability whatsoever, whether civil or criminal, arising out of or in connection with the exercise or purported exercise of their duties on behalf of the Society.</p> <p>50.6 This indemnity excludes liability for offences incurred under Sections 127 and 128 of the Act, and liability for wilful default, fraud or dishonesty. No person shall be indemnified for costs or expenses recovered from them by order of the Registrar.</p> <p>50.7 The Society is authorised to purchase and maintain insurance for the purpose of:</p> <ul style="list-style-type: none"> (a) indemnifying the directors and officers of the Society against any liability which they or any of them might incur, in respect of negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Society; and (b) indemnifying the Society itself as reimbursement for indemnity actually and lawfully provided to its directors and officers under this Rule.
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<p>default, breach of duty or breach of trust of which they may be guilty in relation to the Society; and indemnifying the Society itself as reimbursement for indemnity actually and lawfully provided to its directors and officers pursuant to the first paragraph of this rule.</p>	
<p>Comment: Wording updated but no substantive changes.</p>	
<p>54. Transitional Arrangements</p> <p>A Transition of Regions and Regional Committees</p> <p>Until such time that the Board recommend to Members that in accordance with Transitional Rule 64 the Regions and Regional Committees be established and be considered fully operational the following transitional rules shall apply:</p> <p>54.1. The Board shall have the power to temporarily increase its size and Regional Committee representation on it, subject to a maximum of 15 Members and to determine the timescale for returning the Board size to a maximum of 12 Members.</p> <p>B Board and Regional Committee Refresh: Balanced Board transition</p> <p>Until such time that the Board recommend to Members that the transition to the Balanced Board is complete, the following transitional rules shall apply to any directors or Regional Committee Members in office immediately before AGM 2014. Subject to the usual re-election rules:</p> <p>54.3 Any director shall be allowed to continue to serve for the longer of either:</p> <p>1. A further 2 terms of 3 years (up to OGM 2020); or</p>	<p>51. Balanced Board transitional arrangements for directors and Regional Committee members</p> <p>Until such time as the Board recommend to Members that the transition to the Balanced Board is complete, and subject to the provisions relating to re-election set out in these Rules:</p> <p>(a) any director(s) in office immediately before AGM 2014 shall be allowed to continue to serve as a director until they have served the maximum time period in accordance with the Rules registered on 16 June 2010; and</p> <p>(b) any Regional Committee member(s) in office immediately before AGM 2014 shall be allowed to continue to serve as a Regional Committee member for a maximum of eight terms of three years from the date of their first appointment as a member of a Regional Committee or its immediate predecessor (known as Area Committees).</p>

<p>2. Until he has served his maximum time period in accordance with the rules registered on 6 November 2013.</p> <p>54.4 Any Regional Committee shall be allowed to continue to serve for the longer of either:</p> <ol style="list-style-type: none"> 1. A maximum of 6 terms of 3 years from the date of his first appointment to a Regional Committee or its immediate predecessor (Area Committee) and a further 2 terms of 3 years; or 2. A minimum of 2 additional 3 year terms of office (up to AGM 2020). <p>54.5 The President appointed in May 2014 may serve a maximum three terms of three years in office.</p> <p>54.6 If the director elected as the first President to succeed the President appointed in May 2014 would otherwise require to retire from the Board because he had served his maximum period on the Board then he may (subject to the usual election rules) continue to serve as President, director and Regional Committee member until his maximum term of office as President expires. He shall then retire as a director and Regional Committee member at the immediately following ordinary meeting.</p> <p>54.7 To enable the directors' terms of office to be aligned with Regional Committee members' terms of office, the Board shall have the power to temporarily increase the length of a director's term of office, provided that no director would have a term of office exceeding 4 years.</p>	
<p>Comment: transitional provisions have been reduced as much as possible, either by incorporating them into other Rules or deleting provisions that were no longer applicable:</p>	
<p>55. Board Committees</p>	<p>48. Board committees</p>

<p>The Board may delegate any of its powers to committees consisting of such directors as it thinks fit who shall, in the functions entrusted to them, follow in all respects the instructions given to them by the Board.</p> <p>The Board shall appoint: -</p> <p>55.1. an Audit Committee comprising not less than three and not more than seven directors. Neither the Chair nor any director who is an employee or a recently retired superannuated employee shall be a member of the Audit Committee;</p> <p>55.2. a Remuneration Committee. The Chairman shall not be a member of the Remuneration Committee.</p> <p>55.3. a Search Committee;</p> <p>55.4. a General Purposes Committee for matters of a general nature not specifically covered in the remit of the above committees.</p>	<p>The Board may delegate any of its powers to committees consisting of such persons as it thinks fit who shall, in the functions entrusted to them, follow the instructions given to them by the Board. At no time shall any committee be comprised of less than three members or more than five members.</p>
<p>Comment: Updated to simplify.</p>	
<p>56. Composition</p> <p>There shall be three elected Regional Committees as follows:</p> <p>56.1. The East, West and North Regional Committees shall each consist of a maximum of twelve Regional Committee members.</p> <p>56.2. No more than three members of each Regional Committee may be current employees.</p> <p>56.3. No more than five members of each Regional Committee may be employees or recently retired employees.</p>	<p>39. Composition of the Regional Committees</p> <p>39.1 Subject to Rule 54, there shall be three elected Regional Committees covering the East, West and North Regions. Each Regional Committee shall consist of a maximum of twelve Regional Committee members, provided that:</p> <p>(a) No more than three members of a Regional Committee may be current employees of the Society; and</p> <p>(b) No more than five members of a Regional Committee may be current employees of the Society, superannuated employees of the Society who ceased to</p>

<p>56.4. Should a vacancy/vacancies on a Regional Committee arise, the Board may co-opt Member(s) to fill that vacancy/vacancies provided that at all times the number of elected Regional Committee members shall be in the majority. A co-opted Regional Committee member shall serve until the next Ordinary or annual general meeting at which time he may offer himself for nomination and/or election for a position determined by the Board. He may be removed from office at any time by a resolution passed by a majority of the members of the Board, and shall be remunerated on the same basis as an elected Regional Committee Member.</p>	<p>be employees within three years before the date of nomination, or spouses or partners of the foregoing.</p> <p>39.2 The Board shall have the power to fill a casual vacancy on a Regional Committee and may appoint a Member from the respective Region to fill a vacancy until the next Members' Meeting, provided that the number of elected Regional Committee members shall always be in the majority. The person appointed to the Regional Committee may put themselves forward for nomination as a Regional Committee member at the next Members' meeting. A person appointed to fill a casual vacancy can be removed at any time by a resolution of the Board passed by a majority of the directors.</p>
<p>Comment: no substantive changes.</p>	
<p>57. Term of Office</p> <p>57.1. Regional Committee members shall normally serve for a term of three years from their date of election, and at each annual general meeting one-third of the number of each Regional Committee shall retire but shall be eligible for re-election if otherwise duly qualified in all respects. Regional Committee members may serve for a maximum 6 terms of office. A Regional Committee member may (subject to the usual re-election rules) have his term of office extended to enable him to fully serve his maximum six terms of office as a director, subject to transitional rule 54.</p> <p>57.2. At their first meeting following the annual general meeting each year each Regional Committee shall appoint a chairman and vice-chairman.</p>	<p>40. Term of office for Regional Committee members</p> <p>40.1 Regional Committee members shall normally serve for a term of three years at which point they must stand down but are eligible for re-election. A minimum of one-quarter of each Regional Committee shall normally retire at each annual general meeting but shall be eligible for re-election if they continue to meet the eligibility criteria set out in these Rules.</p> <p>40.2 When a Member is elected to a Regional Committee, the Board may determine, if appropriate, a different Regional Committee term of office to ensure that there is an even distribution of elections.</p> <p>40.3 Subject to Rules 37.5, 38.3 and 51, a Regional Committee member may serve for a maximum six terms of office in total. Past service as a director or member of an equivalent regional committee of a society which has transferred its</p>

<p>57.3. The chairman, or in his absence, the vice-chairman, shall take the chair at each meeting of his Regional Committee and shall have a deliberative as well as a casting vote.</p>	<p>engagement to the Society shall count as service on the Regional Committee for the purposes of these Rules. On completing their sixth term of office (whether these terms run consecutively or otherwise) a Regional Committee member shall retire and shall not be eligible for re-election.</p>
<p>Comment: updating wording but no changes.</p>	
	<p>Chair and Vice-Chair of Regional Committees</p> <p>41.1 Each Regional Committee shall elect a Chair and a Vice-Chair, with the Chair of each Regional Committee normally also being a director on the Board. The Chair and Vice-Chair of the Regional Committee shall hold office for a term of one year.</p> <p>41.2 The Chair of the Regional Committee, or in their absence, the Vice-Chair of the Regional Committee, or in their absence another Regional Committee member, shall take the chair at each meeting of the respective Regional Committees and in the case of an equality of votes, the chair of the meeting shall have a second or casting vote.</p> <p>41.3 No Regional Committee member shall serve as Chair of a Regional Committee for more than six consecutive terms.</p>
<p>Comments: The provisions in the Updated Rule have been pulled together from different parts of the Current Rules.</p>	
<p>58. Election to office</p> <p>58.1. Elections and nominations for the Regional Committees shall be conducted under such arrangements as the Board shall determine.</p>	<p>42. Election to the office of director or Regional Committee member</p> <p>42.1 Nominations and elections for the Board and Regional Committees shall be conducted under such arrangements as</p>

<p>58.2. Regional Committee Members shall be elected to represent Members of the Society who have their principal residential address within the geographic boundaries of that Region.</p> <p>58.3. Nominations for prospective Regional Committees Members shall normally be accepted at the Ordinary General Meetings. A member wishing to stand for election to a Regional Committee must be nominated and seconded.</p>	<p>the Board shall determine and, subject to Rule 30.3, voting will be by ballot at a Members' meeting.</p> <p>42.2 Prospective elected directors must be members of a Regional Committee and be nominated and seconded by other Regional Committee members.</p> <p>42.3 Regional Committee members shall be elected to represent Members of the Society who have their principal residential address within the geographic boundaries of that Region. A Member wishing to stand for election to a Regional Committee must be nominated and seconded by Members from the Region in which they are seeking to be nominated.</p>
<p>Comments: The provisions in the Updated Rule have been pulled together from different parts of the Current Rules.</p>	
<p>59. Eligibility to be a Regional Committee Member</p> <p>A person shall only be eligible to be nominated for election as a Regional Committee Member if they fulfil the following criteria and, if already elected as a Regional Committee Member, shall immediately cease to be a Regional Committee Member if they cease to be eligible:</p> <p>59.1. A Regional Committee Member shall be a member of the Society.</p> <p>59.2. No member shall be eligible who is under 18 years of age.</p> <p>59.3. No member shall be eligible for the office of Regional Committee Member who has ever been dismissed (save for redundancy) from the employment of the Society or a society which has transferred its engagements to the Society, or who</p>	

has ever been removed from office or expelled from membership of the Society pursuant to these Rules.

59.4. No member shall be eligible for nomination for or service as a Regional Committee member:

- a) who or whose family member is engaged in a senior managerial capacity in the carrying on of any business trade or undertaking which in the opinion of the Board conflicts with any business trade or undertaking carried on by the Society; and/or
- b) who is employed, appointed or elected to represent and promote another organisation, which in the opinion of the Board conflicts with any business, trade, membership or community activity or undertaking carried out by the Society.

59.5. Any member who or whose family member holds an elected representative position in another Society, which in the opinion of the Board, is considered to be a conflicting Society shall not be eligible to act as a Regional Committee Member.

59.6. Any member who or whose spouse or partner is concerned in or participates in the profits of any contract made with the Society except as a non-managerial member or employee of any society or company which contracts with or does work for the Society shall not be a Regional Committee Member.

59.7. A person who is incapable through disorder or disability of mind of managing his own affairs shall not be a Regional Committee Member.

59.8. A Regional Committee Member who is absent from four successive meetings of the Regional Committee without good reason established to the satisfaction of the Board shall vacate his seat.

59.9. Regional Committee Members who without good reason established to the satisfaction of the Board fail to undertake such personal training and development throughout their term of office as may be prescribed by the Board pursuant to the following provisions of this clause of this rule shall if the Board in their absolute discretion so determine thereupon vacate their seat and shall be disqualified from further service until they have undertaken the requisite training to the satisfaction of the Board.

59.10. All Regional Committee Members shall undertake such training for elected office as shall be prescribed by the Board in accordance with the following minimum requirements: –

- a) a structured training programme of continuing development for all Regional Committee Members with a minimum requirement of attendance at one Course per annum.
- b) All training and development programmes prescribed for the purpose of this clause of this rule shall be facilitated by a recognised higher or tertiary educational institution; or by individuals(s) with an appropriate professional qualification or are, in the opinion of the Board, considered to be specialists in their field, in relation to the training provided.

<p>59.11. At any one time, only up to two family members will be eligible to serve as members of a Regional Committee.</p>	
<p>Comment. Deleted. Now covered under Updated Rule 44.</p>	
<p>60. Qualifications for Office</p> <p>60.1. No member shall be eligible for the office of Regional Committee member who, at the time of nomination, has not been a member of the Society for one year and must hold at least £40 share capital by the time of nomination. The Regional Committee member must continue to hold at least £40 share capital in the Society throughout his term of office.</p> <p>60.2. No member shall be eligible for the office of Regional Committee member who, at the time of re-nomination, has not had, and during his term of office continued to have, a minimum of £300 per annum of qualifying purchases.</p> <p>60.3. No member shall be eligible for the nomination for service as a Regional Committee member who has his principle residential address outwith the Region he wishes to represent. An individual may apply to the Board for permission to represent a Regional Committee within the geographical location of their place of employment. Once elected to serve on a Regional Committee, an elected member is not required to resign from that elected position due to a change in their principle residential address or place of employment.</p>	
<p>Comment: Deleted. Now covered under Updated Rule 44.</p>	
<p>61. Removal from Office</p> <p>61.1. A Regional Committee member may be removed from office at any time by two-thirds of the votes cast at a special meeting of the Society, and such meeting may by resolution</p>	

fill the vacancy. Pending the decision of such special meeting a Regional Committee member may be suspended from his duties by resolution of two-thirds of the Board if in their opinion he has been guilty of conduct detrimental to the interests of the Society or is otherwise thought to be unfit to carry out his duties.

61.2. A Regional Committee member may be removed from office at any time by not less than two-thirds of the Board if, in their opinion he is guilty of: a serious breach of the code of conduct; conduct detrimental to the interests of the Society; or is otherwise thought to be unfit to carry out his duties.

61.3. The Board shall have the power to:

- a) suspend the rights of the Regional Committee member to attend Regional Committee meetings and vote under these rules for an initial period of six months in order to allow the Board to investigate the allegations. A Regional Committee member suspended will be entitled to receive full basic fees during the period of suspension.
- b) extend the suspension period beyond the initial 6 month period in order to conclude the investigations relating to the suspension.
- c) request repayment of any fees paid to a Regional Committee member during the period of suspension.

61.4. A Regional Committee member removed from office by the Board of Directors is entitled to a right of an appeal against his removal from elected office. The written request for an appeal must be submitted to the Society Secretary within 21 days. The appeal shall be heard by an independent

<p>arbiter to be agreed by both parties. If the parties are unable to agree on a mutually acceptable independent arbiter, the appeal will be heard by an appropriate appeal body such as Cooperatives UK. The decision of the independent arbiter will be final and binding on both parties.</p>	
<p>Comment: Deleted. Now covered under Updated Rule 45.</p>	
	<p>43 Codes of Conduct</p> <p>43.1 The Board shall prepare and enforce a code of conduct for directors that sets out expected behaviours and conduct. The code of conduct for directors shall include commitments to training and ongoing professional development where needed to ensure the Board remains competent to fulfil its role. All directors shall be required to sign an acceptance of the code of conduct for directors on taking office.</p> <p>43.2 The Board shall also prepare and enforce a code of conduct for Regional Committee members that sets out expected behaviours and conduct. The code of conduct for Regional Committee members shall include commitments to training and ongoing professional development where needed. All Regional Committee members shall be required to sign an acceptance of the code of conduct for Regional Committee members on taking office.</p>
<p>Comment: New Rule based on Co-ops UK Model Rules.</p>	
	<p>52. Regional Committee meetings</p> <p>52.1 The Board may make standing orders for the conduct of Regional Committee meetings, which shall be binding on all Regional Committee members.</p>

	<p>52.2 Notice of any Regional Committee meeting must indicate the date, time and place of the meeting and, if the Regional Committee members participating in the meeting will not be in the same place, how they will communicate with each other.</p> <p>52.3 The quorum for Regional Committee meetings shall be seven Regional Committee members, which shall include those Regional Committee members present by electronic means.</p> <p>52.4 A Regional Committee member is deemed to be in attendance and able to exercise the right to speak and vote at a Board meeting when that person is in a position to communicate to all those attending the meeting.</p> <p>52.5 The Board may make whatever arrangements they consider appropriate to enable those attending a Regional Committee meeting to exercise their rights to speak or vote at it, including holding Regional Committee meetings in person at a physical location, virtually by electronic means, or at a hybrid of both. In determining attendance at a Regional Committee meeting, it is immaterial whether two or more Regional Committee members attending are in the same place as each other.</p> <p>52.6 Meetings of a Regional Committee shall be chaired by the Chair of the Regional Committee, or in their absence the Vice-Chair of the Regional Committee, or in their absence another Regional Committee member.</p> <p>52.7 Unless otherwise required by these Rules, questions arising at any Regional Committee meeting shall be decided by a majority of votes cast and in the case of an equality of votes the chair shall have a second or casting vote.</p>
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Comment: Pulled together from elsewhere or added to replicate Board process.

62. Remuneration of Regional Committee members

The Society shall from time to time fix the remuneration of the Regional Committee members. Regional Committee members shall be re-imbursed their reasonable travel, hotel and out of pocket expenses wholly and necessarily incurred on Society business in accordance with Society policy.

53. Remuneration of Regional Committee members

The Society shall from time to time fix the remuneration of the Regional Committee members. In addition, Regional Committee members shall be reimbursed their reasonable out of pocket expenses wholly and necessarily incurred on Society business in accordance with the Society's remuneration policy.

Comment: No change.

63. Create or amend Regional Committees

In the event of any other society or societies transferring their engagements to this Society, the Board having due regard to the principle of proportional regional representation shall have power:-

- 63.1. to establish additional Regional Committees to be constituted as the Board shall determine in order to represent the members of the transferor society or societies;
- 63.2. to augment the existing Regional Committees by co-opting on to same such representatives of the transferor society or societies as the Board shall determine; and
- 63.3. to augment the Board of Directors by co-opting on to same such additional members of the existing Regional Committees and such members of any additional Regional Committee or Regional Committees established under Clause 61.1 above, as the Board shall determine.

Any such co-optees may take part in the deliberations of the Board of Directors and Regional Committees as the case may be and may vote at such meetings.

54. Creating or restructuring Regions and Regional Committees

- 54.1 Having regard to the principle of proportional regional representation, and subject to the approval of the Members by ordinary resolution, the Board shall determine the Regions into which the Society will be divided for the purposes of constitutional representation, holding Regional Members' meetings and establishing Regional Committees.
- 54.2 In the event of another society or societies transferring their engagements to the Society, or following a review of regional representation, the Board shall have the power to:
 - (a) establish additional Regional Committees to be constituted as the Board shall determine; and
 - (b) temporarily increase the size of existing Regional Committees by a maximum of three places which shall be reserved for members of a transferring society, and to determine the timescale for returning the Regional Committee to twelve members.

<p>Any such additional Regional Committees shall subsist and such co-optees shall serve only until the annual general meeting first following the completion of one year from the date on which such transfer of engagements becomes effective.</p>	<p>54.3 The Board may co-opt members of a transferring society onto a Regional Committee, and they will have the same rights and responsibilities as the elected members of the Regional Committee. A person co-opted onto a Regional Committee must stand down at the next Members' meeting but may put themselves forward for nomination as a Regional Committee member provided they meet the eligibility criteria.</p> <p>54.4 Nominations and elections for the office of Regional Committee member reserved for members of a transferring society shall normally be taken at Members' meetings held in the same Region in which the size of the Regional Committee has been increased under Rule 54.2(b) to accommodate the transfer.</p>
<p>Comment: This Rule has been broadened slightly, so that it covers both transferring societies and also review of regional areas.</p>	
<p>64. Transitional Arrangements</p> <p>A Until such time that the Board recommend to Members that a Lakes and Dales representative body is created to serve members from the former Penrith Co-operative Society Limited and Seaton Valley Co-operative Society Limited the following transitional arrangements shall apply:</p> <p>64.1. Members of the former Penrith Co-operative Society Limited and Seaton Valley Co-operative Society Limited living in or being served by stores in those areas shall become members of the West and East Regions respectively until such time that a Lakes and Dales Region is created that serves Members in that area.</p> <p>64.2. Following the transfer of engagements of Penrith Co-operative Society Limited and Seaton Valley Co-operative</p>	

Society Limited, the West Regional Committee shall be increased by a maximum of 2 places each to be reserved for members from the Penrith area and the East Regional Committee shall be increased by a maximum of 2 places each reserved for members of the Seaton Valley geographical area. Thereafter, the Board shall have the power to increase the size of the East and West Regional Committees by increasing the number of reserved seats on those Committees for members from the Penrith and Seaton Valley areas in line with the development of membership from those areas.

64.3. Nominations for office for seats reserved for Members from the Penrith area shall normally be accepted at the Ordinary General Meeting of the West Regional Committee and nominations for office for seats reserved for members from the Seaton Valley area shall normally be accepted at the Ordinary General Meeting of the East Regional Committee. Regional Committee members shall normally be elected by the members of the East and West Regions attending their respective annual general meetings.

64.4. The Board shall determine when it is appropriate to hold separate Regional Committee elections for members to serve in the Lakes and Dales Region, when created.

64.5. Past service as a Board member of Penrith Co-operative Society Limited and Seaton Valley Co-operative Society Limited will count as service on a Regional Committee for the purposes of these rules.

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64.6 Alignment of Board Directors terms of office to Regional Committee members' terms of office

<p>To enable the directors' terms of office to be aligned with Regional Committee members' terms of office, the Board shall have the power to temporarily increase the length of a Regional Committee member's term of office, provided that no Regional Committee member would have a term of office exceeding 4 years. The Board shall also have the power to temporarily increase the size of a Regional Committee, subject to a maximum of 15 Members and to determine the timescale for returning the Regional Committee size to a maximum of 12 Members.</p>	
<p>Comment: Covered by Updated Rule 54.</p>	
<p>65. Register of Members</p> <p>The Society shall keep at its registered office a register of members in which the Secretary shall enter the following information:</p> <p>65.1. the names and addresses of the members;*</p> <p>65.2. a statement of the number of shares held by each member, of the amount paid, or agreed to be considered as paid, on the shares of each member;</p> <p>65.3. a statement of other property in the Society, whether in loans, deposits, or otherwise held by each member;</p> <p>65.4. the date at which each person was entered in the register as a member, and the date at which any person ceased to be a member;*</p> <p>65.5. the names and addresses of the directors, and the Secretary, with the offices held by them respectively, and the dates on which they assumed office.*</p> <p>The register shall be kept in such a way that it is open for inspection as required by the Act disclosing only the information in those sub-paragraphs above marked by an asterisk (*).</p>	<p>55. Registers</p> <p>55.1 The Society shall keep at its registered office a Register of Members in which the Secretary shall enter the following information:</p> <p>(a) the names and addresses of the Members;</p> <p>(b) a statement of the number of shares held by each Member, the amount paid, or agreed to be considered as paid, on those shares;</p> <p>(c) a statement of other property in the Society, whether in loans, deposits, or otherwise held by each Member; and</p> <p>(d) the date at which each person was entered in the register as a Member, and the date at which any person ceased to be a Member.</p> <p>55.2 The Society shall keep at its registered office a Register of Directors and Officers in which the names and addresses of the directors and Secretary, the offices held by them, and the dates on which they assumed office, shall be entered.</p>

	<p>55.3 The Registers to be kept under this Rule shall be kept in such a way that is open for inspection disclosing only the information required to be disclosed under the Act.</p>
<p>Comment: Updated wording but no substantive changes.</p>	
<p>66. Right of Inspection</p> <p>Any member or person having an interest in the funds of the Society may inspect their own account and the books containing the names of the members, including the information referred to above in the register of members, at all reasonable hours at the registered office or at any place where they are kept. This right of inspection is subject to any regulations about the time and manner of inspection which may be made by the members of the Society in an Ordinary meeting.</p>	<p>56. Right of inspection</p> <p>Any Member or person having an interest in the funds of the Society may inspect their own account and the registers containing the names of the Members, including the information referred to in Rule 55 and section 103 of the Act, at all reasonable hours at the registered office or at any place where they are kept. This right of inspection is subject to any regulations about the time and manner of inspection which may be made by the Members of the Society at a Members' meeting.</p>
<p>Comment: No substantive change.</p>	
<p>67. Change of Address</p> <p>Any member changing his residence shall give notice of the change at the registered office of the Society within one calendar month after which the necessary alterations shall be made in the register of members.</p>	
<p>Comment: Moved to Updated Rule 9.</p>	
<p>68. Updating the Register of Members</p> <p>The Secretary may remove members from the register of members, in the following circumstances.</p> <p>Lost Contact</p>	<p>57. Untraced Members</p> <p>57.1 Where the Society has evidence that a Member no longer lives at the address shown in the Register of Members then, subject to carrying out the procedures set out in Rule 57.2,</p>

<p>68.1. Where the Society has evidence that a member no longer lives at the address shown in its register of members (“registered address”), then subject to carrying out the following procedures, the Secretary may remove the name of such member from the register of members, and the Society may then cancel their shares and forfeit to the Society the amount standing to the credit of such member in the share ledgers of the Society, together with any sum of money representing interest or dividend credited to the member in the books of the Society in respect of their shares (together referred to as “credit accounts”).</p> <p>68.2. The procedures are as follows.</p> <p>a) The Secretary shall take all reasonable steps to establish whether there is a forwarding address, and if there is one, to contact the member at the forwarding address with the information set out below.</p> <p>b) The Secretary shall cause advertisements to be posted conspicuously in all places of business of the Society to which members have access, giving the following information: advising that the Society intends after a notice period of not less than two calendar months to revise its register of members to remove those members no longer living at their registered address;</p> <p>(i) advising that any credit accounts of such members can be claimed within two years;</p> <p>(ii) providing postal, telephone and web site contact details for any person wishing to update their registered address, or to withdraw from membership of the Society and claim the funds contained in any credit account.</p>	<p>the Secretary may treat the membership as ceased and note the date membership ceased in the Register of Members.</p> <p>57.2 Before treating a membership as ceased the Secretary shall:</p> <p>(a) take all reasonable steps to establish whether there is a forwarding address, and if there is one, to contact the Member at the forwarding address with the information set out in Rule 57.2(b)(i) and (ii); and</p> <p>(b) advertise in all places of business of the Society to which Members have access, or if no such place exists, take steps to publish an advertisement on its website and in the local media giving the following information:</p> <p>(i) advising that the Society intends to, after a notice period of not less than two calendar months, revise its Register of Members to indicate that Members no longer living at their registered address have ceased to be Members of the Society; and</p> <p>(ii) providing contact details to enable any Member to confirm their registered address, or to confirm that they wish to withdraw from membership of the Society;</p> <p>57.3 At the end of the notice period set out in Rule 57.2(b)(i), if those Members have not made contact with the Society to confirm otherwise, the Secretary shall amend the Register of Members to show that those memberships have ceased, and any associated shares have been cancelled.</p> <p>57.4 The remaining amount standing to credit of such ceased Member in the share account of the Society, together with any</p>
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<p>c) At the end of the notice period, the Secretary shall cause the register of members to be revised by removing those members no longer living at their registered address, cancelling their shares and transferring any credit accounts of any such members to a suspense account within the books of the Society.</p> <p>d) At the end of a period of two years commencing with the date upon which any credit accounts have been transferred to a suspense account, any such credit accounts that remain unclaimed shall be forfeited to the Society.</p> <p>e) No credit account containing more than £15 shall be capable of forfeiture under this clause of this rule.</p>	<p>sum of money representing interest or dividend credited to the member in the records of the Society in respect of their shares, shall be transferred to a suspense account within the books of the Society.</p> <p>57.5 At the end of the period of two calendar years commencing with the date upon which any credit account has been transferred to a suspense account, any such credit accounts that remain unclaimed shall be forfeited to the Society. If, at any time following forfeiture, a person demonstrates such proof of lawful entitlement to the sum of a forfeited credit account as the Society shall reasonably require, then the Society shall transfer the forfeited sum to them within three months of receiving said proof of entitlement.</p>
<p>Comment: Updated wording but no change to process. £15 limit removed but Society obligated to return forfeited money if someone later provides proof of entitlement.</p>	
<p>69. Insufficient share account balance</p> <p>69.1. If a member has not throughout the immediately preceding period of twelve calendar months maintained a balance in their share account of at least £1, then subject to carrying out the following procedures, the Secretary may remove the name of such member from the register of members, and the Society may cancel their shares and forfeit to the Society the amount standing to the credit of such member in the share ledgers of the Society together with any sum of money representing interest or dividend credited to the member in the books of the Society in respect of their shares.</p> <p>69.2. The procedures are as follows:</p>	<p>58. Insufficient share account balance</p> <p>58.1 If a Member is found to have not maintained a balance in their share account of at least £1.00 then, subject to carrying out the procedures set out in Rule 58.2, the Secretary may remove the Member from membership.</p> <p>58.2 Before removing a Member from membership the Society shall:</p> <p>(a) give not less than two calendar months' notice to the Member stating that it is proposed to cancel their share and specifying the sums to be forfeited to the Society;</p> <p>(b) state in the notice that, unless the Member increases the balance in their share account to £1.00 within the</p>

<p>a) The Society shall give not less than two calendar months notice to the member stating that it is proposed to cancel their share and specifying the sums to be forfeited to the Society.</p> <p>b) Unless the member shall within the period of notice increase the balance in their share account to £1, the Society shall cancel and forfeit their share.</p> <p>c) A notice under the provisions of this clause may be sent to the member by pre-paid ordinary letter post at their registered or last known address and shall include a statement to the effect that if the member objects to the cancellation and forfeiture of their share and wishes to remain a member of the Society, they should within two calendar months increase the balance on their account to £1.</p>	<p>period of notice, the Society shall cancel and forfeit their share; and</p> <p>(c) send the notice to the Member's registered or last known address and include a statement to the effect that if a Member objects to the cancellation and forfeiture of their share and wishes to remain a Member they should increase the balance in their account to £1.00 within the period of notice.</p> <p>58.3 Once a Member is removed from membership under this Rule, the Society shall cancel the Member's shares and any credit, interest or dividend payments included in the books of the Society in respect of the Member's shares shall be forfeited to the Society.</p>
<p>Comment: Updated wording but no change to process.</p>	
<p>70. Auditor</p> <p>70.1. 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.</p> <p>70.2. None of the following persons shall be appointed as auditor of the Society –</p> <p>a) an officer or employee of the Society;</p>	<p>Audit</p> <p>59.1 The Society shall, unless it meets the requirements under Sections 83 or 84 of the Act, appoint an auditor to act for each financial year to audit the Society's accounts and balance sheet.</p> <p>59.2 An auditor for the preceding financial year shall be re-appointed as auditor of the Society for the current financial year unless any of the exceptions set out in Section 93 of the Act apply.</p> <p>59.3 The following persons shall not be appointed as auditor of the Society:</p> <p>(a) a director, officer or employee of the Society; or</p>

<p>b) a person who is a partner of or in the employment of or who employs an officer or employee of the Society.</p> <p>70.3. At least every ten years, the Society shall offer the opportunity of appointment as auditor to other qualified persons.</p> <p>70.4. An auditor may be appointed by either the Board or by the members at a members' meeting of the Society.</p> <p>70.5. An auditor appointed to audit the accounts and balance sheet of the Society for the preceding year of account shall be reappointed as auditor of the Society for the current year of account unless –</p> <p>a) a resolution has been passed at a members' meeting of the Society appointing somebody instead of him or providing expressly that he shall not be reappointed, or</p> <p>b) he has given to the Society notice in writing of his unwillingness to be reappointed</p> <p>c) he is not a qualified auditor or is a person mentioned in Clause (b) of this rule, or</p> <p>d) he has ceased to act as auditor of the Society by reason of incapacity.</p> <p>70.6. A retiring auditor shall not be automatically reappointed if notice of an intended resolution to appoint another person in his place has been given in accordance with these Rules and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or is a person prohibited from appointment by these Rules.</p>	<p>(b) a person who is a spouse or partner of, or in the employment of, or who employs a director, officer or employee of the Society;</p> <p>59.4 At least every ten years, the Society shall re-tender for the provision of the external audit.</p> <p>59.5 An auditor may be appointed by either the Board or by the members at a Members' meeting.</p> <p>59.6 Any resolution of a Members' meeting, either to remove an auditor from office or appoint another person as auditor, shall not be effective unless notice of the proposed resolution has been served by the Board to the Society at least twenty-eight clear days prior to the meeting at which the resolution is to be considered. The notice must be served in writing upon the auditor as soon as possible. At least twenty-one clear days' notice of such resolution must then be given to Members in the manner prescribed in these Rules.</p> <p>59.7 When required by the Act, or where the membership requires it, the Board shall cause the accounts of the Society to be submitted at least once in every year to the auditor for audit.</p> <p>59.8 For the purposes of any audit, the auditor shall be given access to and be entitled to call for and examine all books, deeds, documents, and accounts of the Society. They shall be entitled to require from the Board such information and explanations as they think necessary for the performance of their duties. The auditor shall be entitled to attend any Members' meeting of the Society, to receive all notices of and other communications relating to any Members' meeting, which any Member of the Society is also entitled to receive, and to be heard at any meeting which they attend, or any part</p>
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<p>70.7. A resolution at a members meeting of the Society –</p> <ul style="list-style-type: none"> a) appointing another person as auditor in place of a retiring auditor, or b) providing expressly that a retiring auditor shall not be reappointed shall not be effective unless notice of the intention to move it has been given to the Society not less than 28 days before the meeting at which it is to be moved. On receipt by the Society of notice of such an intended resolution the Society shall forthwith send a copy of the notice to the retiring auditor. If it is practicable to do so the Society shall give notice to its members of the intended resolution at the same time and in the same manner as it gives notice in accordance with these rules of the meeting at which the resolution is to be moved or, if that is not practicable, by advertisement not less than 14 clear days before the said meeting in a newspaper circulating in the area in which the Society conducts its business. Where the retiring auditor makes any representations in writing to the Society with respect to the intended resolution or notifies the Society that he intends to make such representations the Society shall notify the members accordingly as required by Section 95(3) of the Act. <p>70.8. The auditor shall in accordance with Section 87 of the Act, make a report to the Society on the accounts examined by him and on the revenue account or accounts and the balance sheet of the Society for the year of account in respect of which he is appointed.</p>	<p>of the business of the meeting which concerns them as auditor.</p>
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<p>70.9. The Board shall cause the accounts of the Society to be submitted at least once in every year to the auditor for audit.</p> <p>70.10. For the purposes of any audit the auditor shall be given access to and be entitled to call for and examine all books, deeds, documents, and accounts of the Society. He shall be entitled to require from the officers of the Society such information and explanations as he thinks necessary for the performance of his duties. The auditor shall be entitled to attend any ordinary meeting of the Society, to receive all notices of and other communications relating to any ordinary meeting which any member of the Society is entitled to receive, and to be heard at any meeting which he attends on any part of the business of the meeting which concerns him as auditor.</p>	
<p>Comment: updated in line with Co-ops UK Model Rules.</p>	
<p>71. Books of Account</p> <p>The Board shall require proper books of account to be kept with respect to the transactions of the Society, its assets and liabilities, and establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances in accordance with Section 7 of the Act.</p> <p>72. Accounts to be laid before Meetings</p> <p>The Board shall in respect of each year of account –</p> <p>72.1. require a revenue account or revenue accounts to be prepared which singly or together deal with the affairs of the Society as a whole for that year and which give a true and fair view of the income and expenditure of the Society for that year; and</p>	<p>Accounts</p> <p>60.1 In accordance with the Act, the Society shall ensure that proper books of account are kept with respect to its transactions and its assets and liabilities, and that a satisfactory system of control of its books of accounts, cash holdings, and all its receipts and remittances, is established and maintained.</p> <p>60.2 In each year of account, the Board shall ensure that:</p> <p>(a) a revenue account(s) is prepared, which separately, or together, deal with the affairs of the Society as a whole for that year and which give a true and fair view of the income and expenditure of the Society for that year;</p>

<p>72.2. require a balance sheet to be prepared giving a true and fair view as at the date thereof of the state of the affairs of the Society.</p> <p>The Board shall have power to prepare in addition a revenue account or revenue accounts for less than one year of account and a balance sheet at the end of the period covered by such revenue account or revenue accounts.</p> <p>Every balance sheet presented to a meeting of members shall be accompanied by a report of the Board, on the state of the Society's affairs. Such report shall contain details of any compensation payments for loss of office made to the chief executive or to any other senior executive or any member of the Board, and be signed by the chairman of the meeting of the Board adopting the report.</p> <p>In the preparation of accounts the Board shall ensure that the Society adopts and conforms strictly to the Generally Accepted Accounting Practices ("GAAP") applicable to the country in which the principle trading activities of the Society are conducted.</p> <p>73. Publication of Accounts and Balance Sheets</p> <p>The Board may only publish a revenue account or balance sheet if it has been audited by the auditor and it incorporates a report by the auditor stating whether in his opinion it gives a true and fair view of the income and expenditure, and of the state of the affairs of the Society. Every balance sheet published shall be signed by the secretary and by two directors acting on behalf of the Board.</p> <p>74. Copy of Balance Sheet to be sent to the Financial Conduct Authority</p> <p>A copy of each balance sheet made during the period included in any annual return shall be sent by the secretary to the Financial Conduct</p>	<p>(b) a balance sheet is prepared giving a true and fair view as to the state of the affairs of the Society; and</p> <p>(c) the Society adopts and conforms to the relevant accounting standards applicable to the Society. Any variation shall be reported clearly to the Members in the Society's annual report.</p> <p>60.3 The Board shall, if it thinks fit, prepare a revenue account(s) for less than one year of account and a balance sheet at the end of the period covered by such revenue account(s).</p> <p>60.4 Every revenue account and balance sheet presented to the annual general meeting shall be accompanied by a report of the Board on the state of the Society's affairs.</p> <p>60.5 If the Society is required to have its accounts audited, any financial statements shall be reviewed by the auditor and any revenue account(s) or balance sheet shall be audited by the Society's auditor, and an auditor's report produced, prior to publication.</p>
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<p>Authority together with the annual return and such copy shall incorporate the report made by the auditor.</p> <p>75. Copy of Balance Sheet to be displayed</p> <p>The Society shall keep a copy of the last balance sheet for the time being, together with the report of the auditor, always displayed in a conspicuous place at its registered office.</p>	
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>76. Registration</p> <p>The Society's registered office is at Hillwood House, 2 Harvest Drive, Newbridge, EH28 8QJ.</p>	
<p>Comment: Moved to Updated Rule 1.</p>	
<p>77. Name</p> <p>The name of the Society shall be clearly displayed:</p> <p>77.1. on the outside of every office or place of business of the Society;</p> <p>77.2. in all business letters, notices, advertisements, official publications, bills of exchange, promissory notes, endorsements, cheques, orders for money or goods purporting to be signed by or on behalf of the Society, and on all bills, invoices, receipts, or letters of credit of the Society.</p>	
<p>Comment: Deleted – this is a statutory requirement so no need to include in Rules.</p>	
<p>78. Minutes</p> <p>The Secretary shall arrange for minutes of all Members' meetings, Board and Regional Committee meetings to be kept.</p>	<p>62. Minutes</p> <p>The Secretary shall arrange for minutes of all Members' meetings, Board meetings, Board committee meetings and Regional Committee meetings, to be kept.</p>
<p>Comment: Added board committees.</p>	

<p>79. Website</p> <p>The Society shall determine if it shall maintain a website which may be used as a method by which the Society may communicate with the Members. Any website shall clearly show the name of the Society and its registered office address.</p>	
<p>Comment: Deleted. Now covered in Updated Rule 63.</p>	
<p>80. Powers</p> <p>The Society shall have full power to do all things necessary or expedient for accomplishing any of its functions.</p> <p>In particular it may:</p> <p>80.1. purchase, hold, sell, mortgage, rent, lease or sub-lease lands of any tenure and to erect, pull down, repair, alter or otherwise deal with any building on those lands;</p> <p>80.2. enter into block discounting transactions;</p> <p>80.3. enter into any guarantee, contract of indemnity or suretyship, whether by personal covenant or by mortgage or charge on all or any part of the undertaking, property or assets of the Society or partly in one way and partly in the other and in particular (but without prejudice to the generality of the foregoing) with or without consideration to guarantee or give security as aforesaid for the payment without limit of any principal monies, premiums, interest and other monies secured by or payable under any obligations or securities including particularly obligations or securities of any society which holds shares in the</p>	<p>6. Powers</p> <p>The Society shall have full power to do all such lawful things necessary or expedient for furthering any of the Society's objects or functions. In particular, it may:</p> <p>(a) purchase, hold, sell, mortgage, rent, lease or sub-lease lands of any tenure and to erect, pull down, repair, alter or otherwise deal with any building on those lands;</p> <p>(b) enter into any guarantee, contract of indemnity or suretyship, whether by personal covenant or by mortgage or charge on all or any part of the undertaking, property or assets of the Society or partly in one way and partly in the other and in particular (but without prejudice to the generality of the foregoing) with or without consideration to guarantee or give security as aforesaid for the payment without limit of any principal monies, premiums, interest and other monies secured by or payable under any obligations or securities including particularly obligations or securities of any society which holds shares in the Society or which is a subsidiary of the Society, and of any company which is a subsidiary of the Society;</p>

<p>Society or which is a subsidiary of the Society, and of any company which is a subsidiary of the Society.</p> <p>80.4. establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Society by or for the benefit of any individuals who are employees or former employees of the Society or any subsidiary society or company upon such terms as the Board shall approve ('an Employee Share Scheme), and to establish, maintain, manage, support and contribute to any schemes for sharing profits of the Society or any such subsidiaries with any such employees or former employees.</p> <p>80.5. upon such terms and conditions as the Board think fit obtain from time to time advances of money for the purpose of the Society and mortgage or charge any of its property and issue debentures and other securities; provided that the amount of money advanced for the time being remaining undischarged shall not at any time exceed 70% of the Society's net worth, calculated in accordance with the method of the Society's principal bankers. For the purposes hereof "net worth" means the aggregate of (i) the amount of paid up share capital of this Society for the time being and (ii) the aggregate amount of all reserves as shown in the audited Accounts of this Society at its year end following the advance; but</p> <p>a) the interest payable on advances, other than advances on bank overdraft and loans secured by mortgage or charge shall not exceed a rate equivalent to 3 per cent per annum above The Royal Bank of Scotland plc base rate or such other bank as may act</p>	<p>(c) establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Society by or for the benefit of any individuals who are employees or former employees of the Society or any subsidiary society or company upon such terms as the Board shall approve (an "Employee Share Scheme"), and to establish, maintain, manage, support and contribute to any schemes for sharing profits of the Society or any such subsidiaries with any such employees or former employees;</p> <p>(d) borrow money, mortgage or charge any of its property and issue debentures and other securities upon such terms and conditions as the Board thinks fit; provided that:</p> <p>(i) the amount of money advanced for the time being remaining undischarged shall not at any time exceed 70% of the Society's net worth, calculated in accordance with the method of the Society's principal bankers. For the purposes hereof "net worth" means the aggregate of (i) the amount of paid-up share capital of the Society for the time being and (ii) the aggregate amount of all reserves as shown in the audited accounts of the Society at its year end following the advance;</p> <p>(ii) the interest payable on advances, other than advances on bank overdraft and loans secured by mortgage or charge shall not exceed a rate equivalent to 3 per cent per annum above the base rate of such bank as may act as the principal</p>
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<p>as the principal bankers to the Society or 5 per cent per annum whichever is the higher. In this rule “The Royal Bank of Scotland plc base rate or such other bank as may act as the principle bankers to the Society” means The Royal Bank of Scotland plc base rate at the time of making the advance or at such time within the two years prior to the making of the advance or, in the case of an advance which is renewed after becoming repayable, within two years prior to its renewal (if renewed more than once) as the Board determines. In the event of The Royal Bank of Scotland plc or such other banks may act as the principal bankers to the Society, ceasing to publish a base rate then an equivalent rate of interest shall apply.</p> <p>b) charges or debentures may contain a fixed charge upon any property of the Society specified therein and/or a floating charge upon its undertaking and all its property and assets both present and future, and a separate register shall be kept of all such charges and debentures.</p> <p>80.6. establish a pension or superannuation scheme for the benefit of its employees and pay contributions to and enter into any contract or trust deed for this purpose. The Society shall also have power to make such other provision for pensions for the benefit of its employees as it considers appropriate;</p> <p>80.7. may receive from any persons, whether members or not, sums on deposit, withdrawable on not less than two clear days’ notice, not exceeding in total the amount prescribed by the Act.</p>	<p>bankers to the Society or 5 per cent per annum whichever is the higher. In this rule “the base rate of such bank as may act as the principal bankers to the Society’ means the base rate at the time of making the advance or at such time within the two years prior to the making of the advance or, in the case of an advance which is renewed after becoming repayable, within two years prior to its renewal (if renewed more than once) as the Board determines. In the event of the bank that acts as the principal bankers to the Society ceasing to publish a base rate then an equivalent rate of interest shall apply; and</p> <p>(iii) charges or debentures may contain a fixed charge upon any property of the Society specified therein and/or a floating charge upon its undertaking and all its property and assets both present and future, and a separate register shall be kept of all such charges and debentures;</p> <p>(e) establish a pension or superannuation scheme for the benefit of its employees and pay contributions to and enter into any contract or trust deed for this purpose; or make such other provisions for pensions for the benefit of employees as the Society considers appropriate;</p> <p>(f) receive from any persons, whether Members or not, sums on deposit not exceeding in total the amount permitted under the Act, withdrawable on not less than two clear days’ notice; or</p>
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<p>80.8. issue a debenture or other security or mortgage or charge, as a continuing security to cover any sum due or to become due upon the account of the Society to any person with whom it may transact banking business but not exceeding the amount up to which the Society may obtain advances.</p>	<p>(g) issue a debenture or other security or mortgage or charge, as a continuing security to cover any sum due or to become due upon the account of the Society to any person with whom it may transact banking business but not exceeding the amount up to which the Society may obtain advances.</p> <p>(h) pay interest to Members on paid up share capital at such rate as may be determined by the Board from time to time, provided that the rate of interest paid does not exceed the minimum rate necessary in the opinion of the Board to obtain the required share capital and thereafter to retain it.</p>
<p>Comment: no substantive changes.</p>	
<p>81. Power to Invest Capital</p> <p>The capital of the Society may be invested –</p> <p>81.1. in advances to members or others on the security of real or personal property and</p> <p>81.2. in or upon any of the securities or shares specified in Section 31 of the Act or in any partnership, Scottish limited partnership or any corporate body.</p> <p>82. Power to Vote in respect to Investments</p> <p>The Board may appoint a representative to act on behalf of the Society in relation to any other body corporate in the shares or on the security of which the Society has invested any part of its capital, although the person appointed is not a shareholder in such other body corporate.</p>	<p>7. Power to invest</p> <p>7.1 The Board may invest any part of the capital and funds of the Society in any manner which the Board may from time to time determine. This includes:</p> <p>(a) advances to Members or others on the security of heritable or moveable estate; and</p> <p>(b) in or upon any of the securities or shares specified in the Act, or in any corporate or unincorporated body.</p> <p>7.2 The Board may appoint a representative to act on behalf of the Society in relation to shares or securities in any other corporate or unincorporated body in which the Society has invested any part of its capital or funds.</p>

Comment: wording update but no change to powers.	
<p>83. Annual Return to be sent to the Financial Conduct Authority</p> <p>The Society shall within the time allowed by legislation in each year send to the Financial Conduct Authority:</p> <p>83.1. a general statement in the prescribed form, called the annual return, relating to its affairs during the period covered by the return;</p> <p>83.2. a copy of the report of the auditor on the Society's financial statements for the period included in the return; and</p> <p>83.3. a copy of each revenue account and balance sheet made during that period and of any report of the auditor on that balance sheet.</p>	<p>61. Annual Return</p> <p>In accordance with the Act, each year the Society shall send an annual return, in the prescribed form and within the prescribed time period, to the Registrar.</p>
Comment: updated to simplify.	

<p>84. Copies of Annual Return and Rules</p> <p>The secretary shall supply:</p> <p>84.1. a copy of the most recent annual return of the Society to any member or person interested in the Society's funds who asks for it, free of charge. When doing so, the Secretary shall also supply a copy of the report of the auditor on the accounts and balance sheet contained in the return.</p> <p>84.2. A copy of these Rules to any person who asks for them, on payment of such amount fixed by the Board subject to the statutory maximum.</p>	<p>64. Copies of Rules and Annual Return</p> <p>64.1 A copy of these Rules and any amendments to them shall be made available on the Society's website and shall be provided to any other person on demand and on payment of the statutory fee chargeable for the time being in force. In accordance with the Act, the first copy of the Rules issued to any Member will be issued free of charge.</p> <p>64.2 The Secretary shall supply on demand and free of charge to any Member or 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 (if any) on the accounts and balance sheet contained in the annual return.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>85. Determination of Disputes</p> <p>Any dispute arising between a member or any person aggrieved who has for not more than 6 calendar months ceased to be a member, or any person claiming through such member or person aggrieved, or under these rules, and the Society, or an officer thereof shall be decided by the three arbitrators to be chosen for this purpose as is hereinafter mentioned and any decision made by such arbitrators shall be binding and conclusive on all parties without appeal and application for the enforcement of such a decision may be made to the sheriff's Court.</p> <p>86. Appointment of Arbitrators</p> <p>The Society in meeting shall appoint five arbitrators, not being persons directly or indirectly interested in the funds of the Society, and in the event of any dispute arising as aforesaid the three arbitrators to be chosen to decide the dispute shall be those persons</p>	<p>66. Disputes and arbitration</p> <p>66.1 Any disputes or questions arising out of, or in connection with, these Rules, including any questions regarding their existence, validity or termination, or the legal relationships established by these Rules, shall be referred to mediation by a mediator agreed by the parties. If the parties are unable to agree on a mediator, then either party may apply to Co-operatives UK (or any role or body that succeeds them) to appoint a mediator.</p> <p>66.2 In the event that a dispute cannot be concluded by reference to a mediator, the matter may be referred to the Sheriff Court (in Scotland) or the County Court (in England).</p> <p>66.3 Any person bringing a dispute must, if so required, deposit with the Society the sum of £500 by way of security for costs.</p>

<p>whose names are drawn by lot from amongst the names of the five arbitrators aforesaid by the complaining party to the dispute or, if there is more than one such party in any dispute, by that party whose name comes first in alphabetical order. If there are less than three arbitrators appointed as aforesaid the Co-operatives UK Limited, or such other appropriate appeal body as determined by the Society, shall if requested, appoint the three arbitrators for determination of a dispute.</p> <p>87. Vacancies</p> <p>Any vacancy in the number of arbitrators shall be filled by the first ordinary meeting after it has occurred, or if not so filled by the Board.</p> <p>88. Cost of Arbitration</p> <p>The cost of any arbitration shall be borne as the arbitrators may direct and any complaining party shall deposit the sum of £500 with the Society by way of security for costs.</p>	<p>The arbitrator will decide how the costs of the arbitration are to be apportioned and what should be done with the deposit.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>89. Notice</p> <p>A notice required to be given by the Society to any member under these rules (other than a notice convening a meeting) or under the Act or otherwise shall be given by sending it by post to the member at his address in the register of members or by leaving it thereat. A notice sent by post shall be deemed to be served by properly addressing, prepaying, and posting a letter containing the notice and be deemed to have been served in the ordinary course of post.</p>	<p>63. Means of communication with Members and directors</p> <p>63.1 The Society shall determine if it shall maintain a website which may be used as a method by which the Society may communicate with Members. Any such website shall clearly show the name of the Society and its registered office address.</p> <p>63.2 A notice required to be given by the Society to any Member(s) or director(s) under these Rules or under the Act may be given by:</p>

	<p>(a) sending the notice to the Member(s) or director(s) at their address in the Register of Members or Register of Directors and Officers;</p> <p>(b) using electronic means, where a Member or director has provided the Society with an address for electronic communication for any purpose. The Society shall be deemed to have the consent of the Member or director to communicate via electronic means unless the Member or director concerned withdraws that consent by notice in writing to the Society; and/or</p> <p>(c) displaying notices conspicuously at the registered office of the Society and in other places of business of the Society to which Members have access.</p> <p>63.4 A notice sent to a director's address shall be deemed to have been duly served forty-eight hours after it has been posted or sent. A director may agree with the Society that notices or documents sent to them in a particular way, including by electronic means, 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 forty-eight hours.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules, primarily around different methods of communication.</p>	
<p>90. Complaints and Suggestions</p> <p>If any member has a complaint to make relative to the qualities or prices charged for goods or services supplied by the Society, such complaint shall, in the first place, be made to the person in charge of the shop or department where the goods or services were supplied or, failing redress, to Customer Services and, if no satisfaction has</p>	

<p>been obtained, in writing to the Chief Executive Officer. Any such complaint not settled to the satisfaction of the parties complaining shall be referred to the next Board meeting, whose decision shall be final.</p> <p>Any complaint against any employees of the Society shall be made, in the first place, to Customer Services and, if no satisfaction has been obtained, in writing to the Chief Executive Officer, whose decision shall be final.</p> <p>Any member may likewise send to the Board, in writing, any suggestions for carrying into better effect the objects of the Society.</p>	
<p>Comment: Deleted. This is not a 'rule' and there are more appropriate places for the business to explain how people should submit complaints against employees or about products.</p>	
<p>91. Application of Profits</p> <p>The net profits of all business carried on by or on account of the Society shall be applied as follows:</p> <p>91.1. in paying interest upon the paid up share capital at such rate, not exceeding a rate equivalent to 1 per cent above the base lending rate of The Royal Bank of Scotland plc or such other bank as may act as the principal bankers to the Society, or 5 per cent per annum whichever is the higher, as the Board may from time to time determine.</p> <p>In the event of The Royal Bank of Scotland plc or such other bank as may act as principal bankers to the Society, ceasing to publish a base lending rate then an equivalent rate of interest shall apply;</p> <p>91.2. in setting aside to the reserve fund such amounts, if any, as the Board may determine;</p>	<p>67. Application of profits</p> <p>67.1 The net profits of all business carried on by or on account of the Society shall be applied as follows:</p> <p>(a) paying a dividend to Members in respect of the value of the qualifying purchases made by them from the Society and to any other person as decided by an ordinary resolution of the Members, provided that:</p> <p>(i) payments of dividends should be based on the Members' participation in the Society and should be paid in equitable proportion to their trade with the Society;</p> <p>(ii) the Board may determine that no dividend or that reduced rates of dividend shall be paid in respect of such purchases, and such power of determination shall extend to the specification of goods or services and/or</p>

<p>91.3. in setting aside to the Regional Committees such an amount of the net profits as the Board may from time to time determine in order to support community based initiatives which support the interests of the Society, its members and the community within the Society's principle trading area.</p> <p>91.4. in paying, while the Society continues to be a member of the Co-operative Party, such subscriptions to the funds of the Party as the Board may from time to time determine;</p> <p>91.5. in paying out of the balance of the profits remaining after application as aforesaid such dividend upon the value of the purchases made from the Society as an ordinary meeting may declare to persons who were members of the Society at the time of such declaration and, where an ordinary meeting so determines, to any other persons.</p> <p>91.6. in paying the cost of such shares as the Board shall decide to issue under the terms of any Employee Share Scheme. Provided that:</p> <p>a) the Board may determine that no dividend or that reduced rates of dividend shall be paid in respect of such purchases as it specifies from time to time, such power of determination shall extend to the specification of goods or services and/or to the places or areas in which goods are sold or services provided by the Society;</p> <p>b) no dividend shall exceed the amount recommended by the Board;</p> <p>c) the Board may from time to time pay such interim</p>	<p>to the places or areas in which goods are sold or services provided by the Society;</p> <p>(i) no dividend shall exceed the amount recommended by the Board;</p> <p>(ii) the Board may, at its discretion, pay such interim dividend as it deems to be justified by the profits of the Society. Qualifying purchases on which an interim dividend has been paid shall not rank for dividend in the final distribution of profits in any one financial year; and</p> <p>(iii) any amount payable in respect of a dividend which is not withdrawn by a Member within one calendar month after it has become payable, may be applied in payment for any amount unpaid on the Member's shares or for further shares;</p> <p>(b) setting aside such amount as the Board may determine for the purposes of promoting education, culture or recreation;</p> <p>(c) making such payments for charitable purposes or for the benefit of the community as the Board shall determine;</p> <p>(d) setting aside to the Regional Committees such community budgets as the Board may determine from time to time in order to support community-based initiatives which support the interests of the Society, its Members, and the communities within the Society's principal trading area;</p>
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<p>dividend as appears to them to be justified by the profits of the Society and purchases on which an interim dividend has been paid shall not rank for dividend in the final distribution of profits in any one year;</p> <p>d) any amount payable in respect of a dividend which is not withdrawn by a member within one calendar month after it has become payable may be applied towards the payment of any amount unpaid on the member's shares or the allocation of further shares;</p> <p>e) in making payments for any lawful purpose whatsoever whether within the objects for which the Society is formed or not provided that no distribution of profits aforesaid to the members shall be made except as is expressly provided for in this rule.</p> <p>f) in retaining as reserves any of the profits not applied in one of the ways set out above.</p>	<p>(e) paying the cost of such shares as the Board decides to issue under the terms of the Employee Share Scheme;</p> <p>(f) paying, while the Society continues to be a member of the Co-operative Party, such subscriptions to the funds of the Party as the Board may determine from time to time;</p> <p>(g) making payments for any lawful purpose whatsoever whether within the objects for which the Society was formed or otherwise, provided that no distribution of the profits shall be made to Members except as is expressly provided for in these Rules;</p> <p>(h) setting aside to a reserve fund such amount, if any, as the Board may determine; and</p> <p>(i) retaining as reserves any of the profits not applied in one of the methods set out above.</p>
<p>Comment: Updated in line with Co-ops UK Model Rules.</p>	
<p>92. Application of General Reserve Fund</p> <p>The General Reserve Fund shall be applied in meeting any contingency affecting the business of the Society as the directors may recommend and as a meeting of the Society may by resolution determine, provided that the moving of such resolution was specified as business of the meeting in the notice convening the meeting.</p>	<p>68. Application of General Reserve Fund</p> <p>The General Reserve Fund shall be applied in meeting any contingency affecting the business of the Society as the directors may recommend and as a Members' meeting may by resolution determine, provided that the moving of such resolution was specified as business of the meeting in the notice convening the meeting.</p>
<p>Comment: no change</p>	
<p>93. Majority Requisite to make Alterations</p>	<p>69. Majority requisite to make alterations</p>

<p>Any of these rules may be rescinded or altered, or any new rule may be made, by a resolution passed at the annual general meeting or at a special meeting of the Society by two-thirds of the members present and voting.</p> <p>Provided always that this rule and Rules 26, 30 and 97 may only be rescinded or altered by a resolution passed at a special meeting of the Society at which 95% of the total votes cast have been cast in favour of such resolution.</p>	<p>Any of these Rules may be rescinded or altered, or any new rule may be made, by a resolution passed at the annual general meeting or at a special meeting of the Society by two-thirds of the Members present and voting. Provided always that this Rule and Rules 26.1, 33 and 72 may only be rescinded or altered by a resolution passed at a special meeting of the Society at which 95% of the total votes cast have been cast in favour of such resolution.</p>
<p>Comment: No change.</p>	
<p>94. Registration of Alterations</p> <p>No amendment of rules is valid until registered. When submitting rule amendments for registration the secretary may at his sole discretion accept any alterations required or suggested by the Financial Conduct Authority without reference back to a further special meeting of the Society.</p>	<p>70. Registration of alterations</p> <p>No amendment of the Rules is valid until registered. When submitting Rule amendments for registration the secretary may at their sole discretion accept any alterations required or suggested by the Financial Conduct Authority without reference back to a further special meeting of the Society.</p>
<p>Comment: No change</p>	
<p>95. Amalgamation, Transfer of Engagements and Conversion</p> <p>95.1. The Society may, by special resolution passed in manner prescribed by the Act, amalgamate with or transfer its engagements to any other society or company, or convert itself into a company under the Companies Acts. The Society may also accept a transfer of engagements and assets by resolution of the Board or of a meeting of members.</p> <p>95.2. For the purposes of this Rule the term "transaction" shall refer to a transaction with a third party organisation comprising a takeover, amalgamation, transfer of engagements or transaction of like effect whereby the Society ceases to exist independently of</p>	<p>71. Amalgamation, transfer of engagements and conversion</p> <p>71.1 The Society may, by special resolution passed in manner prescribed by the Act, amalgamate with or transfer its engagements to any other society or company, or convert itself into a company under the Companies Acts. The Society may also accept a transfer of engagements and assets by resolution of the Board or of a meeting of Members.</p> <p>71.2 For the purposes of this Rule the term "transaction" shall refer to a transaction with a third party organisation comprising a takeover, amalgamation, transfer of engagements or transaction of like effect whereby the Society ceases to exist independently of or is under the control of the said third party organisation. Where a third party organisation instigates an</p>

<p>or is under the control of the said third party organisation. Where a third party organisation instigates an approach which may include entering into detailed discussions with any member of the Board before a Board resolution in support of the transaction is approved this is referred to as an “unsolicited transaction”.</p> <p>95.3. No Elected representative or director of the Society shall be entitled to receive in connection with, or as a consequence of, any unsolicited transaction a payment, in cash or in kind, by way of compensation for loss of office or otherwise, however described, from the Society, the third party organisation with whom the unsolicited transaction takes place, or from any other person or organisation.</p> <p>95.4. Unless a transaction receives unanimous approval from the Board, no Elected representative or director of the Society shall be entitled to receive in connection with, or as a consequence of, any transaction a payment, in cash or in kind, by way of compensation for loss of office or otherwise, however described, from the Society, the third party.</p> <p>95.5. organisation with whom the transaction takes place, or from any other person or organisation.</p> <p>95.6. Each member of the Board shall execute a Binding Undertaking in a format approved by the Board acknowledging that the member of the Board will not seek or receive any payment in breach of Rules 96.3 or 96.4 and any person who fails to execute such an undertaking when required to do so by the Secretary shall immediately cease to be a director on receipt of</p>	<p>approach which may include entering into detailed discussions with any member of the Board before a Board resolution in support of the transaction is approved this is referred to as an “unsolicited transaction”.</p> <p>71.3 No elected representative or director of the Society shall be entitled to receive in connection with, or as a consequence of, any unsolicited transaction a payment, in cash or in kind, by way of compensation for loss of office or otherwise, however described, from the Society, the third party organisation with whom the unsolicited transaction takes place, or from any other person or organisation.</p> <p>71.4 Unless a transaction receives unanimous approval from the Board, no elected representative or director of the Society shall be entitled to receive in connection with, or as a consequence of, any transaction a payment, in cash or in kind, by way of compensation for loss of office or otherwise, however described, from the Society, the third party organisation with whom the transaction takes place, or from any other person or organisation.</p> <p>71.5 Each member of the Board shall execute a Binding Undertaking in a format approved by the Board acknowledging that the member of the Board will not seek or receive any payment in breach of Rules 71.3 and 71.4 and any person who fails to execute such an undertaking when required to do so by the Secretary shall immediately cease to be a director on receipt of notification to that effect from the Secretary.</p> <p>71.6 The right to enforce any Binding Undertaking granted in terms of Rule 71.5 shall vest in the Society, and if the Society fails or delays in so enforcing the undertaking, Co-operatives UK Limited, or such other appropriate appeal body as determined</p>
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<p>notification to that effect from the Secretary.</p> <p>95.7. The right to enforce any Binding Undertaking granted in terms of Rule 96.5 shall vest in the Society, and if the Society fails or delays in so enforcing the undertaking, Co-operatives UK Limited, or such other appropriate appeal body as determined by the Society, or any member on the share register immediately prior to the transaction taking place may do so in the name of the Society and any sums recovered shall go, after the expenses of such action have been paid, to a charity operating in the primary trading area of the Society as may be chosen by the Society, Co-operatives UK Limited or relevant member of the Society as the case may be.</p> <p>95.8. In the event of an unsolicited transaction taking place, as defined in these rules the third party organisation responsible for the unsolicited transaction shall be obliged at or prior to completion of the unsolicited transaction to:</p> <p>a) return those members of any of the Society's pension schemes, who were also members of the Society's pension schemes as at 8 October 2006 and who are in the Society's employment as at the date of completion of the unsolicited transaction, to the terms and conditions of membership of the Society's pension schemes which existed immediately before 8 October 2006 (the effective date of changes to the Scotmid Pension Plan); and</p> <p>b) make good in cash the whole of any deficit as at the date of completion of the unsolicited transaction, as determined by the Scheme Actuaries, of all pension</p>	<p>by the Society, or any Member on the share register immediately prior to the transaction taking place may do so in the name of the Society and any sums recovered shall go, after the expenses of such action have been paid, to a charity operating in the primary trading area of the Society as may be chosen by the Society, Co-operatives UK Limited or relevant Member of the Society as the case may be.</p> <p>71.7 In the event of an unsolicited transaction taking place, as defined in these Rules the third-party organisation responsible for the unsolicited transaction shall be obliged at or prior to completion of the unsolicited transaction to:</p> <p>(a) return those members of any of the Society's pension schemes, who were also members of the Society's pension schemes as at 8 October 2006 and who are in the Society's employment as at the date of completion of the unsolicited transaction, to the terms and conditions of membership of the Society's pension schemes which existed immediately before 8 October 2006 (the effective date of changes to the Scotmid Pension Plan);</p> <p>(b) make good in cash the whole of any deficit as at the date of completion of the unsolicited transaction, as determined by the Scheme Actuaries, of all pension schemes operated for the benefit of the Society's employees. The amount of cash required to be paid to the pension scheme(s) in order to make good the deficit shall be equivalent to the buy-out value of all pension schemes operated for the benefit of the Society's employees as at the date of completion of the unsolicited transaction and shall be determined by the Scheme Actuaries;</p>
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<p>schemes operated for the benefit of the Society's employees. The amount of cash required to be paid to the pension scheme(s) in order to make good the deficit shall be equivalent to the buy-out value of all pension schemes operated for the benefit of the Society's employees as at the date of completion of the unsolicited transaction and shall be determined by the Scheme Actuaries;</p> <p>c) pay to a charity/charities operating in the primary trading area of the Society such sum as represents 40 per cent of the net assets of the Society as shown in the most recent audited financial statements of the Society for the period ended prior to the date of completion of the unsolicited transaction. Any amount paid to charity as a result of the application of this rule shall be required to be used for the benefit of person/persons living within the primary trading area of the Society.</p> <p>d) The directors shall review, from time to time, a list of charities operating in the primary trading area of the Society and shall select from that list the charity/charities to benefit from the application of this rule.</p> <p>For the avoidance of doubt, this rule shall not come into force if the Society is reorganised due to an internal restructuring.</p>	<p>(c) pay to a charity/charities operating in the primary trading area of the Society such sum as represents 40 per cent of the net assets of the Society as shown in the most recent audited financial statements of the Society for the period ended prior to the date of completion of the unsolicited transaction. Any amount paid to charity as a result of the application of this rule shall be required to be used for the benefit of person/persons living within the primary trading area of the Society;</p> <p>(d) the directors shall review, from time to time, a list of charities operating in the primary trading area of the Society and shall select from that list the charity/charities to benefit from the application of this Rule.</p> <p>71.8 For the avoidance of doubt, this Rule shall not come into force if the Society is reorganised due to an internal restructuring.</p>
<p>Comment: No change</p>	
<p>96. Dissolution</p> <p>The Society may be dissolved:</p> <p>96.1. by winding up in manner provided by the Act</p>	<p>72. Dissolution</p> <p>72.1 The Society may be dissolved by:</p> <p>(a) winding up in a manner provided by the Act; or</p>

<p>96.2. by an instrument of dissolution signed by three-fourths of the members for the time being, in the form prescribed.</p> <p>If on the solvent dissolution or winding-up of the Society there remain after the satisfaction of all its debts and liabilities and the repayment of the paid-up share capital any assets whatsoever, such assets shall not be paid to or distributed among the members of the Society but shall be: -</p> <ul style="list-style-type: none"> a) transferred to one or more other societies in membership of Co-operatives UK having the same or similar rule provisions as regards surplus distribution as this rule, as may be determined by the members at an ordinary or special meeting; or b) transferred to such charity or charities established and maintained for the benefit of the community in the trading area of the Society at the time of any such dissolution or winding up as the Board shall determine; or c) if not so transferred shall be paid or transferred to the Co-operative's UK Limited. 	<ul style="list-style-type: none"> (b) an instrument of dissolution signed by three-fourths of the Members for the time being, in the form prescribed. <p>72.2 If on the solvent dissolution or winding-up of the Society there remain after the satisfaction of all its debts and liabilities and the repayment of the paid-up share capital any assets whatsoever, such assets shall not be paid to or distributed among the Members but shall be:</p> <ul style="list-style-type: none"> (a) transferred to one or more other societies in membership of Co-operatives UK having the same or similar rule provisions as regards surplus distribution as this Rule, as may be determined by the Members at an ordinary or special meeting; (b) transferred to such charity or charities established and maintained for the benefit of the community in the trading area of the Society at the time of any such dissolution or winding up as the Board shall determine; or (c) if not so transferred shall be paid or transferred to the Co-operative's UK Limited.
<p>Comment: no change.</p>	