

## **Co-operative and Community Benefit Societies Act 2014**

### *Registration of new society*

The following society has today been registered by us under Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society:

Society: **Wylderne Limited**

Registration number: **9164**

Registration date: 18 October 2023

Address: The Wilderness Centre, Wilderness Drive, Mitcheldean, Gloucestershire, GL17 0HA

Financial year-end date: 31 October

Date: **18 October 2023**



**Resonance Limited model rules**

**Rules of**

**Wylderne Limited**

**A Registered Society under the Cooperative and Community Benefit  
Societies Act 2014**

**Registration No.**

**Anthony Collins Solicitors LLP**

# **1 Introducing the Society and the rules**

## **1.1 Name**

1.1.1 The name of the Society is Wylderne Limited.

## **1.2 Registration**

1.2.1 The Society is registered as a community benefit society with the Registrar.

## **1.3 Purpose and objects**

1.3.1 The purpose of the Society is to carry on business for the benefit of the community of the Forest of Dean and Gloucestershire.

1.3.2 The Objects of the Society are to carry on business for the benefit of the community by:

- (a) maintaining or improving the physical, social, environmental and community infrastructure within the community of [name of area];
- (b) providing, bringing forward or managing housing (including social housing) for those who need it;
- (c) providing, bringing forward or assisting with the provision, supply or maintenance of renewable forms of energy;
- (d) providing, bringing forward or assisting with the provision of community resources, leisure and other activities for the benefit of the community;
- (e) creating training and employment opportunities;
- (f) holding land and property in trust for the community;
- (g) advancing citizenship and community development; and
- (h) providing relief to those in need because of their youth, age, ill-health, disability, financial hardship or other disadvantage

and the Society will achieve this through:

1.3.3 increasing participation in physical activity and exercise and promoting local leisure activity;

1.3.4 developing community led housing and acting as a community land trust;

1.3.5 building social cohesion and increasing community capacity;

1.3.6 bringing community assets and open spaces into public use and promoting investment in environmental improvement

1.3.7 promoting and developing local social enterprises and services to the community;

1.3.8 developing community-based energy generation and supply; and

- 1.3.9 engaging in any activities which in the reasonable opinion of the Board are conducive, ancillary or incidental to any of the above.

#### **1.4 Corporate Status**

The Society is not a subsidiary of another organisation and shall not become a subsidiary of another organisation without first amending these rules to state the name of the new parent entity.

#### **1.5 Application of Surplus**

- 1.5.1 The Society shall not trade with a view to distributing profits. Any surplus generated by the Society shall be applied solely to:

- (a) the continuation and development of the Society in furtherance of its Objects; or
- (b) to make payments for purposes consistent with the Objects.

- 1.5.2 The income and property of the Society shall be applied solely towards the promotion of its Objects and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, or otherwise by way of profit, to members of the Society provided that nothing shall prevent the Society from making payment in good faith at a reasonable and proper rate of fees and charges in respect of professional services or payments to any member, officer or servant of the Society in respect of remuneration for services rendered, interest on withdrawable share capital or moneys lent, rent for premises made available or reimbursement of out-of-pocket expenses or otherwise strictly in accordance with these Rules.

#### **1.6 Commitments**

- 1.6.1 The Society is formed for and will conduct its business for the benefit of the community.

- 1.6.2 The Society will aim to abide by and operate according to the internationally agreed principles of co-operation (the "Co-op Principles"), so far as is consistent with the status of the Society as a community benefit society and the equitable treatment of members. The Co-op Principles are:

- (a) Voluntary and Open Membership;
- (b) Democratic Member Control;
- (c) Member Economic Participation;
- (d) Autonomy and Independence;
- (e) Education, Training and Information;
- (f) Co-operation among Co-operatives;
- (g) Concern for the Community.

1.6.3 The Society shall:

- (a) treat all people with whom it does business fairly and with respect; and
- (b) show proper concern for the natural environment in which it operates.

## **1.7 Governing documents**

1.7.1 The documents which govern the Society consist of these rules (which always take precedence), together with any written codes of conduct, standing orders and any other written policies or procedures adopted by the Society to achieve good governance in the running of its affairs.

1.7.2 In these rules, words starting with a capital letter (like Society) have a specific meaning which is made clear in the rules, and this meaning is set out in the Appendix.

## **2 Governance**

### **2.1 Overview**

2.1.1 The Society has Members, a Board of Directors and a Secretary.

### **2.2 Members**

2.2.1 Members have access to information, a voice in the Society, and the opportunity to play a representative role in its governance, as follows:

#### Information

2.2.2 Members are entitled to receive information about the Society and its affairs, as provided in these rules.

#### Voice

2.2.3 Members are entitled to have a voice in the Society as provided in these rules, by:

- (a) attending and speaking at certain meetings;
- (b) voting on certain resolutions;
- (c) electing the Community Directors.

#### Representation

2.2.4 Members are entitled to stand for election to the Board of Directors as provided in these rules.

### **2.3 Board of Directors and functions**

2.3.1 The Board of Directors shall

- (a) act as the guardian of the Society's keeping to the Co-op Principles and its Values, in so far as is compatible with the Society's status as a community benefit society;
- (b) be responsible for the management of the affairs of the Society including both the setting of, and the approval of, the Society's business plan;
- (c) exercise all the powers of the Society subject to these rules.

### **2.4 Secretary**

2.4.1 The Secretary of the Society or a person nominated by the Secretary acts as secretary to the Board of Directors.

2.4.2 The Secretary is appointed by the Board of Directors. The Secretary may hold other responsibilities as an employee of the Society, but must be sufficiently independent.

2.4.3 The Board of Directors may appoint a deputy secretary (who may also be an employee) to act as secretary in the Secretary's absence.

2.4.4 The Secretary shall in particular:

- (a) call and attend all meetings of the Society and of the Board of Directors, and keep the minutes of those meetings;
- (b) keep the registers and other books required by these rules;
- (c) make any returns on behalf of the Society to the Registrar;
- (d) have charge of the seal (if any) of the Society;
- (e) monitor the compliance of the Society with these rules; and
- (f) provide or secure the provision of professional support to the Board of Directors when it is needed.

### **3 Members**

3.1 The first Members of the Society will be the founder members.

3.2 A Member of the Society is a person or an organisation whose name and address are entered in the Register of Members.

#### **3.3 Representative membership**

3.3.1 The Society shall at all times strive to ensure that taken as a whole its actual membership is representative of those eligible for membership, including by reference to different Member Communities. The Society shall seek to ensure that, as far as possible, a wide range of different Member Communities are equitably represented in the Society's membership.

3.3.2 To this end the Society shall at all times have in place and pursue a strategy for the active recruitment, retention and development of Members from different Member Communities (the Membership Strategy) which shall be established and maintained by the Board and shall be reviewed by it from time to time, and at least every three years.

#### **3.4 Constituencies**

3.4.1 There are two constituencies of Members, Community Members and Resonance (while Resonance remains a Member).

3.4.2 The constituency of Community Members may be sub-divided further into such Member Communities as the Board may decide.

#### **3.5 Criteria for membership**

3.5.1 Subject to the rules, membership is open to any person or organisation who is:

- (a) being a natural person, is 16 years of age or older; and
- (b) eligible under these rules to be a Community Member; and
- (c) completes an application for membership in whatever form the Board specifies.

3.5.2 In the event of any doubt as to whether a person or organisation is eligible to be a Member, the Board of Directors makes the final decision, but may delegate the operation of this to the Secretary. In particular, the Board of Directors may decline an application for membership if in the reasonable opinion of the Board:

- (a) admitting the person or organisation concerned would cause or worsen an imbalance or inequity in the representation of different Member Communities in the Society's membership;
- (b) there are reasonable grounds for doubt that the person or organisation making the application will support the Values and / or the Co-op Principles (in so far as they are applicable to the Society, given its status as a community benefit society).



### **3.6 Community Members**

3.6.1 Subject to these rules, any person or organisation who supports the aims of the Society or who uses the services provided by the Society is eligible to be a Community Member provided that:

- (a) he, she or the organisation confirms in writing (which includes by email or by completing a form electronically) that he or she will abide by these Rules and by the Values; and
- (b) he, she or the organisation agrees to abide by any code of conduct for Members as may be adopted by the Board.

3.6.2 Any organisation which is a Member shall by resolution of the relevant governing body appoint an individual person who may during the continuance of her/his appointment be entitled to exercise all such rights and powers of membership as the corporate body would exercise if it were an individual person. Each such Member shall supply notification in writing to the Society of its choice of appointee.

### **3.7 Rules binding on Members**

3.7.1 All Members agree to be bound by these rules, and to support the purpose, objects and Values of the Society.

### **3.8 Cessation of membership**

3.8.1 A Member shall cease to be a Member if:

- (a) they die or, being an organisation, cease to exist, are insolvent, or enter into a formal arrangement with creditors; or
- (b) they cease to be eligible to be a Community Member under these rules; or
- (c) save (while it remains a Member) for Resonance, they are expelled under these rules; or
- (d) being a Community Member, they cease in the reasonable opinion of the Secretary to be a supporter or user of services provided by the Society and have had no active involvement as a Member in the preceding 2 years; or
- (e) they cease to be a Member under Rule 3.9 (untraced Members); or
- (f) they withdraw from membership by giving notice to the Secretary, which shall be effective on receipt by the Secretary.

### **3.9 Untraced Members**

3.9.1 Where the Society has evidence that a Member no longer lives at the address shown in its register of Members (the "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 register of the Society, together with any sum of money representing interest credited to the Member in the books of the Society in respect of their shares (together referred to as "credit accounts").

- 3.9.2 The procedures are as set out in the remainder of this Rule 3.9.
- 3.9.3 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.
- 3.9.4 The Secretary shall cause advertisements to be posted conspicuously on parts of the Society's website to which Members have access, giving the following information:
  - (a) 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;
  - (b) providing contact details, including via Electronic Means for any Person wishing to update their registered address, or to withdraw from membership of the Society.
- 3.9.5 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.

### **3.10 Expulsion from membership**

- 3.10.1 A Member must be expelled if, in the opinion of the Board, their conduct amounts to a breach of these rules, the Values, or is detrimental to the interests of the Society, and it would be in the best interests of the Society that they should be expelled from membership.
- 3.10.2 A Member may only be expelled by a resolution approved at a meeting of the Board.
- 3.10.3 The Board must give the Member concerned at least one month's notice in writing of the meeting. The notice for the meeting must set out the particulars of the complaint of conduct detrimental to the Society and must request the Member to attend the meeting to answer the complaint.
- 3.10.4 At the meeting the Board shall consider the evidence presented by the Society and by the Member (if any). The meeting may take place without the attendance of the Member.
- 3.10.5 If the resolution to expel the Member is passed in accordance with this rule 3.10, the Member shall immediately cease to be a Member.
- 3.10.6 A person expelled from membership may not become a Member again unless their application is approved by a resolution of the Board.

### **3.11 Associates**

- 3.11.1 In addition to Members, the Society may also have Associates.
- 3.11.2 Organisations which operate in the area served by the Society, and that wish to support the Society's aims, but that are not able or do not wish to become Community Members of the Society are eligible to be Associates.
- 3.11.3 Associates are not Members but are entitled to play a part in the Society as provided in these rules.
- 3.11.4 Associates may attend and speak at Members Meetings but shall have no right to vote at meetings or to take part in elections.

## **4 Members Meetings**

### **4.1 Members Meetings**

4.1.1 Members Meetings are either ordinary Members Meetings or special Members Meetings.

### **4.2 Ordinary Members Meetings**

4.2.1 The Society shall hold an ordinary Members Meeting called the Annual Members Meeting within six calendar months after the close of each financial year or such later date as may be allowed by law.

4.2.2 The functions of the Annual Members Meeting are:

- (a) to receive from the Board of Directors the Annual Report and Accounts;
- (b) to receive from the Board of Directors a report of its activities for the last year;
- (c) to conclude elections to the Board of Directors; and
- (d) to transact any other general business of the Society set out in the notice convening the meeting including any business that requires a special resolution.

### **4.3 Special Members Meetings**

4.3.1 All Members Meetings other than Annual Members Meetings shall be Special Members Meetings and shall be called either:

- (a) on an order of the Board of Directors; or
- (b) on a written requisition signed by the greater of three Members or one-tenth of the Members (to a maximum of twenty-five) stating the proposed resolutions for which the meeting is to be called.

4.3.2 If within twenty-eight days after delivery of a requisition to the Secretary a meeting is not called, the Members who have signed the requisition may call a meeting.

4.3.3 A Special Members Meeting shall not transact any business that is not set out in the notice convening the meeting.

### **4.4 Notice of Members Meetings**

4.4.1 All Members Meetings shall be called by at least fourteen clear days' written notice to every Member and Director, and to the Auditor. The notice shall state whether the meeting is an Annual or Special Members Meeting, the time, date and place of the meeting, and the business for which it is called. Notice of meetings may be given to Members electronically and by reference to matters posted on the Society's website.

## **4.5 Quorum for Members Meetings**

- 4.5.1 Before any Members Meeting can start its business, there must be a minimum number of Members (quorum) present. This includes Members who are able to participate in the meeting by attending by telephone, Skype, or other electronic means provided that such Members can hear or observe those speaking at the meeting, make comment to the meeting, and have a means of recording their vote.
- 4.5.2 A quorum is the lesser of 20 Members or 30% of all Members.
- 4.5.3 As part of the quorum and while it remains a Member Resonance (or such other organisation or person as Resonance may appoint under Rule 3.6.2) must be present by means of an individual duly appointed under the Rules.

## **4.6 Procedure at Members Meetings**

- 4.6.1 Members Meetings are open to all Members, Associates and Directors, and the Auditor, all of whom have the right to speak.
- 4.6.2 A Members Meeting held as a result of a Member's requisition will be dissolved if too few Members are present half an hour after the meeting should begin.
- 4.6.3 All other general meetings with too few Members will be adjourned to the same day, at the same time and place in the following week. If too few Members are present within half an hour of the time the adjourned meeting should have started, those Members present shall be a quorum and carry out the business of the meeting.
- 4.6.4 The chair of any Members Meeting can:
  - (a) take the business of the meeting in any order that they may decide; and
  - (b) adjourn the meeting if the majority of the Members present agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted; and
  - (c) with or without the agreement of the Members present, adjourn the meeting where in the chair's opinion the conduct of those present has become too unruly to permit an orderly meeting to continue.
- 4.6.5 At all Members Meetings the Chair of the Board of Directors shall preside. If there is no such Chair or if the Chair is not present or is unwilling to act, the Deputy Chair of the Board of Directors (if any) shall preside, failing which the Members present shall elect a Member to chair the meeting.
- 4.6.6 The Society in Members Meetings can only exercise the powers of the Society expressly reserved to it by these rules or by statute.

## **4.7 Voting at Members Meetings**

- 4.7.1 Unless otherwise required by the Act, the following shall apply to voting at Members' Meetings.
- 4.7.2 A resolution put to the vote at a Members Meeting shall be decided by votes cast upon a show of hands unless a poll is required under these rules.
- 4.7.3 The Board of Directors may make arrangements for Members to vote by post or electronically. Proxies are not permitted.
- 4.7.4 On a show of hands and on a poll, every Member who has been in membership of the Society for more than six months has one vote whether voting in person, by post or electronically.
- 4.7.5 In the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- 4.7.6 The decision of the Secretary that a resolution has been carried or lost, and whether by a particular majority if required, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of that fact.
- 4.7.7 Any question as to the acceptability of any vote shall be determined by the chair of the meeting after consulting the Secretary, whose decision shall be final.
- 4.7.8 A vote shall be taken at the meeting at such time and in such manner as the chair of the meeting directs. The result of such a vote shall be treated as the resolution of the Society in general meeting.

## **5 Board of Directors**

### **5.1 Composition of the Board of Directors**

5.1.1 The Board of Directors comprises between 3 and 12 Directors.

5.1.2 Of those there shall be:

- (a) a minimum of 3 Community Directors at any time;
- (b) up to 9 Community Directors in total appointed by the Members;
- (c) up to 3 Independent Directors appointed for their skills or experience by the Board.

5.1.3 In the event that the number of Directors at any time does not comply with these rules, the remaining Directors continue to have authority to act but shall use reasonable endeavours to secure the appointment of further Directors to ensure compliance with these rules.

### **5.2 Appointment of Directors**

5.2.1 The Community Directors are appointed by the Members at a Members' Meeting, following such open selection process as the Board may determine. The Board shall, as a minimum, set and publish selection criteria in relation to candidates wishing to be considered for appointment as Directors, which will include a requirement as to independence, and being suitably qualified in terms of skills, qualities and experience. The selection process must give the opportunity to any Member who wishes to put themselves forward for appointment to do so.

5.2.2 The Board appoints the Independent Directors.

### **5.3 Removal of Directors**

5.3.1 The Board may remove Independent Directors at any time, provided that the removal is considered at a Board meeting called for that purpose.

### **5.4 Terms of office**

5.4.1 Community Directors and Independent Directors are appointed for a fixed term of office expiring at the conclusion of the third annual general meeting after their appointment becomes effective.

5.4.2 Community Directors may be re-appointed for subsequent terms of office in accordance with these rules, up to a maximum of nine years in total.

5.4.3 Independent Directors may be re-appointed by the Board for subsequent terms of office in accordance with these rules, up to a maximum of nine years in total.

### **5.5 Eligibility**

5.5.1 No one can become or remain a Director at any time if:

- (a) they are under 18 years of age;
- (b) they are disqualified from acting as a director of a company or trustee of a charity for any reason; or
- (c) they have been convicted of an indictable offence which is not, or cannot, become spent; or
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts, or
- (e) they are an undischarged bankrupt; or
- (f) they have absented themselves from three consecutive meetings of the Board of Directors in one rolling twelve-month period without special leave of absence from the Board; or
- (g) they are, in the reasonable opinion of the Board of Directors, incapable of fulfilling their duties and responsibilities as a Director because of illness or injury and the Board resolves that they be removed as a Director; or
- (h) they are removed from office by a resolution of the Board of Directors, passed by 75% of the Directors present and voting (including those present by electronic or other means) at a Board meeting for which reasonable notice of the purpose of the meeting has been served on all Directors, always provided that the Director concerned has been granted a reasonable opportunity to say why they should not be so removed; or
- (i) they have served for a continuous term of nine years as a Director, and the proposed appointment is less than four years after the end of that term; or
- (j) they are a family member, spouse or partner of a Director; or
- (k) they are an Employee, a family member, spouse or partner of an Employee of the Society; or
- (l) they have been removed from any office under these rules for breach of the relevant Code of Conduct.

5.5.2 Any Director who at any time ceases to qualify under this rule 5.5 shall immediately cease to be a Director.

## **5.6 Vacancies**

5.6.1 When a vacancy for a Director arises, it shall be filled as soon as possible. A vacancy for a Community Director arising because there were insufficient candidates elected at the relevant annual Members Meeting, or because of a retirement, or for whatever other reason may be filled by the Board of Directors and such replacement shall hold office for the remainder of the period of office of his/her predecessor. Subject to rule 5.4 if a Community Director retires at a Members Meeting in accordance with these rules and the meeting does not fill the vacancy, the retiring Community Director shall, if willing, be deemed to have



been reappointed unless a resolution for his/her reappointment is put to the meeting and lost.

## **5.7 Remuneration and expenses**

- 5.7.1 The Board shall decide on the remuneration (if any) and policy for the reimbursement of expenditure of Directors, both Community Directors and Independent Directors.

## **5.8 Quorum for meetings of the Board of Directors**

- 5.8.1 Except as provided below, three Directors shall form a quorum and must include at least two Community Directors.
- 5.8.2 The Board of Directors may determine a higher number or impose additional requirements.
- 5.8.3 If the number and make up of Directors falls below the number and composition necessary for a quorum, the remaining Directors may continue to act as the Board of Directors for a maximum period of six months and the quorum provisions for Board meetings shall be suspended for that time. At the end of that time the only power the Board of Directors may exercise shall be to address the number and composition of the Board of Directors required by these rules.

## **5.9 Board meetings, including calling, chairing, quorum and other procedures**

- 5.9.1 The Board of Directors shall meet at least four times every calendar year.
- 5.9.2 At least seven days written notice of the date and place of every Board meeting shall be given by the Secretary to all Directors. The Board of Directors may meet on shorter notice where not less than fifty percent of the Directors so agree.
- 5.9.3 Meetings of the Board of Directors may be called by the Secretary, or by the Chair, or by three Directors who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Directors as soon as possible after receipt of such a request. Pursuant to the request, the Secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair of the Board of Directors or two Directors, whichever is the case, shall call such a meeting.
- 5.9.4 Except where these rules say otherwise, a resolution is passed if a majority of those voting are in favour. Every Director has one vote. In the case of an equality of votes, the chair of the meeting shall have a second and casting vote.
- 5.9.5 All decisions taken in good faith at a meeting of the Board of Directors or any committee meeting shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of any of the Directors at a meeting.
- 5.9.6 A resolution in writing sent to all Directors or all members of a committee and signed, or confirmed electronically, by a majority of the Directors or the required majority of the members of a committee who are not abroad shall be as valid and

effective as if it had been passed at a properly called and constituted meeting of the Board of Directors or committee.

- 5.9.7 Meetings of the Board of Directors or a committee can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting, whether or not all the persons concerned are assembled in one place.
- 5.9.8 Notice may be given to Directors by post or fax or electronic communication at the last address or number for such communication given to the Secretary. The accidental failure to give notice to a Director or the failure of any of them to receive such notice shall not invalidate the proceedings of the Board of Directors.

## **5.10 Chair and Deputy Chair**

- 5.10.1 The Board of Directors shall elect one of the Directors to be the Chair of the Board of Directors, for such period as the Board of Directors may decide. The Chair may only be removed at a meeting of the Board of Directors which has been called (solely or in part) for that purpose.
- 5.10.2 The Chair of the Board of Directors shall be Chair of the Society and shall chair meetings of the Board of Directors.
- 5.10.3 The Board of Directors shall also elect one of the Directors to be Deputy Chair of the Board of Directors, for such period as the Board of Directors may decide. If the Chair is unable to discharge their office as Chair of the Society, the Deputy Chair of the Board of Directors shall be acting Chair of the Society.
- 5.10.4 The first item of business for any meeting of the Board of Directors when the Chair (or Deputy Chair) is not present shall be to elect a chair for the purpose of the meeting. The chair shall at all times be a Community Director.

## **5.11 Committees of the Board**

- 5.11.1 The Board of Directors may delegate the exercise of any of its powers under written terms of reference to a committee of the Board of Directors or to officers or Employees. Those powers shall be exercised in accordance with any written instructions given by the Board of Directors.
- 5.11.2 The Board of Directors may reserve to itself any matters which it does not wish to be delegated to committees or Employees.
- 5.11.3 The membership of any committee shall be determined by the Board of Directors. Every committee shall include at least one Director. The Board of Directors will appoint the chair of any committee and shall specify the quorum.
- 5.11.4 All acts and proceedings of any committee shall be reported to the Board of Directors.
- 5.11.5 No committee can incur expenditure on behalf of the Society unless at least one Director on the committee has voted in favour of the resolution and the Board of Directors has previously approved a budget for the relevant expenditure.

- 5.11.6 The Board of Directors may designate as officers such other executives, internal auditor and staff of the Society on such terms (including pay) as it from time to time decides.

## **5.12 Declaration or notification of interest**

- 5.12.1 No Director or member of a committee (or Connected Person) may have any financial interest in any contract or other transaction with the Society, or be granted a benefit by the Society, unless such interest or benefit would not be in breach of, and would not be inconsistent with, any code of conduct and/or governance adopted by the Board of Directors.
- 5.12.2 Any Director or member of a committee, having an interest in any arrangement between the Society and someone else, shall disclose their interest before the matter is discussed by the Board of Directors or the relevant committee. Such disclosure must comply with any Code of Conduct adopted by the Board of Directors from time to time. Unless it is expressly permitted by these rules they shall not remain present (unless requested to do so by the Board of Directors or committee), and they shall not have any vote on the matter in question.
- 5.12.3 If a question arises at a meeting of the Board of Directors or of a committee as to the right of a Director or a member of a committee to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair of that meeting, whose ruling in relation to any Director or committee member other than the chair is to be final and conclusive.
- 5.12.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 5.12.5 Any decision of the Board of Directors or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 5.12.6 Every Director and member of a committee shall ensure that the Secretary at all times has a list of all other bodies in which they have an interest as:
- (a) a director or officer; or
  - (b) a member of a firm; or
  - (c) an official or elected member of any statutory body; or
  - (d) the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company; or
  - (e) the occupier of any property owned or managed by the Society which they occupy; or

(f) the holder of any other significant or material interest.

- 5.12.7 If requested by a majority of the Board of Directors or members of a committee at a meeting called specially for the purpose, a Director or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time as the Board of Directors directs.
- 5.12.8 A Director or member of a committee shall not have an interest for the purpose of these rules by virtue of being a Director or officer of any part of the Society Group.
- 5.12.9 A person who receives services from the Society or any other part of the Society Group or an Employee shall not by virtue of that relationship alone have an interest for the purposes of these rules.

## **6 Reporting to Members**

### **Auditor**

- 6.1 The Society, if required by law to do so, shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 91 of the Act.
- 6.2 The following cannot act as an auditor:
- 6.2.1 an Officer or employee of the Society or of any Connected Society;
  - 6.2.2 a person employed by or employer of, or the partner of a person falling within the scope of rule 6.2.1;
  - 6.2.3 a person prohibited by section 1214 of the Companies Act 2006 (independence requirement) from acting as statutory auditor of a company that is a subsidiary of the Society
- 6.3 The Society's auditor may be appointed by a resolution of Members.
- 6.4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's accounts as well unless
- 6.4.1 an annual or special general meeting has appointed someone else to act of has resolved that the auditor cannot act; or
  - 6.4.2 the auditor does not want to act and has told the Society in writing; or
  - 6.4.3 the person is not qualified or falls within rule 7.2 (above); or
  - 6.4.4 the auditor has become incapable of acting; or
  - 6.4.5 notice to appoint another auditor has been given.
- 6.5 Not less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
- 6.6 The Society shall send a copy of the resolution to the retiring auditor and also give notice to the Members (which notice may be given electronically), the Directors and Secretary at the same time and in the same manner, if possible.
- 6.7 If this is not possible, the Society shall give notice by advertising on its website at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to Members under Section 95 of the Act.

### **Auditor's duties**

- 6.8 The findings of the auditor shall be reported to the Society, in accordance with Section 87 of the Act.
- 6.9 The Board of Directors shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, electronically for Members in advance of the Annual Members Meeting. The Board of Directors shall also produce its

report on the affairs of the Society which shall be signed by the person chairing the meeting which adopts the report.

#### **Accounting Requirement**

- 6.10 The end of the accounting year must be a date allowed by the Registrar.
- 6.11 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with sections 75 and 76 of the Act.
- 6.12 The Society shall establish and maintain satisfactory systems of control of its books of accounts, its cash and all its receipts and payments

#### **Annual Returns and Balance Sheets**

- 6.13 Every year, within the time period specified by legislation, the Secretary shall send the Society's annual return to the Registrar. The return shall be prepared in accordance with the period specified in the Act, or such other date allowed by the Registrar and shall be lodged within the period required by law. The annual return shall be accompanied by the auditor's report, if required, for the period of the return and accounts and balance sheets to which it refers

#### **Publication of Accounts and Balance Sheet**

- 6.14 The Society shall give to all Members on request copies of its last Annual Report and Accounts, free of charge.
- 6.15 The Society must display a copy of its latest Balance Sheet and Auditor's report (if one is required by law) at its registered office.

## **7 Change**

### **7.1 Amendments to Rules**

- 7.1.1 Any of these Rules other than this Rule, Rule 1.3, Rule 1.5 and Rule 7.4 may be rescinded or amended or a new Rule made by a vote of at least 75% (seventy five percent) of the Members voting at a General Meeting of which 14 clear days' notice has been given, such notice to include details of the changes to be proposed at the meeting.

### **7.2 Amendment procedure**

- 7.2.1 The rules may only be amended by a resolution put before the Members by the Board of Directors which has been approved by at least two thirds of the Board of Directors prior to the approval by the Members.
- 7.2.2 Amended rules shall be registered with the Registrar as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

### **7.3 Transfer of engagements**

- 7.3.1 The Society may, by special resolution passed by the Members in accordance with the law, amalgamate with or transfer its engagements to another society or to a company.
- 7.3.2 The Society may accept a transfer of engagements and assets from another society by resolution of a Members Meeting.

### **7.4 Dissolution**

- 7.4.1 The Society may be dissolved by the consent of at least 75% (seventy-five per cent) of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act or the Insolvency Act 1986.
- 7.4.2 Upon the winding up or on dissolution of the Society, if any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members but shall instead be transferred to some other body or bodies or trust(s) with objects similar to or compatible with the Objects and subject to at least the same degree of restriction on distribution of profits and assets as the Society has (the identity of which may be decided by the members at the time of or prior to the dissolution and such a body may include a public authority or body holding the assets on trust for such purposes).

## **8 Share capital**

- 8.1 The Society shall have shares of £1 each.
- 8.2 Every Member holds one share in respect of their membership ("a Membership Share"), which is allotted on admission to membership.
- 8.3 No Member shall be admitted unless payment is made for a Membership Share if the Society requests it.
- 8.4 No Member may hold more than one Membership Share.
- 8.5 When a Member ceases to be a Member, their Membership Share is cancelled. The amount paid up (if any) shall become the property of the Society.
- 8.6 Application for further shares shall be made to the Secretary, and is subject to any maximum specified by law.
- 8.7 The Society may from time to time make a Community Share Offer, and any such offer may specify a minimum number of shares to be purchased. Shares purchased through a Community Share Offer shall be paid for in full on allotment.
- 8.8 Shares shall not be transferable except:
  - 8.8.1 on death, bankruptcy or insolvency of the Member concerned;
  - 8.8.2 on a change of nominee by an unincorporated body; or
  - 8.8.3 otherwise by operation of law.
- 8.9 Shares shall be withdrawable at the sole discretion of the Board in accordance with the Rules as follows:
  - 8.9.1 shares may be withdrawn by members who have held them for a minimum period of 3 years or such other period as the Board may decide from time to time;
  - 8.9.2 application for withdrawal shall be made on not less than three months' notice, on a form approved by the Board;
  - 8.9.3 the Board may specify a maximum total withdrawal for each financial year;
  - 8.9.4 all withdrawals shall be funded from trading surpluses, reserves or new share capital raised from members, and shall be at the absolute discretion of the Board having regard to the long-term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit. If any withdrawal is to be funded from reserves, the Board must be satisfied that:
    - (a) as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and
    - (b) the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal;



- 8.9.5 all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made;
- 8.9.6 except where a member intends to terminate their membership, they shall not be permitted to withdraw shares leaving them with less than the minimum required by these Rules;
- 8.9.7 the Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers appropriate;
- 8.9.8 the Board may by a written announcement published on its website suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall apply to all notices of withdrawal which have been received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Board;
- 8.9.9 during any period when the right of withdrawal has been suspended, the shares of a deceased member may, if the Board agrees, be withdrawn by their personal representatives on giving such notice as the Board requires;
- 8.9.10 the Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a member on the withdrawal of shares; and
- 8.9.11 any Shares withdrawn shall be cancelled.
- 8.10 The Society may (but is under no obligation to) pay interest to holders of shares, as compensation for the use of such funds, subject to the following:
  - 8.10.1 any payment of interest must only be made where the Society can reasonably afford to do so and is at the discretion of the Board having regard to the long-term interests of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit;
  - 8.10.2 the rate of interest to be paid from time to time shall be determined by the Board, provided that the rate of interest shall: (a) always be declared in advance of the period for which it is intended to be paid and (b) not exceed the lowest rate sufficient to obtain the necessary funds from members who are committed to furthering the Society's Objects.
- 8.11 On the solvent winding-up of the Society, holders of shares will have no financial entitlement beyond the payment of outstanding interest and repayment of their paid-up share capital.
- 8.12 In the event that a member resigns from membership, dies (or in the case of a corporate body ceases to exist), or is expelled in accordance with the Rules, the shares held by them at the date of resignation, removal or expulsion shall thereupon become a loan, repayable to the former member (or where applicable, to their personal representative(s)) by the Society. The terms of repayment shall be those applying to the withdrawal of share capital set out in these Rules, and notice of withdrawal shall be treated as having been given at the point of resignation, removal or expulsion.

- 8.13 If the Society's Auditor or reporting accountant certifies at any time that the Society's liabilities when added to the value shares in issue are greater than its assets, then the Board may resolve that this excess shall be apportioned among the members in proportion to the amount of the nominal value of shares held by each member (but not beyond that amount). The apportionment shall be based on the value of paid up shares held by members at the time of the resolution. The value of each member's shares shall then be reduced for the purpose of allowing any withdrawals, except that the value may not be reduced below the minimum shareholding required by these Rules.
- 8.14 The Society shall have a lien over the shares of any member for any debt or liability due to it and may set off any sum standing the that member's credit against such liability or debt.
- 8.15 In accordance with section 37 of 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 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. Any property held by a Member who dies or becomes bankrupt which is not dealt with by nomination under this Rule shall be dealt with as follows:
- 8.16 The Society shall transfer or pay property to which an Officer Holder has become entitled as the Office Holder may direct the Society but only upon a claim being made by:
- 8.16.1 the personal representative of a deceased Member; or
  - 8.16.2 the trustee in bankruptcy of a Member who is bankrupt; or
  - 8.16.3 the Office Holder to any property in the Society belonging to such a Member.

## **9 Administrative**

### **9.1 Powers**

- 9.1.1 The Society shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its purpose and objects, except as expressly prohibited in these rules.
- 9.1.2 Without limiting its general powers, the Society shall have power to:
- (a) purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, including without limitation construct or carry out works to buildings;
  - (b) help any charity or other body not trading for private profit in relation to leisure and related services;
  - (c) subject to these rules borrow money from any person or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing;
  - (d) enter into and perform any derivative transaction on such terms as the Society thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of the Society;
  - (e) invest the funds of the Society in such manner as it decides; and
  - (f) lend money on such terms as the Society shall think fit.
- 9.1.3 The Society shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000 or any other authority required by statute unless it has such authorisation.
- 9.1.4 The certificate of an officer of the Society that a power has been properly exercised shall be conclusive as between the Society and any third party acting in good faith.
- 9.1.5 A person acting in good faith who does not have actual notice of these rules or the Society's regulations shall not be concerned to see or enquire if the Board of Directors' powers are restricted by such rules or regulations.

### **9.2 Borrowing and financial management**

- 9.2.1 The total borrowings of the Society at any time shall not exceed £25 million (twenty-five million pounds) or such a larger sum as the Society determines from time to time in a Members Meeting. For the purposes of this rule 9.2 any amount of the Society's borrowings in any currency other than pounds sterling shall be converted to sterling at the exchange rate or rates applicable under the related derivative transaction or transactions by which the Society has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowings.

- 9.2.2 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the Board of Directors, is reasonable having regard to the terms of the loan. The Board of Directors may delegate the determination of the said interest rate within specified limits to an officer, Director or a committee.
- 9.2.3 In respect of any proposed borrowing, for the purposes of these rules;
- (a) the amount remaining un-discharged of any deferred interest or index-linked monies previously borrowed by the Society or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and
  - (b) in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the Society at the time of the proposed borrowing.
- 9.2.4 The funds or monies borrowed by the Society may be invested by the Board of Directors in such manner as it determines.

### **9.3 Settlement of disputes**

- 9.3.1 Any dispute on a matter covered by these rules shall be referred by either party to a suitably qualified independent mediator for settlement. The mediator shall be appointed by agreement between the parties or, in default of agreement, by the Centre for Effective Dispute Resolution whether the disagreement be as to the qualifications, the identity of the mediator or otherwise. The mediation will be conducted in accordance with the requirements of the mediator. Both parties will be obliged to comply and co-operate with this procedure at each stage and to share equally the costs of appointment of the relevant mediator as referred to above. Costs thereafter will be borne as the mediator will determine. Where the dispute is not resolved by mediation, any claim shall be dealt with in the county court which shall have sole jurisdiction over any dispute arising under these rules.

### **9.4 Statutory applications to the Registrar**

- 9.4.1 Ten Members can apply to the *Registrar* to appoint an accountant to inspect the books of the Society, provided all ten have been Members of the Society for a twelve-month period immediately before their application.
- 9.4.2 The Members may apply to the Registrar to get the affairs of the Society inspected or to call a special Members Meeting. One hundred Members, or one-tenth of the Members, whichever is the lesser, must make the application.

### **9.5 Register of Members and Officers**

- 9.5.1 The Society shall keep at its registered office or in a secure location electronically:
- (a) the register of Members showing:
    - i the names and addresses of all the Members; and

- ii a statement of all the shares held by each Member and the amount paid for them; and
- iii a statement of other property in the Society held by the Member; and
- iv the date that each Member was entered in the register of Members;
- (b) a duplicate register of Members showing the names and addresses of Members and the date they became Members;
- (c) a register of the names and addresses of the officers of the Society, their offices and the dates on which they assumed those offices as well as a duplicate;
- (d) a register of holders of any loan;
- (e) a register of mortgages and charges on land;
- (f) a copy of the rules of the Society.

## **9.6 Notices**

- 9.6.1 Any notice required to be given by these rules may be posted or delivered electronically to an address provided by the intended recipient for that purpose.
- 9.6.2 Any accidental failure to deliver any notice to any person as required by these rules shall not invalidate the proceedings at that meeting. A notice or communication sent to a Member at their address shown in the register of Members shall be treated as having arrived two days after being posted and any sent by fax or electronic communication shall be treated as having been served when received provided that in respect of a fax it is legible and in respect of an electronic communication, it is in a readable form.

## **9.7 Minutes and books**

- 9.7.1 The minutes of all Members Meetings, the Board of Directors and committee meetings shall be recorded, agreed by the relevant subsequent meeting and retained in secure electronic or physical storage by the Society.

## **9.8 The seal**

- 9.8.1 The Secretary shall keep the seal (if any). It shall not be used except under the authority of the Board of Directors. It must be affixed by one Director signing and a second Director or the Secretary countersigning or in such other way as the Board of Directors resolves. The Board of Directors may in the alternative authorise the execution of deeds in any other way permitted by law.

## **9.9 Copies of rules and regulations**

- 9.9.1 The Secretary shall give a copy of the rules of the Society to any person on demand who pays such sum as is permitted by law.

## **9.10 Directors' and Officers' indemnity and insurance**

- 9.10.1 Every officer or Employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of their duty.
- 9.10.2 Except for the consequences of their own dishonesty or gross negligence no officer or Employee shall be liable for any losses suffered by the Society or any part of the Society Group.
- 9.10.3 The Society shall pay insurance premiums in respect of insurance taken out to insure Directors, officers and Employees.

## **9.11 Registered office**

- 9.11.1 The Society's registered office is at The Wilderness Centre, Wilderness Drive, Mitcheldean, Gloucestershire, GL17 0HA.
- 9.11.2 The Society's registered name must be:
- (a) placed prominently outside every office or place of business; and
  - (b) engraved on its seal (if any); and
  - (c) stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

## APPENDIX

1. These rules should be read and understood on the basis of what is set out below.
2. Words in the singular include the plural, and words in the plural include the singular.
3. Any reference to legislation includes any subsequent enactments, amendments and modification, or any subordinate legislation.
4. The section, rule and paragraph headings are inserted for convenience only and shall not affect the interpretation of the rules.
5. The specific meaning of the following words and phrases is as follows:

Act	The Co-operative and Community Benefit Societies Act 2014
Associate	A member of staff seconded to the Society OR an organisation which has a presence in the area served by the Society which, for whatever reason, is not eligible to become a Member that, in either case, becomes an Associate of the Society under rule 3.11
Board of Directors	The board of the directors of the Society for the time being
Chair	Depending on the context, the chair of the meeting which is the subject of the Rule concerned, or the Chair of the Board of Directors
Chief Executive	The senior officer of the Society
Community Director	A Director of the Society elected by the Members
Community Members	Members of the Society who are supporters of, or served by, the Society
Community Share Offer	An offer to Members to purchase withdrawable shares in the Society over and above their Membership Share
Connected Person	In relation to an individual who is a Director, co-optee or committee member (the fiduciary), a person or body with whom the fiduciary shares a common interest such that the fiduciary may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person or body, being either a member of the fiduciary's family or household, or a person or body who is a business associate of the fiduciary, but (for the avoidance of doubt) this does not include a company with which the fiduciary's only connection is as the owner or controller of less than 2% of a company the shares in which are publicly quoted or less than 10% of any other company
Connected Society	In relation to the Society, a society which is: <ul style="list-style-type: none"> <li>• a subsidiary of the Society; or</li> <li>• a subsidiary of any society of which the Society is also a subsidiary.</li> </ul>

Director	A director of the Society for the time being
Employee	A person who is employed by the Society as further defined by Rule 3.6
Members	The members for the time being of the Society
Member Community and Member Communities	A specific grouping of Members by geographical areas as the Board may agree
Membership Strategy	Any strategy adopted by the Board of Directors for the Society's involvement with its Members
Office Holder	means a receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member's assets
Officer	shall include the Chair and Secretary of the Society and any Director for the time being
Registrar	The Financial Conduct Authority or such other body as succeeds to the registration function for mutual societies
Resonance	Community Land & Finance C.I.C, a community interest company with company registration number 06522641 whose registered office is The Great Barn, 5 Scarne Court, Hurdon Road, Launceston, Cornwall PL15 9LR
Secretary	The person designated as such by the Board of Directors under these Rules
Society Group	The Society and any other corporate body which the Society designates in writing as being within a group structure for the purposes of these rules