

Registered Number 10143R

CENTRAL ENGLAND CO-OPERATIVE LIMITED

**Registered under the Co-operative and
Community Benefit Societies Act 2014**

RULES

Registered 1 June 2016

All previous Rules rescinded

Further revisions registered on:	- 26 January 2025
	- 8 November 2019
	- 28 June 2018

I N D E X

RULE		PAGE
	Definitions	3
1	Name	6
2A	Status of these Rules	6
3	Registered Office	6
4	Purpose	6
5	Values & Principles	6
8	Objects	7
9	Powers	7
11	Members	8
14	Application for Membership	8
19	Termination of Membership	9
20	Expulsion from Membership	9
21	Shares	10
31	Proceedings on Death or Bankruptcy of a Member	12
33	Organisation of the Society	12
35	Board	12
38	Chief Executive and Management Executive	13
39	Secretary	13
41	Membership & Community Councils	14
42	Members' Meetings	14
43A	Governance Review Decision Meetings	14
44	Business of Members' Meetings	15
48	Special Members' Meetings	16
50	Calling Members' Meetings	16
54	Notices	17
58	Auditor's Attendance at Members' Meetings	17
59	Attending and Voting at Members' Meetings	18
67	Procedure at Members' Meetings	18
74	Composition of the Board and Transitional Arrangements	19
82	Removal of a Director	21
87	Appointment of President and Vice-Presidents – Transitional Arrangements .	22

INDEX

RULE		PAGE
90	Eligibility to be a Director	23
92	Board Meetings	24
100	Disclosure of Interest	25
104	Committees	25
106	Remuneration and Protection of Directors	26
112	Member Committees	26
114	Appointments	27
115	Register of Members	27
116	Register of Directors and Officers	27
118	Right of Inspection	27
119	Updating the Register of Members	27
125	Audit	29
136	Accounts	31
144	Administrative Provisions	31
149	Disputes	33
150	Interest on Share Capital	33
151	Application of Trading Surplus	33
161	Political Affiliations	34
164	Amendment of Rules or Change of Society Name	35
167	Amalgamation, Transfer of Engagements, and Conversion	35
167A	Major Transactions.....	36
168	Dissolution	36
169	Liability of Members	36
170	Surplus of Assets	36

DEFINITIONS

In these Rules:

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

“the Act” refers to the Co-operative & Community Benefit Societies Act 2014 and any subsequent re-enacts;

“Adoption Date” means the date of registration of these updated Rules by the Registrar

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

“the Board” means all those persons appointed to perform the duties of the directors of the Society;

“Board meeting” includes, except where inconsistent with any legal obligation a physical meeting, a meeting held by electronic means and a meeting held by telephone;

“Central Directors” means the Directors who were serving Directors of the Society immediately prior to the Adoption Date;

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

“Connected Person” means in relation to a person connected with a director if they are a member of the director's family (that is, the director's spouse, civil partner, any person with whom the director lives as a partner in an enduring family relationship, a child or stepchild of the director, a child or step-child of a director's partner (if living with the director and under the age of 18), or the director's parents);

“Committees” of the Board which are established under Rules 104 and 105;

“Co-operative Values and Principles” & **“Co-operative Principles”** are those defined in the International Co-operative Alliance Statement of Co-operative identity. The principles are those 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. The values are self-help, self-responsibility, democracy, equality, equity and solidarity;

“Director” means a director of the Society and includes any person occupying the position of director, by whatever name called;

“Document” includes, unless otherwise stated, any document sent or supplied in electronic form;

“Elected Director” means a Director elected by the members of the Society under Rules 74 or 74A and includes those Directors appointed by Midcounties pursuant to Rule 74;

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

“Employee” means anyone over the age of 16 holding a contract of employment with the Society;

“Employee Share Scheme” means a scheme for encouraging or facilitating the holding of shares in the Society by or for the benefit of the Society’s employees;

“Governance Review” means the process of carrying out a full review of the governance of the Society and the preparation of a revised set of Rules to be carried out during the Transitional Period and put to the Members by the end of January 2027;

“Governance Review Working Group” means the group that shall carry out the Governance Review, the membership of which is to comprise:

- 4 Midcounties Directors;
- 4 Central Directors; and
- an independent chair as agreed by Midcounties and the Society prior to the Adoption Date.

“Group” means the Society and its subsidiary undertakings, where “subsidiary undertaking” means a subsidiary undertaking which falls to be treated as such in the audited accounts of the Group.

“Management Executive” are the managers who directly report to the Chief Executive;

“Membership & Community Councils” means committees established to carry out those functions as detailed under ‘Membership & Community Councils’ in these rules;

“Member” is a person who meets the criteria for membership and whose name appears in the Register of Members;

“Midcounties” means The Midcounties Co-operative Limited, registered as a society with the Financial Conduct Authority under registration number 19025R;

“Midcounties Directors” means the Directors appointed by Midcounties prior to the Adoption Date;

“Office Holder” means the personal representative of a deceased member, the trustee in bankruptcy of a Member who is bankrupt, receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member’s assets;

“Officer” means Chief Executive, members of the Management Executive, and the Secretary;

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

“President” is the President of the Society who chairs the Board, appointed as defined in Rule 89;

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

“Returning Officer” is the official in charge of conducting Society elections, who supervises the counting of votes and announces the results;

“Rules” means these Rules;

“Secretary” means any person appointed to perform the duties of the Secretary of the Society;

“Society” means the above-named Society;

“Trading Surplus” means trading profit;

“Transitional Period” means the period between the Adoption Date, and the adoption of a further set of revised rules following the Governance Review;

“Withdrawable” means shares with the associated right for the Member to withdraw and receive in return the value of their shares from the Society in accordance with the provisions of these Rules; and

“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.

RULES

Rule No.	Rule
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NAME

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| 1 | The name of the Society is Central England Co-operative and it is called “the Society” in these rules. |
| 2 | The name of the Society shall be clearly displayed in a conspicuous position and in legible characters: <ul style="list-style-type: none">(a) On the outside of its registered office and every other office or place of business; and(b) In all of its notices, advertisements and other official publications, business correspondence, bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society, in all its other business documentation, and on all its websites. |

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STATUS OF THESE RULES

These Rules have been adopted by the Society at the time of the transfer of engagements from Midcounties to the Society. The intention at the time of adoption of these Rules is that the Governance Review Working Group will carry out the Governance Review, report its findings and propose new rules for consideration by the Members by the end of January 2027.

REGISTERED OFFICE

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| 3 | The Society’s registered office is Central House, Queen Street, Lichfield, Staffordshire, WS13 6QD or at such other place as the Board decides. |
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PURPOSE

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| 4 | The purpose of the Society is to provide goods and services to its Members as a co-operative. |
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VALUES & PRINCIPLES

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| 5 | In conducting its affairs, the Society is committed to: <ul style="list-style-type: none">(a) following the Co-operative Values and Principles;(b) respecting the rights and diversity of its Members, Employees, customers and Persons dealing with the Society, treating them fairly and not discriminating on any grounds;(c) conducting its business in an ethical, open and honest way. |
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Rule No.	Rule
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| 6 | The Trading Surplus of the Society's business shall be used in accordance with the Co-operative Principles. |
| 7 | The Society shall be a member of Co-operatives UK Limited or its successor. |

OBJECTS

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| 8 | <p>The objects of the Society are, in accordance with its purpose:</p> <ul style="list-style-type: none">(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(b) to engage, as principals or agents, in any other business, trade, industry or activity that directly or indirectly furthers the objects of the Society. |
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POWERS

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| 9 | <p>The Society may do all such lawful things as may further the Society's objects and, in particular, may:</p> <ul style="list-style-type: none">(a) purchase, hold, sell, mortgage, rent or sub-lease lands of any tenure and to erect, pull down, repair, alter or otherwise deal with any building on those lands;(b) enter into block-discounting transactions;(c) 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 the Society's total bank borrowings shall not at any time exceed £400million, also:<ul style="list-style-type: none">(i) 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 annum above the Bank of England's base rate or 5% per annum whichever is the higher. In this rule, "the Bank of England's base rate" means the Bank of England's 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 become repayable, within two years prior to its renewal (if renewed more than once) as the Board determines; and(ii) 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;(d) establish a pension or superannuation scheme for the benefit of its Employees and pay contributions and enter into any contract or trust deed for this purpose; |
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- (e) establish, maintain, 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 the trading surplus of the Society or any such subsidiaries with any such Employees or former Employees;
- (f) receive from any Persons whether Members or not, sums on deposit, not exceeding in total the amount permitted under the law applicable to registered societies for the time being in force, withdrawable on not less than two Clear Days' notice.

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The capital of the Society may be invested in or upon any of the securities or shares specified in the Act, but not otherwise.

MEMBERS

- 11 The Society consists of its Members whose names are entered in the register of Members.
- 12 The Society may admit to membership any Person that buys goods and/or services from the Society and meets any additional criteria for membership.
- 13 The role of Members is to trade with the Society, and actively participate in the governance of the Society including attending Members' meetings, voting in elections, holding the Board to account for the performance of the Society and taking part in the affairs of the Society in the ways provided by these Rules.

APPLICATION FOR MEMBERSHIP

- 14 No Person shall be admitted into membership of the Society unless they have attained the age of 16.
- 15 All those wishing to become a Member must support the objects of the Society and complete an application form, which shall include an application for the minimum number of shares in the Society. No Person who has applied for membership shall be able to vote at any Members' meeting until after the qualifying period of six calendar months from the date of receipt by the Society of a duly-completed application for membership in the prescribed form. For the avoidance of doubt no such restriction shall apply to any Member who becomes a Member by virtue of the transfer of engagements from Midcounties, always provided that such a Member has been a member of Midcounties for at least six months prior to the Adoption Date.
- 16 Any Member changing their Address shall give notice to the Secretary, and the necessary alterations shall be made in the register of Members.
- 17 The Board has an absolute discretion to accept or refuse any membership application, 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

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delegate responsibility for deciding membership applications to the Secretary and, under their supervision, to other employees. Any such decision shall be made in accordance with the Society's membership policy.

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| 18 | Where two or more Persons are joint Members, they may continue to be joint Members but no new joint memberships may be created. |
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TERMINATION OF MEMBERSHIP

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| 19 | <p>A Member shall cease to be a Member of the Society immediately that they</p> <ul style="list-style-type: none">(a) are no longer eligible for membership; or(b) fail to hold the minimum shareholding; or(c) resign in Writing providing one month's notice to the Secretary, and withdraw their shares under these Rules; or(d) are removed from the register of Members by the Secretary in accordance with the Maintenance of Register provisions in these Rules; or(e) are expelled from membership in accordance with these Rules; or(f) die, if an individual person, are wound up or go into liquidation, if a corporate body. |
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EXPULSION FROM MEMBERSHIP

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| 20 | <p>A Member may be expelled for conduct prejudicial to the Society by a resolution of the Board approved by not less than two-thirds of those attending and voting at a Board meeting. The following procedure is to be adopted:</p> <ul style="list-style-type: none">(a) any Member may complain to the Secretary that another Member has acted in a way detrimental to the interests of the Society.(b) If a complaint is made, the Board shall consider the complaint having taken such steps as it considers appropriate to ensure that each Member's point of view is heard and may:<ul style="list-style-type: none">(i) dismiss the complaint and take no further action; or(ii) suspend the Member for a period not exceeding twelve months; or(iii) arrange for a resolution to expel the Member complained of to be considered at a future Board meeting.(c) If a resolution to expel a Member is to be considered at a Board meeting, details of the complaint must be sent to the Member complained of not less than one calendar month before the meeting with an invitation to answer the complaint and attend the Board meeting. |
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Rule No.	Rule
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| | (d) At the meeting, the Board will consider evidence in support of the complaint and such evidence as the Member complained of may wish to place before them. |
| | (e) If the Member complained of fails to attend the meeting without good reason the meeting may proceed in their absence. |
| | (f) A Person expelled from membership will cease to be a Member upon the declaration by the chair of the meeting that the resolution to expel them is carried. |
| | (g) The Society will pay to such Person 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 cancel their shares. |
| | (h) No Person who has been expelled from membership is to be re-admitted as a Member except by a resolution approved by not less than two-thirds of those attending and voting at an ordinary Members' meeting. |

SHARES

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| 21 | The shares of the Society shall be of the nominal value of £1. Shares can be withdrawn, but cannot be transferred except where permitted by these rules. |
| 22 | Every Member shall hold at least one fully-paid-up share, (the "minimum shareholding"). |
| 23 | The Society shall comply wherever possible with the 'Co-operatives UK Code of Best Practice on Withdrawable Share Capital' which is in force, from time to time. |
| 24 | The Society shall allot: <ul style="list-style-type: none">(a) To Members when they are admitted the share or shares applied for, and subsequently shall allot any further share or shares applied for;(b) At the Board's discretion, to the trustee of any Employee Share Scheme, the shares applied for and any shares issued in this way shall, subject to the rules of the Employee Share Scheme, be transferable only by the trustee to Employees or former Employees who are already individual Members of the Society or are then admitted as individual Members of the Society, by a transfer Document in a form approved by the Board. |
| 25 | No Person shall be allotted shares which shall cause them to hold more than the maximum number of shares permitted by the Act, or such lower limit as the Board may determine. |
| 26 | A notice required by these Rules to be given in relation to any share or shares which are held jointly must be given to whichever joint Member the joint Members specify in Writing to receive the notice, and if they do not specify, to the joint Member whose name appears first in the register of Members. An application for the withdrawal of any shares or part of a share held jointly must be made in Writing by all the joint holders who alone shall be able to give a valid receipt for any share capital repaid. |

Rule No.	Rule
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| 27 | On the death of a joint holder of any share, it shall be transferred into the name of the survivor or survivors on their application. |
| 28 | <p>The Board may apply any money for which it cannot find profitable investment towards repaying to Members the amounts paid up on their shares, subject to the following:</p> <ul style="list-style-type: none">(a) The Board may only do this if an ordinary Members' meeting has approved it;(b) Repayments shall be made to the Member or Members with the largest shareholding. The amount repaid shall be equivalent to the difference in shareholding between the largest shareholding Member or Members and the next largest shareholding Member or Members;(c) No repayment shall be made which causes the number of shares held by any Member to fall below the minimum shareholding;(d) Any share in respect of which the amount paid up or credited has been repaid shall be cancelled. |
| 29 | Where repayment is to be made in accordance with the preceding rule, reasonable notice shall be given to the Member stating the date on which repayment is to be made. Notice should also state that no interest shall be payable on any amount to be repaid after the date for repayment as stated in the notice. |
| 30 | <p>Subject to the other provisions of this rule below and the minimum shareholding requirements under these rules, shares may be withdrawn by Members by giving one week's notice to the Society, provided that:</p> <ul style="list-style-type: none">(a) All withdrawals shall be paid in the order in which the notices were received by the Society;(b) 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;(c) Unless the Board agrees, not more than one-tenth of the paid-up share capital at 1 January in each calendar year (including all sums under notice of withdrawal leading up to that date) shall be withdrawable during that calendar year;(d) Unless the Board agrees, no Member shall be entitled to withdraw during any calendar year more than one tenth of the total shareholding standing to their credit on 1 January in the calendar year in which the request is made to withdraw the shareholding unless the Member ceases to be a Member of the Society;(e) 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(f) During any period when the right of withdrawal has been suspended the shares of deceased Members may, if the Board agrees, be withdrawn by their personal representatives upon giving such notice as the Board may require and subject as |

regards the amount payable on withdrawal to such deduction on withdrawal as the Board may from time to time determine;

- (g) No repayment of withdrawable share capital shall be made if any payment due in respect of a deposit is unsatisfied.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

- 31 Upon a claim made by:

- (a) A personal representative of a deceased Member; or
- (b) The trustee in bankruptcy of a Member who is bankrupt; or
- (c) The office holder to any property in the Society belonging to such a Member;

the Society shall transfer or pay any property to which the Office Holder has become entitled as the Office Holder may direct them.

- 32 A Member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Society at the time of their death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. On receiving a satisfactory proof of death of a Member who has made a nomination the Society shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the individual or individuals entitled thereunder.

ORGANISATION OF THE SOCIETY

- 33 The Society comprises the following:

- (a) Members;
- (b) the Board;
- (c) the Chief Executive and Management Executive;
- (d) the Secretary;
- (e) Membership & Community Councils.

- 34 The affairs of the Society shall be conducted collectively by those persons and Committees outlined in the preceding rule, in order to fulfil the Society's objects and purpose. Their respective responsibilities and functions shall be performed in accordance with these Rules.

BOARD

- 35 The Board is accountable to the Members and is responsible for the long-term success of the business of the Society.

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| 36 | <p>The Board has the following responsibilities:</p> <ul style="list-style-type: none">(a) 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;(b) To determine the strategy and policy of the Society in consultation with the Chief Executive and the Management Executive;(c) To determine the risk strategy of the Society and ensure that risk management is addressed;(d) To oversee the work of the Chief Executive and the Management Executive in the day-to-day management of the business of the Society. |
| 37 | <p>The Board has the following rights and powers. Subject to the Act and these Rules, the Board:</p> <ul style="list-style-type: none">(a) may exercise all the powers of the Society as may be exercised by the Society and unless by statute or by these Rules are required to be exercised by the Society at a Members' meeting;(b) approves the structure of the Management Executive in consultation with the Chief Executive;(c) appoints, removes and fixes the remuneration and terms of employment of the Chief Executive and the Secretary;(d) approves the appointment and removal by the Chief Executive of other members of the Management Executive;(e) determines the remuneration and terms of employment of other members of the Management Executive;(f) may at any time call upon the Chief 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;(g) determines from time to time those matters which require the approval of the Board;(h) approves the use of the Society's seal if it has one. |

CHIEF EXECUTIVE AND MANAGEMENT EXECUTIVE

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| 38 | <p>The Chief Executive 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> |
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SECRETARY

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| 39 | <p>The responsibilities of the Secretary include:</p> <ul style="list-style-type: none">(a) Acting as the Secretary to the Board;(b) Monitoring the conduct of the Society's affairs to ensure they are conducted in accordance with these Rules;(c) Publishing to members in an appropriate form, information about the affairs of the Society;(d) Custody of the Society's seal;(e) Acting as the Returning Officer for elections or appointing such Persons to so act;(f) Preparing and sending all returns required to be made to the Registrar; and(g) Making all necessary entries into all registers required to be kept by the Society by these Rules or as required by the Act; |
| 40 | <p>The position of Secretary shall not be held by the person who concurrently holds the office of Chief Executive of the Society.</p> |

MEMBERSHIP & COMMUNITY COUNCILS

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| 41 | <p>The functions of Membership & Community Councils are:</p> <ul style="list-style-type: none">(a) To provide a link between the Society and the communities in which it trades;(b) To encourage Member participation in the affairs of the Society;(c) To provide education facilities and cultural and recreational activities for Members of the Society and their families in all areas. |
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MEMBERS' MEETINGS

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| 42 | <p>Meetings of the Members of the Society are either ordinary meetings or special meetings.</p> |
| 43 | <p>In each year, the Society shall hold one ordinary Members' meeting, called the annual Members' meeting and such other additional ordinary meetings as the Board decides, called interim Members' meetings. All other meetings of the Members of the Society are special Members' meetings. Subject to Rule 164, Members' meetings may comprise area meetings to be held at places and times and on dates that the Board shall decide.</p> |

GOVERNANCE REVIEW DECISION MEETINGS

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| 43A | <p>The Board shall call a special Members' meeting on or before 31st January 2027 to consider further amendments to these Rules arising from the proposals of the Governance Review carried out pursuant to rule 2A. If the relevant resolutions are not passed at that special Members' meeting, the Board shall require the Governance</p> |
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Review Working Group to reconvene and propose revised amendments to the Rules and shall call a further special Members' meeting to consider those revised amendments on or before 31st May 2027.

BUSINESS OF MEMBERS' MEETINGS

- 44 An ordinary meeting may transact the following business:
- (a) Consideration of the accounts, balance sheet, and the reports of the Board and the Auditor;
 - (b) The application of the Society's Trading Surplus;
 - (c) The announcement of the election of Directors, and the fixing of their remuneration;
 - (d) The appointment of the Auditor;
 - (e) Any motion of which at least 28 Clear Days' notice in Writing has been given to the Secretary of the motion by a Member. The Board has the discretion not to include such a motion if, in its and the Secretary's reasonable opinion:
 - (i) It seeks to intervene in the exercise of their powers under these Rules by the Board, the Management Executive, the Secretary or any authorised committee or sub-committee of the Society; or
 - (ii) The publicity for it would be likely to diminish substantially the confidence in the Society of investing members of the public; or
 - (iii) It seeks needless publicity for defamatory matters; or
 - (iv) It is submitted for frivolous or vexatious purposes; or
 - (v) It does not relate directly to the affairs of the Society; or
 - (vi) 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.

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.

- 45 Members of the Society are entitled to attend only one Members' meeting, subject to the following exceptions:
- (a) Members of the Board, Auditors and such other Persons as may be determined by the Board may attend more than one Members' meeting, provided that no Person shall vote at more than one meeting;
 - (b) Any proposer or seconder of any motion or amendment on the agenda shall have the right to attend all Members' meetings for the purpose only of dealing with their motion or amendment, except that at one meeting they may participate in other business.

- (c) Where a Members' meeting is held on the same day in different locations, the proposer and seconder of any motion or amendment on the agenda may appoint such other Member or Members as necessary to attend one or more meetings on their behalf for the purpose only of dealing with the proposer's motion or amendment, except that at one meeting they may participate in other business. Such appointment of a representative of the proposer and seconder shall be confirmed in writing by the proposer and provided to the Chair of the meeting at which they wish to be represented.

- 46 The same agenda of business shall be considered at all Members' meetings. All votes for and against matters coming before the meeting shall be added together and the result determined accordingly. In the case of motions and amendments, all meetings shall vote as though the amendments were separate motions. Such motion or amendment voted upon as a motion shall be carried as receives the highest number of votes in support. The result of all voting shall be published as soon as practicable within five working days following the last Members' meeting held.
- 47 A Members' meeting may also consider any issue of local interest only as may be determined by the Board.

SPECIAL MEMBERS' MEETINGS

- 48 Special Members' meetings shall be convened if special business is to be conducted. A special Members' meeting shall not transact any business not specified in the notice convening it. An ordinary meeting may be made a special Members' meeting for any 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.
- 49 The following decisions may only be passed at a special Members' meeting:
 - (a) Any amendment to the Society's Rules;
 - (b) The decision to wind-up the Society;
 - (c) The decision to amalgamate with, or transfer its engagements to, or to convert to any other society or company;
 - (d) Removal of a Director from office.

CALLING MEMBERS' MEETINGS

- 50 The Secretary, at the request of the Board, shall convene an ordinary Members' meeting, the purpose of which shall be stated in the notice of the meeting.
- 51 Special Members' meetings shall be convened by the Secretary, either on an order of the Board, or upon a written requisition signed by 100 Members, the requisitionists, save that a Members' requisition for a special meeting at which a special resolution for any purpose specified in Rule 167 is to be proposed shall be signed by at least 500 members. Special Members' meetings shall be held as soon as is reasonable after the receipt of the order or delivery of the requisition, at the place and time at which ordinary Members' meetings are usually held, so far as is possible. A requisition must

Rule No.	Rule
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state the objects of the meeting and must contain the name, address and share number of each requisitionist and be delivered to the registered office.

- (a) A special meeting convened on the requisition of the members for any purpose specified in Rule 167 or at which a resolution for the rescission or alteration of this Rule 51 or Rules 48, 52, 164, 166, 168 or 170 is to be proposed and any ordinary meeting at which a special resolution for any purpose specified in Rule 167, or at which a resolution for the rescission or alteration of this Rule 51 or Rules 48, 52, 164, 166, 168 or 170 is to be proposed, may only proceed to business if a quorum of at least 1% of the membership of each area of the Society entitled to vote is present at each area 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 present at all area meetings equates to at least 1% of the total membership of the Society.

- 52 If the Secretary, within 14 Clear Days of the delivery to the registered office of the written requisition, has failed to convene a special Members' meeting, any of the requisitionists may convene a special Members' meeting by giving the notice provided for in Rule 54 and shall have a claim upon the Society for any costs properly incurred in giving such notice.
- 53 Members' meetings are to be held at the registered office and/or at such other place or places as the Board decides.

NOTICES

- 54 The Board shall call a Members' meeting giving at least 21 Clear Days' notice to all Members before the date of the first area meeting and notice of special meetings shall be given at least six Clear Days before the date of the first area meeting.
- 55 Notices of meetings shall be displayed conspicuously at the registered office and in all other principal places of business of the Society to which the Members have access and on the Society's website. Notices may also be sent to their Address.
- 56 A notice sent to a Member's Address shall be deemed to have been duly served 48 hours after it is sent. The accidental omission to send any notice to or the non-receipt of any notice by any Person entitled to receive notice shall not invalidate the proceedings at the meeting.
- 57 All notices shall specify the date, time and place of the meeting along with the general nature of business to be conducted, providing additional information if the business is deemed "special", and any proposed resolutions.

AUDITOR'S ATTENDANCE AT MEMBERS' MEETINGS

- 58 If the Society has appointed an Auditor in accordance with these Rules they shall be entitled to attend Members' meetings of the Society and to receive all notices of and communications relating to any Members' meeting which any Member of the Society is entitled to receive. The Auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to the Auditor.

ATTENDING AND VOTING AT MEMBERS' MEETINGS

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| 59 | A Member is able to exercise the right to speak at a Members' meeting and is deemed to be in attendance when that Person is in a position to communicate with all those attending the meeting. The Board may make whatever arrangements it considers appropriate to enable those attending a Members' meeting to exercise their rights to speak or vote at it including by Electronic Means. 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 one another. |
| 60 | Every member shall be entitled to attend Members' Meetings on the production of such evidence as the Board may from time to time determine. |
| 61 | A Member of the Society which is a corporate body may by a resolution of its Directors or committee of management appoint any person as a deputy to act on its behalf at any meeting or meetings of the Society. A copy of such a resolution, signed by the Secretary and two Directors or members of the committee of management of the legal body, must be delivered to the registered office of the Society at least twenty-four hours before the holding of the meeting or meetings concerned. A deputy appointed in this way shall be competent during the continuance of their appointment to act as if they were a Member of the Society. The appointment of a deputy shall continue until a copy of a resolution appointing another person as deputy in their place is delivered in the same way. |
| 62 | Every member of the Society shall be entitled to cast one vote on any resolution put to the Members at a Members' Meeting. In the event of Members holding shares jointly they shall have one vote between them which shall be exercised by the one whose name appears first in the register of Members, unless the joint Members together appoint in Writing another joint Member, and the appointment is delivered to the registered office not less than 24 hours before the meeting. |
| 63 | At any Members' 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. |
| 64 | If a paper ballot is duly demanded it shall be taken at the meeting in such manner as the chair of the meeting directs, provided that no Member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. |
| 65 | The demand for a paper ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a paper ballot may be withdrawn. |
| 66 | Subject to any special provision contained in these Rules or statute all resolutions shall be carried by a simple majority of votes. In the event of an equality of votes the chair of the meeting shall have a second or casting vote. |

PROCEDURE AT MEMBERS' MEETINGS

Rule No.	Rule
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| 67 | The President, or in their absence another Director, shall chair a Members' meeting. If no Director is present, such a Member as the meeting may determine shall chair the meeting. |
| 68 | Except for the circumstances in Rule 51(a), fifteen Members shall be a quorum for each area meeting. No meeting shall become incompetent to transact business from the want of a quorum arising after the chair has been taken. |
| 69 | <p>The chair of a Members' meeting may adjourn the meeting whilst a quorum is present if:</p> <ul style="list-style-type: none">(a) The meeting consents to that adjournment; or(b) It appears to the chair that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner. |
| 70 | The chair must adjourn the meeting if directed to do so by a simple majority of members present. |
| 71 | Any meeting, duly constituted, may adjourn to such place, time and day within 30 days as the members present direct and may continue any such adjournment from time to time, subject to Rule 72. If the meeting is adjourned for 14 calendar days or more, the same notice required for the original meeting shall be given in the same manner as the notice of the original meeting. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place. |
| 72 | Area members' meetings 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. If the last area meeting(s) is an ordinary meeting or a special meeting convened by order of the Board of Directors, that meeting shall stand adjourned to the same day in the following week and be held at the same time and place or at such another place as the Secretary shall direct. A meeting which has been so adjourned may proceed to business irrespective of whatever number of members are then present. No meeting shall become incompetent to transact business from the want of a quorum arising after the chair has been taken. |
| 73 | The Board may make standing orders for the conduct of Members' meetings and such regulations, subject to any resolution passed at an ordinary Members' meeting, shall be binding on all Members. |

COMPOSITION OF THE BOARD AND TRANSITIONAL ARRANGEMENTS

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| 74 | The Board shall comprise 12 Directors, who shall (subject to Rule 74A) be elected in accordance with election procedures approved from time to time by the Board and a further 7 Directors appointed by Midcounties as Elected Directors pursuant to Rule 78A by written notice to the Society prior to the Adoption Date. |
| 74A | The Society shall not hold elections for Elected Directors from the Adoption Date until the first special Members' meeting to be called pursuant to Rule 43A. Directly |

following registration of the Rules adopted at that meeting, the Society shall call elections pursuant to those revised Rules. In the event that revised Rules are not so adopted, and that the consequent second special Members' meeting called pursuant to Rule 43A is also not able to resolve to adopt revised Rules, then the Board shall initiate an election process for 13 Elected Director positions immediately following the conclusion of the second special Members' meeting. The election process shall allow any Member to stand for election without further criteria (always provided that the Member concerned meets the criteria for serving as a Director under these Rules). At the conclusion of the election process so called, all previously serving Elected Directors (including the Midcounties Directors) shall be deemed to cease to hold office unless they are re-elected. Directors elected through this election process shall hold office for 1 year, and the Board so elected shall use its reasonable endeavours to carry out a further review of governance within that 1 year period.

- 75 Not more than 25% of the Board shall comprise Members who are concurrently Employees of the Society.
- 76 Collectively, not more than 49% of the total places on the Board shall be held by Members of the Society who are:
- (a) current Employees, or
 - (b) Persons who ceased to be an Employee within three years before the date of nomination; or
 - (c) professional external Directors of the Society; or
 - (d) Connected Persons of any of the above.
- 77 The Board may co-opt up to two professional external Directors to the Board in addition to the number of Directors specified in these Rules provided that at all times the number of co-opted professional external Directors shall be in the minority. A co-opted Director shall serve for a fixed period determined by the Board and 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 to the same amount as elected Directors.
- 78 Subject to Rules 74A and 80B, Elected Directors shall serve for a period of three years until the close of the final annual members' meeting at the end of their term of office. Directors shall serve no more than nine consecutive years and at this point should stand down for a period of at least one year before becoming eligible for election for a further term.
- 78A In the event that the Society receives a transfer of engagements under the Act, then the Board may at its absolute discretion appoint member elected directors of the society which is transferring its engagements as Directors of the Society (the "Interim Directors"), on or after the date that the Society resolves to accept the transfer. Any Interim Directors so appointed shall hold office for a maximum period of twelve months.
- 79 No appointment of an Interim Director may be made if it would mean any breach of the restrictions in Rules 75 to 77.
- 80 Subject to Rule 80A, where a casual vacancy arises on the Board, the Board, at its discretion, may fill the vacancy either by an election, or by appointment of the highest-

Rule No.	Rule
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polling eligible candidate in accordance with the election procedures defined by the Board at the most recent election, and who is willing to serve. In either case the person filling the vacancy shall retire at the next Annual Meeting. Anyone subsequently elected or appointed under this rule shall serve the remainder of the original term of office.

80A Where during the Transitional Period:

- a) a casual vacancy arises from among the Midcounties Directors, then the remaining Midcounties Directors may appoint a person as a Director who was previously a member of the Midcounties board prior to the Adoption Date. If no such person is willing to serve, then the Midcounties Directors may appoint any Member who stood for election as a Director of Midcounties at the elections held in September 2025;
- b) a casual vacancy arises from among the Central Directors, then the Central Directors may appoint as a Director any Member who stood for election at the elections held in Spring 2025.

80B The Directors holding office at the Adoption Date (including those appointed by Midcounties) shall be deemed for all purposes to have commenced their office at the Adoption Date, including for the purposes of calculating length of service under Rule 78.

81 The Board will prepare, approve and enforce a code of conduct for Directors. The code of conduct for Directors will include commitments to training and on-going professional development where needed, in order that the Board is competent to fulfil its role. All Directors will be required to sign an acceptance of the code of conduct for Directors.

The Board will also prepare, approve and enforce a code of conduct for members of Membership & Community Councils. The code of conduct will include commitments to training and ongoing professional development where needed. All Membership & Community Council members shall be required to sign an acceptance of the code of conduct.

REMOVAL OF A DIRECTOR

82 A Director may be removed or suspended from office by a resolution approved by not less than three-quarters of the remaining Directors on the grounds that:

- (a) They have refused to sign an acceptance of the code of conduct for Directors; or
- (b) They have refused or failed to undertake any appropriate training as directed by the Society; or
- (c) They have committed a serious breach of the code of conduct for Directors, and
- (d) The Board considers that it is not in the best interests of the Society for them to continue as a Director.

The following procedures are to be followed:

Rule No.	Rule
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The Board shall consider the matter having taken such steps as it considers appropriate to ensure that any relevant Director's point of view is heard and may either:

- (e) Dismiss the matter and take no further action; or
- (f) For a period not exceeding three consecutive calendar months and such further period approved by the Board, suspend the rights of the Director complained of to attend Board meetings and vote under these Rules, pending the outcome of the procedure;
- (g) Arrange for a resolution for consideration at the next Board meeting in order to remove the Director complained of from office.

- 83 At the next meeting the Board will consider evidence in support of the complaint and such evidence as the Director complained of may wish to place before them.
- 84 If the Director complained of fails to attend the meeting without due cause, the meeting may proceed in their absence.
- 85 A Director will cease to be a Director upon the declaration by the chair of the meeting that the resolution to expel them is carried.
- 86 The Members may remove a Director from office by a resolution passed by two-thirds of the votes cast at a special Members' meeting.

APPOINTMENT OF PRESIDENT AND VICE-PRESIDENTS – TRANSITIONAL ARRANGEMENTS

- 87 At its first meeting following the Adoption Date and then subsequently following the declaration of results of the annual elections each year ("the First Annual Board Meeting"), the Board shall elect one of their number (who may not be an Employee or Persons who ceased to be an Employee in the last three years or a professional external Director) to be President. Subject to Rule 88B, no Director shall be President of the Board for a period exceeding three consecutive years.
- 88 At the First Annual Board meeting, the Midcounties Directors shall appoint one Director to serve as a Vice President. The Central Directors shall appoint a second Director to act as a Vice President. Both shall serve until the next First Annual Board meeting and have such duties as the Board may decide from time to time. Subject to Rule 88B, no Director shall serve as a Vice-President of the Board for a period exceeding three consecutive years.
- 88A If during the Transitional Period:
 - a) the Vice President appointed by the Midcounties Directors ceases to hold office, then the Midcounties Directors may appoint a replacement Director to serve as a Vice President;

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| | <p>b) the Vice President appointed by the Central Directors ceases to hold office, then the Central Directors may appoint a replacement Director to serve as a Vice President.</p> |
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88B

The term of office for both President and any Vice-President holding office at the Adoption Date shall be deemed for all purposes to commence at the Adoption Date, including for the purposes of calculating length of service under Rules 87 or 88.

89

The President of the Board shall;

- (a) be a member ex-officio of all committees except the Audit & Risk Committee.
- (b) be entitled to attend all meetings of the Society.

ELIGIBILITY TO BE A DIRECTOR

90

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

- (a) They have been a Member of the Society or a society which has transferred engagements to the Society for at least the two previous years. (This provision need not apply to any professional external Director);
- (b) Subject to Rule 80B, they have not served nine consecutive years without a break in service of at least one year;
- (c) They have purchased to the extent of £500 from the Society (or from Midcounties) during the previous accounting period, and continue to purchase to that extent in each succeeding year of their term of office. The amount of purchases shall be appropriately evidenced;
- (d) They have not been dismissed (save for redundancy) from the employment of the Society or a society which has transferred its engagements to the Society;
- (e) They have not resigned from their employment of the Society whilst being subject to disciplinary action or investigation which might result in dismissal;
- (f) Neither they nor their Connected Person is engaged in a managerial capacity in the conduct of any business trade or undertaking which in the opinion of the Board competes in a material way with any business, trade or undertaking carried on by the Society;
- (g) Neither they nor their Connected Person is engaged in a material capacity with a supplier to the Society, other than in a Co-operative or social enterprise organisation, and where the employment or remuneration of the Member or Connected Person is dependent to a material extent on the Society's patronage of the supplier.
- (h) They are not subject to a bankruptcy order which is not discharged;

- (i) They have not ceased to be a Director by virtue of any provision in the current Companies Act or become prohibited by law from being a Director;
- (j) They are not disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions);
- (k) They are not deemed physically or mentally incapable of acting as a Director on a continuing basis;
- (l) They have not previously been removed from office as a Director under these Rules;
- (m) They have not reached the end of their term of office under Rules 74A or 78 (unless they have been re-elected).

91

The Board shall from time to time determine reasonable eligibility criteria relating to knowledge and experience to apply to the election of candidates to the Board.

BOARD MEETINGS

- 92 The Secretary shall, on the requisition of a Director, call a Board meeting by giving at least seven Clear Days' notice of the meeting to 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 one another. The Board may agree that Directors can participate in its meetings by Electronic Means.
- 93 At least fifty per cent plus one of the Directors, including those Persons present using Electronic Means shall form a quorum. Any Board meeting shall only be deemed to be quorate if a majority of those present are Elected Directors.
- 94 The Chief Executive shall attend every Board meeting, unless requested by the Board not to do so. The Board may invite other members of the Management Executive to attend meetings of the Board. At least one Board meeting per year shall be held without any of the Management Executive present.
- 95 Subject to Rule 96, a resolution which is signed or approved by all the Directors entitled to vote on that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had been passed at a Board meeting duly called and constituted. The resolution may be contained in one document or communication in electronic form or in several documents or communications in electronic form (in like form), each signed or approved by one or more of the Directors concerned. For the purpose of this Rule the approval of the Director shall be given in hard copy form or in electronic form.
- 96 There shall be excluded from Rule 95 any Director who is absent from the United Kingdom unless the Director has provided an Address (including any electronic address) at which he or she may be contacted during their absence.
- 97 Meetings of the Board shall be chaired by the President, or in their absence or otherwise, a Vice-President, or in their absence or otherwise, another Director.

- 98 Unless otherwise required by these Rules, decisions arising at any Board meeting shall be determined by a majority of votes and in the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- 99 A special meeting of the Board may be called by the President or Secretary, or by a notice in Writing given to the Secretary by six Directors not less than 48 clear hours before such time. The Secretary shall give notice to all Directors as soon as possible after receiving it; and no other business shall be done at the meeting than the business specified in the notice.

DISCLOSURE OF INTEREST

- 100 Any Director who has a personal, material or financial interest in a matter as defined below shall declare such interest to the Board and:
- (a) may not be present in any discussion of the matter unless a majority of the Board agrees to their presence, but
 - (b) shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted).
- 101 Details of any such interest shall be recorded by the Secretary in the register of the interests of Directors.
- 102 Any Director who fails to disclose any interest, and the failure is deemed a serious breach of the code of conduct for Directors by a majority of the remaining Board members, must permanently vacate their office if required to do so by three-quarters of the remaining Board.
- 103 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 Connected Persons 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:
- (a) An employment contract with the Society;
 - (b) Shares not exceeding 2% of the total shares in issue held in any company whose shares are listed on a Stock Exchange.

COMMITTEES

- 104 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 the instructions given to them by the Board.
- 105 The Board shall establish:
- (a) an Audit & Risk Committee;
 - (b) a Remuneration Committee;

- (c) a Search Committee;
- (d) a Conduct Committee;
- (e) a Rules & Practices Committee; and
- (f) such further Committee(s) as the Board shall determine.

At no time shall any committee be comprised of less than three members or exceed 50% of the total number of Directors.

REMUNERATION AND PROTECTION OF DIRECTORS

- 106 At a general meeting, the members of the Society shall, not less than once every three years, agree the remuneration of the Directors as recommended by the Remuneration Committee and agreed by the Board.
- 107 The Directors shall, in addition, be reimbursed their reasonable expenses wholly and necessarily incurred on Society business at such rates as may be determined from time to time and agreed by the Board.
- 108 Anything done in good faith by the Board or by the Officers shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any of them, or that any one or more of them were disqualified, and shall be as valid as if every Director and Officer had been duly appointed and was duly qualified to serve.
- 109 Separate from any other indemnity to which they may be entitled, and subject to the remainder of this Rule, every Director and Officer 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 their duties on behalf of the Society.
- 110 This indemnity excludes liability for offences incurred under the Act, and liability for wilful default, fraud or dishonesty. No person shall be indemnified against costs or expenses recovered from them by order of the Registrar.
- 111 The Society is authorised to purchase and maintain insurance for the purpose of:
 - (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.

MEMBER COMMITTEES

Rule No.	Rule
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| 112 | The Board shall establish one or more Membership & Community Councils, or such other member committee(s) as the Board shall determine, and also the eligibility criteria and the election procedures for serving on such committees. |
| 112A | Those Members who were formerly members of Midcounties and served on the Midcounties Member Engagement Committee shall continue to serve in that capacity during the Transitional Period. |
| 113 | Any Membership & Community Council shall report its work and activities to the annual Members' meeting. |

APPOINTMENTS

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| 114 | The Board shall determine the delegates to be sent on behalf of the Society to external meetings. |
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REGISTER OF MEMBERS

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| 115 | <p>The Society shall keep at its registered office a register of Members in which the following information shall be entered:</p> <ul style="list-style-type: none">(a) The names and Addresses of the Members;(b) A statement of the number of shares held by each Member, the amount paid, or agreed to be considered as paid, on the shares of each Member;(c) A statement of other property held in the Society, whether in loans, deposits or otherwise held by each Member;(d) The date at which each Person was entered in the register as a Member, and the date at which each Person ceased to be a Member. |
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REGISTER OF DIRECTORS AND OFFICERS

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| 116 | The Society shall keep at its registered office, a register of Directors and Officers in which the Secretary shall enter the names and Addresses of the Directors, and the Secretary, with the offices held by them, and the dates on which they assumed office. |
| 117 | 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 Rules 115(a), 115(d) and 116. |

RIGHT OF INSPECTION

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| 118 | 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 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 agreed by the Members of the Society in any ordinary Members' meeting. |
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UPDATING THE REGISTER OF MEMBERS

- 119 The Secretary may remove Members from the register of Members, in the following circumstances:

Lost Contact

- 120 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 that Member's 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").

- 121 The procedures are as follows:

- (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.
- (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:
 - (i) advising that the Society intends to, after a notice period of not less than two calendar months, revise its register of Members removing those Members no longer living at their registered Address;
 - (ii) advising that any credit accounts of such Members can be claimed within two calendar years of the advertisement being posted;
 - (iii) providing contact details, including via Electronic Means, 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 held by them.
- (c) At the end of the notice period, the Secretary shall update the register of Members by removing those Members no longer residing 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.
- (d) At the end of a period of two calendar 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. No credit account containing more than £10 shall be capable of forfeiture.

Insufficient Share Account Balance

- 122 If a Member is found to have not maintained a balance of their share account of at least £1, or made any purchases qualifying for a dividend to supplement that balance,

Rule No.	Rule
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the Society must undertake the procedure set out below prior to removing the Member from membership.

123 The procedure is as follows:

- (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.
- (b) The notice shall state that, unless the Member within the period of notice increases the balance in their share account to £1, the Society shall cancel and forfeit their share.
- (c) The notice may be sent to the Member by pre-paid ordinary letter posted to their registered or last known Address and shall include a statement to the effect that if the Member objects to the cancellations and forfeiture of their share and wishes to remain a Member of the Society, they should within two calendar months increase the balance of their account to £1.

124 Once a Member is removed from membership under the preceding 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.

AUDIT

125 Unless the Society meets the criteria set out in the Act, or may disapply the audit requirement in accordance with the Act, the Board shall in each financial year appoint an Auditor as required by the Act, to audit the Society's accounts and balance sheet for the year.

126 None of the following persons shall be appointed as auditor of the Society:

- (a) A Director, Officer or Employee of the Society;
- (b) A Connected Person who is in the employment of, or who employs, a Director, Officer or Employee of the Society.

127 At least every ten years the Society shall re-tender for the provision of the external audit.

128 Except as provided below, every appointment of an auditor shall be made by resolution at an ordinary Members' meeting.

129 The Board may appoint an auditor to fill any casual vacancy occurring between ordinary and/or special Members' meetings.

130 An auditor appointed to audit the accounts and balance sheets of the Society for the preceding year of account shall be reappointed as auditor of the Society for the current year of account (whether or not any resolution expressly reappointing them has been passed) unless:

Rule No.	Rule
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| | <ul style="list-style-type: none"> (a) A resolution has been passed at an ordinary Members' meeting of the Society appointing a person to replace them or providing expressly that they shall not be reappointed; or (b) They have given the Society notice in Writing of their unwillingness to be reappointed; or (c) They are not a qualified auditor or are a person prohibited from appointment under these Rules; or (d) They have ceased to act as auditor of the Society by reason of incapacity. |
| 131 | A retiring auditor shall not be automatically reappointed by default if notice of an intended resolution to appoint another person in their place has been given in accordance with these Rules and the resolution cannot proceed because of (i) the death or incapacity of that other person or (ii) because that other person is not a qualified auditor or (iii) is a person prohibited from appointment by these Rules. |
| 132 | <p>A resolution at an ordinary 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, <p>shall not be effective unless notice of the intention to move it has been given to the Society not less than 28 Clear Days before the meeting at which it is to be moved. The Society, on receipt of notice of the proposed resolution, shall immediately 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 proposed resolution of the meeting at which the resolution is to be moved at the same time and in the same way as it gives notice in accordance with these Rules. Where the retiring auditor makes any representations in Writing to the Society with respect to the proposed resolution or notifies the Society in Writing that they intend to make such representations, the Society shall notify the Members accordingly as required by the Act or via the Society's website in accordance with the Act.</p> |
| 133 | The auditor shall, in accordance with the Act, make a report on the revenue account or accounts and the balance sheet of the Society for the year of account in respect of which they are appointed. |
| 134 | The auditor shall, in accordance with the Act, make a report on the revenue account or accounts and the balance sheet of the Society for the year of account in respect of which they are appointed. |
| 135 | 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 special and/or ordinary Members' meeting of the Society, to receive all notices of and other communications relating to any special and/or ordinary 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 of the business of the meeting which concerns them as auditor. |

ACCOUNTS

- 136 The Board shall cause proper books of account to be kept with respect to its transactions and its assets and liabilities, and it shall establish and maintain a satisfactory system of control of its books of account, its cash holdings and all of its receipts and remittances in accordance with the Act.
- 137 The Board shall in respect of each year of account;
- (a) Prepare a revenue account or revenue accounts which separately or together deal with the affairs of the Society as a whole for that financial year and which give a true and fair view of the income and expenditure of the Society for that financial year; and
 - (b) Prepare a balance sheet giving a true and fair view of the state of the affairs of the Society.
- 138 In addition, the Board shall have power to prepare 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.
- 139 The Directors' Report & Accounts presented to an ordinary Members' meeting shall be signed by the chair of the Board meeting at which the report was adopted.
- 140 In the preparation of accounts, the Board shall ensure that the Society adopts and conforms strictly to the accounting standards recommended from time to time by the Co-operative Performance Committee of the Co-operatives UK Limited (or any successor committee or body in name and title). If the Society does not observe the recommended standards, then this fact shall be reported clearly to the Members in the Society's annual report.
- 141 At the Board's discretion, the Society may publish half-yearly financial statements of trading activities, a summary revenue account and balance sheet information; provided that such information is clearly identified as unaudited and is published alongside the Society's most recent accounts.
- 142 The Secretary shall send to the Registrar the annual return, including a copy of each revenue account and balance sheet covering the period of the annual return and a copy of the auditor's report.
- 143 The Society must, at all times, display a copy of its latest balance sheet in a conspicuous position at its registered office.

ADMINISTRATIVE PROVISIONS

Minutes

- 144 The Secretary shall arrange for minutes of all Members' meetings and Board meetings to be kept.

Annual Return

- 145 Each year, the Society shall send to the Registrar:
- (a) A general statement in the prescribed form, called the annual return, relating to its affairs during the period covered by the return;
 - (b) A copy of the auditor's report on the Society's financial statements for the period included in the return; and
 - (c) A copy of each revenue account and balance sheet made during that period and of any auditor's report on that balance sheet.

Copy of Rules and Annual Return

- 146 The Secretary is to deliver:
- (a) A copy of these Rules to any Person who asks for them, on payment of an amount fixed by the Board subject to the statutory maximum of £5 for the time being and subject always to the obligation of the Society to provide a copy of the Rules free of charge to any Member who has not previously requested such a copy;
 - (b) A copy of the most recent annual return of the Society to any Member or Person interested in the Society's funds free of charge, on request. When doing so, the Secretary shall also supply a copy of the auditor's report on the accounts and balance sheet contained in the annual return.

Service of Notices

- 147 A notice required to be given by the Society to any Member under these Rules or under the Act or otherwise shall either be given (unless these Rules state otherwise) personally or sent to them at their Address in the register of Members. Alternatively, and if agreed by the Society at an ordinary Members' meeting, notices may be displayed conspicuously at the registered office and in other places of business of the Society to which Members have access. A notice sent to a Member's Address shall be deemed to have been duly served 48 hours after it is sent. The accidental omission to send any notice to or the non-receipt of any notice by any Person entitled to receive notice shall not invalidate the notice.

Seal

- 148 If the Society has a seal, it shall be kept in custody of the Secretary and shall only be used under the authority of the Board. Every instrument to which the seal shall be attached shall be signed by two Directors and the Secretary or, in the absence of the Secretary, by the Chief Executive or by such other person or persons as the Board may from time to time appoint for that purpose. The Board may approve a reserve list of persons from the Management Executive and Secretarial Department who will be authorised to sign in the absence of a Director and ratified at a subsequent Board meeting.

DISPUTES

149 Every unresolved dispute which arises out of these Rules between the Society and:

- (a) A Member; or
- (b) Any Person aggrieved who has ceased to be a Member within the six months prior to the date on which the Society became aware of the dispute; or
- (c) Any Person claiming through such Member or person aggrieved; or
- (d) Any Person bringing a claim under the Rules of the Society; or
- (e) An office-holder of the Society

is to be submitted to an arbitrator agreed by the parties or in the absence of agreement to be nominated by the Secretary General of Co-operatives UK Limited or its successor in name and title. The arbitrator's decision will be binding and conclusive on all parties.

Any Person bringing a dispute must, if so required, deposit with the Society a reasonable sum (not exceeding £100) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

INTEREST ON SHARE CAPITAL

150 The Society may pay to Members interest on their share capital at such rate or rates as determined by the Board from time to time, but not exceeding in any case such rate as is necessary to attract and retain the capital required to further the Society's objects and purpose. Different rates may be paid, graduated according to the amount of share capital in the Society held by a Member or under the terms of any share investment scheme promoted by the Society or previously by Midcounties.

APPLICATION OF TRADING SURPLUS

151 The net Trading Surplus of all business carried on by or on account of the Society shall be applicable as follows:

Payment of Dividend - Members

152 Paying a dividend to Members of the Society, in respect of the value of the purchases made by them from the Society and, to any other Person as decided by an ordinary Members' meeting. Provided that:

- (a) 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 to the places or areas in which goods are sold or services provided by the Society;
- (b) No dividend shall exceed the amount recommended by the Board;

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| | (c) The Board may, at its discretion, pay such interim dividend that it deems to be justified by the trading surplus of the Society. Purchases on which an interim dividend has been paid shall not rank for dividend in the final distribution of trading surplus in any one financial year; |
| | (d) Any amount payable in respect of a dividend, which is not withdrawn by a Member within 12 calendar months after it has become payable, may be applied in payment for further shares. |

Payment of Dividend - Employees

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| 153 | Pay such dividend to Employees as an ordinary Members' meeting shall determine. |
| 154 | Paying the cost of such shares as the Board decides to issue under the terms of any Employee Share Scheme. |

Member and Community Activities

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| 155 | Setting aside such amount as an ordinary Members' meeting shall determine, for the purpose of promoting education, culture and recreation, to encourage active participation by members in the Society's affairs. |
| 156 | Setting aside amounts for the benefit of the community or for charitable purposes as an ordinary Members' meeting shall determine. |

Political Activities

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| 157 | At least every three years the Board shall recommend to an ordinary Members' meeting that they set aside such an amount for political purposes in furtherance of Co-operative Values and Principles. |
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Other distributions

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| 158 | Making payments for any lawful purpose whatsoever whether within the functions for which the Society is formed, or not, provided that no distribution of the trading surplus shall be made to Members except as is expressly provided for in this rule. |
| 159 | In setting aside to a reserve fund such amount, if any, as the Board may determine. |
| 160 | In retaining as reserves any of the trading surplus not applied in one of the methods set out above. |

POLITICAL AFFILIATIONS

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| 161 | The Board shall agree with the National Executive Committee of the Co-operative Party and individual Party members in the areas concerned such arrangements for a Society Party Council or Councils or other such structures as are deemed appropriate to organise local party activity in the areas where the Society trades. |
| 162 | Any proposal to change existing political affiliations or enter into new affiliations shall be subject to a resolution at an ordinary Members' meeting. |

Rule No.	Rule
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| 163 | The recipients of political funding from the Society shall submit a report of their activities to the annual Members' meeting each year. |
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AMENDMENT OF RULES OR CHANGE OF SOCIETY NAME

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| 164 | (a) Any of these Rules may be amended or rescinded, or any new Rule may be made, by a resolution passed at a special Members' meeting by two-thirds of the votes cast, subject to Rule 165.

(b) At any members' meeting at which a resolution to change the Society's name is the sole item of business, Rule 43 shall not apply and the members' meeting in question shall be held at a single venue to be determined by the Board. |
| 165 | This Rule 165 and Rules 48, 51, 52, 68, 71, 72, 164, 166, 167, 168, or 170 may only be rescinded or altered by resolution passed at a special meeting of the Society at which 95% of the total votes have been cast in favour of such a resolution. |
| 166 | No amendment of these Rules is valid until registered with the Registrar. When submitting rule amendments for registration the Secretary may, at their sole discretion, accept any alterations required or suggested by the Registrar, without reference back to a further special Members' meeting. |

AMALGAMATION, TRANSFER OF ENGAGEMENTS, AND CONVERSION

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| 167 | <p>The Society may, by special resolution passed in the way required by the Act, amalgamate with, or transfer its engagements to, another registered society, or by a special resolution passed in a way required by the Act amalgamate with, convert or transfer its engagements to a company. The Society may also accept a transfer of engagements and assets by resolution of the Board of Directors or of a meeting of members.</p> <p>In relation to calling a special Members' meeting for the purpose of such resolution, the following provisions shall apply:</p> <p>(a) The Society shall give to members not less than two months' clear notice of the special Members' meeting specifying the intention to propose the resolution to amalgamate with, or transfer its engagements to, another registered society.</p> <p>(b) Notices of the meetings shall be given to Members as provided for in these Rules.</p> <p>(c) In addition, the notice shall be accompanied by a separate statement setting out for members:</p> <ul style="list-style-type: none">(i) the reasons for the proposal;(ii) whether the proposal has the support of the Board of the Society;(iii) what alternative proposals have been considered, and whether they are viable;(iv) details of the number of shares in the Society held by members of the Board, the Management Executive, and Persons connected with them;(v) a recommendation by reputable independent financial advisors that the members should support the proposal rather than any alternative proposal. <p>(d) Where the separate statement is contained in another Document, information</p> |
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shall be provided in the notice specifying where members can obtain a copy of the Document.

167A **MAJOR TRANSACTIONS**

Subject to the Act, any major transaction or proposed transaction, or any series of transactions, within the Transitional Period involving:

- a) the sale or disposal of any major asset of the Society of a value in excess of 25% of the value of the Society's tangible fixed assets (as stated in the Society's latest audited financial statements) to another society, corporate body or individual not in membership of Co-operatives UK Limited; or
- b) the cessation of operation or disposal of any business area of the Society (specifically food retail including post offices, funeral services including support businesses, childcare and nursery provision, travel, broadband and telecommunications, and energy) such that the relevant business area is no longer operated by the Society

shall require the prior approval of a Members' meeting.

DISSOLUTION

168 The Society may be dissolved:

- (a) by an instrument of dissolution signed by not less than 75% of the members for the time being, in accordance with the Act; or
- (b) in accordance with the Act, in pursuance of a winding-up order or by a resolution made or passed as directed in regard to companies by the Insolvency Act 1986; or
- (c) in accordance with the Act, after administration and the administrator issues a notice to dissolve the Society without prior winding-up.

LIABILITY OF MEMBERS

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

SURPLUS ASSETS

- 170 If, on the solvent dissolution or winding-up of the Society there remains, 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:
- (a) Transferred to one or more other societies in membership of Co-operatives UK Limited having the same or similar Rule provisions as regards surplus distribution as this Rule, as may be determined by the Members of the Society at an ordinary or special Members meeting; or
 - (b) If not so transferred shall be paid or transferred to Co-operatives UK Limited.

Signatures of Members	Full Names of Members in BLOCK CAPITALS (no initials)
1.	ELAINE DEAN
2.	RICHARD BICKLE
3.	MARC BICKNELL
Signature of Secretary	Full Name of Secretary in BLOCK CAPITALS (no initials)
1.	ANDREW SEDDON