

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: **Secret Projects Community Benefit Society Limited**

Registration number: **8216**

Registration date: 10 October 2019

Address: 8 Park Chase, Guildford, Surrey, GU1 1ES

Financial year-end date: 31 March

The attached copy of the special resolution for the conversion is today registered under Co-operative and Community Benefit Societies Act 2014.

Date: **10 October 2019**



THE COMPANIES ACT 2006

Special Resolution to Special General Meeting of Secret Pillow Project Ltd

To convert from a private limited company to a Community Benefit Society

Part A: Company Details Secret Pillow Project Ltd

Company name: Secret Pillow Project Ltd
Company number: 9102631
Company type: Private company limited by shares

At a general meeting of the above company, duly convened and held at:

HOLIDAY INN, LOAKE CLOSE
GRANGE PARK, NORTHAMPTON, NN4 5EZ

On the following date: 13th AUGUST 2019

The following six resolutions listed in Part B were passed as special resolutions.

Part B: Special resolutions

The Shareholder notes that there are no members who hold shares in the company of a nominal value that exceeds that statutory limit on shareholding in a Society.

The Shareholder hereby resolves:

1. To covert Secret Pillow Project Ltd from a Company Limited by Shares to a Community Benefit Society.
2. The name of the company shall be changed when it becomes a Community Benefit Society to Secret Projects Community Benefit Society Limited.
3. To adopt the accompanying Rules as the Rules of the Society: Secret Projects Community Benefit Society Limited.
4. To transfer each member's shareholding to the new Society at a par value.
5. In accordance with Article 17, The Shareholder resolves, after the Company satisfies any debts and liabilities to transfer its assets and undertakings to the new Society, Secret Projects Community Benefit Society Limited.
6. The Shareholder appoints the following three members of Secret Projects Community Benefit Society Limited to sign the rules:

Banke Ajayi

Fritha Vincent

Ailsa Vincent

And the following to sign and act as the Society's Secretary:

Banke Ajayi

and resolves that these signatories are authorised to accept any proposals from the FCA to alter the rules if required.

Voted and agreed unanimously at the Secret Pillow Project Ltd SGM

Date: 13.08.19

Signed on for and on behalf of the Shareholder Fritha Vincent:

Signed: 

Print name:

FRITHA VINCENT

Signed on for and on behalf of the Secretary:

Signed: 

Secretary: Banke Ajayi

Date: 13.08.19

Location of SGM: HOLIDAY INN
NORTHAMPTON, UK

NN4 5EZ

Rules of

Secret Projects Community Benefit Society Limited

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

Registered Address: 8, Park Chase, Guildford. Surrey, GU1 1ES.

Register number:



wessexca.co.uk

Reinvestment Rules - Community Assets Model 2018

Rules of Secret Projects Community Benefit Society Limited

A	Name, number and main objects	1
1	What is the society's name and number and registered address?	1
2	What are the society's objects?	1
B	Rights of members of the society	2
3	What types of share are there?	2
4	What is the minimum shareholding?	2
5	What is the maximum shareholding?	2
6	How to become a member of the society	2
7	How do members withdraw their shares?	4
8	What if a member loses their share certificate?	5
9	Can a member sell their shares?	5
10	What are a member's voting rights?	5
11	Can a member hold shares in joint names?	5
12	Can children own shares?	5
13	What happens on death, bankruptcy or mental incapacity?	5
14	Will members get a windfall if the society converts?	8
15	Will the society pay interest on shares?	8
16	Can members have their shares taken from them?	9
17	Nominee shareholdings	10
C	Management of the society	12
18	The directors	12
19	Retirement by rotation	13
20	The secretary	14
21	Co-opted board members	14
22	Board meetings	14
23	Decisions of the board of directors	14
24	Directors' interests	15
25	Indemnity for directors	15
26	Audit and accounts	15
27	The seal of the society	16
D	Meetings of members	16
28	The annual general meeting	16
29	Special general meetings	17
30	Procedure at general meetings	18
31	Voting at general meetings	18
E	The constitution of the society	19
32	Changes to the rules	19
33	Winding up or dissolving the society	19
34	Restriction on use	20
35	Powers	21
36	Registered Office	22
37	Notices	22
38	What words mean – definitions	24
F	Miscellaneous Rules	24
39	Money Laundering	24
40	Systems and Controls	25
41	Business Principles	25
42	Fidelity Insurance	25
43	Accounts	25
44	Disputes	25

Rules of Secret Projects Community Benefit Society Limited

A Name, number and main objects

1 What is the society's name and number?

- 1.1 The society's name is Secret Projects Community Benefit Society Limited.
- 1.2 The society's registered number is
- 1.3 The society's registered office is 8, Park Chase, Guildford. Surrey, GU1 1ES.

2 What are the society's objects?

The society aims to:

- 2.1.1 Improve the physical, social and economic situation within under-privilege and trafficked women in India;
- 2.1.2 Empower and provide training for the under-privilege women and women rescued from trafficking in India.
- 2.1.3 Promote and encourage small business and community business ownership amongst the women in order to help them towards becoming self-reliant.
- 2.1.4 Help to build self confidence amongst the under privilege and women rescued from trafficking in India
- 2.1.5 Provide opportunities for the rescued women to be integrated into the communities.
- 2.2 Examples of the ways in which the society may carry out its objects may include:
 - 2.2.1 Providing skill-based training,
 - 2.2.2 Offering educational training where required.
 - 2.2.3 Paying and maintaining fair living wage to the women we work with
 - 2.2.4 Providing quality control personnel to assist in ensuring the end products produced by the women are of good standard to be sold in international market.
 - 2.2.5 Developing marketing strategies to promote sales of the products made by the women.
 - 2.2.6 Provide sales avenue/ sales platform to sell the products worldwide
 - 2.2.7 Any other ways which the board of directors think fit.
- 2.3 Those objects are carried on for the benefit of the community.

- 2.4 The society's members may, subject to the registration of a rule amendment by the Financial Conduct Authority, change the society's objects. See rule 32.

B Rights of members of the society

3 What types of share are there?

- 3.1 All shares in the society are ordinary shares with a nominal value of ten pounds each. The 'par' or 'capital' value of shares may be reduced in some circumstances (see rule 16).

4 What is the minimum shareholding?

- 4.1 Members of the society must have a minimum shareholding of five shares.
- 4.2 Members that withdraw all of their shares will no longer be members of the society.
- 4.3 A member's debt due to the society will give the society a lien on the member's shares. This debt may be offset against the member's share capital, share interest or loans to the society.

5 What is the maximum shareholding?

- 5.1 A member's total shareholding cannot exceed the maximum the law allows. But that limit does not apply if the member is a society registered under the Co-operative and Community Benefit Societies Act 2014.
- 5.2 In rule 5.1, a member's total shareholding includes all shares registered in the member's name, including (for example):
- ◇ all shares jointly held with others; and
 - ◇ shares held on behalf of others.

6 How to become a member of the society

- 6.1 On formation of the society, the subscribers to these rules become members, each holding one share. (This rule does not apply to the society where the society is adopting these rules in substitution for an earlier set of rules).
- 6.2 The society's board of directors may, from time to time, set the procedures and forms to be used for applying for shares and for the minimum allowable shareholding under rule 4.1. Those procedures should include the following:
- 6.2.1 The board of directors may obtain legal advice, to confirm that any proposed financial promotion:
- 6.2.1.1 does not contain any untrue or misleading statement; and
 - 6.2.1.2 gives a reasonable and fair description of the risks associated with holding withdrawable shares in this society; and
 - 6.2.1.3 complies with any voluntary code or guidance which the society may, from time to time, agree.
- 6.2.2 For this rule, a proposed financial promotion is any document issued by the society to promote the issue of shares (or anything else which might be considered an investment if issued by a company, such as a bond, for example).
- 6.2.3 For this rule a document also includes 'non-real time communications' and 'real time communications' (as described in article 7 of the Financial Services and

Markets Act 2000 [Financial Promotion] Order 2001; SI 2001/1335), even if it is not in documentary form.

- 6.3 Members must pay ten pounds for each share for which they apply.
- 6.4 All members must agree to be bound by the obligations on them as set out in these Rules. When acting as members they shall, at all times, act in the interests of the society and for the benefit of the community as guardians of the objects of the society.
- 6.5 When shares are issued, the society will provide a share certificate in respect of those shares. At that time a member's details will be entered into the society's register of members.
- 6.6 The society may operate a share purchase instalments scheme to help members to purchase the minimum shareholding. Some legal restrictions may govern the operation of that scheme.
- 6.7 The society will take reasonable steps to verify the identification of members. The society will retain a copy of all documents seen to verify the identity of a member.
- 6.8 No new membership applications will be considered by the board during the 21 day notice period before an annual general meeting.
- 6.9 Subject to rule 6.8, the board must consider applications for membership at the first meeting of the board after receipt of the application. The board has the power to refuse any application in its absolute discretion.
- 6.10 A member may be expelled by the board in accordance with rules 6.11 to 6.14 (inclusive) if there is evidence that the member has acted in a way that a reasonable person may conclude would cause or risk causing harm to the society, whether reputational, financial or of any other nature.
- 6.11 The board must give the member at least one month's notice in writing of the date of the board meeting at which that member's expulsion will be considered, stating the nature of the complaint of conduct detrimental to the society and must give the member the right to answer the complaint.
- 6.12 The board shall consider the evidence presented by the member (if any). The board may invite the member to attend. In this event the member would have the right to be accompanied by a supporter.
- 6.13 If the resolution of the board to expel the member is passed, the member shall immediately cease to be a member of the society.
- 6.14 A member expelled from the society under rules 6.11 to 6.13 (inclusive) shall be required to immediately withdraw all of his or her shares in the society and return his or her share certificate(s) to the society and shall be paid the current value of the shares in the society held by him or her (together with any accrued interest to the date of withdrawal) in accordance with rule 7. Such shares shall then be cancelled. For the avoidance of doubt, save as set out in this rule 6.14, the process for the withdrawal of shares pursuant to rule 7 shall not apply to the withdrawal of shares by a member who has been expelled from the society.
- 6.15 If a member is required to withdraw his or her shares under rule 6.14 and the right to withdraw shares has been suspended, then the nominal value of their share capital shall be converted into loan stock upon such terms as may be agreed between the directors and the member, provided that such agreement shall require the repayment of the loan within a period not exceeding three years.

- 6.16 If a member is required to withdraw his or her shares under rule 6.14 and the total nominal value of the shares in the society held by him or her is less than £25, the society may at its discretion cancel that member's shares without paying that member the nominal value of his or her shares or any interest accrued thereon.

7 How do members withdraw their shares?

- 7.1 All shares are withdrawable. When members withdraw shares, the society may return the money paid for them. Subject to rule 16.1 this does not apply if the society has reduced the capital value of shares (by the board of directors passing a resolution, under rule 16.4.1). In that case the society will return only the reduced capital value of the shares.

- 7.2 If shares are withdrawn the society will pay any interest accrued to the date of withdrawal.

- 7.3 Shares may be withdrawn on 60 days' notice. All withdrawals shall be in the order in which the notices are received by the society.

- 7.4 The society may waive that notice period, or accept a shorter notice period. That will be at the sole discretion of the society's board of directors and members have no right to insist that the society should waive or reduce the normal notice period.

- 7.5 Members must return their share certificates to the society after receiving notice of withdrawal.

- 7.6 When members apply to withdraw shares, they will need to

- ◇ complete a withdrawal form (as set by the board of directors);
- ◇ comply with any procedures the board of directors may set; and
- ◇ produce evidence of identity (if not previously provided).

- 7.7 From time to time, the society may suspend (or limit) a member's right to withdraw shares.

- 7.8 There is a minimum number of members. The minimum is currently:

- ◆ two (if both members are registered mutual societies) or
- ◆ three (if any member is not a registered mutual society).

If...

the society has no more than the minimum number of members...

then...

those members can withdraw some of their shares,

but,

those members cannot withdraw all of their shares.

- 7.9 Members may end their membership of the society by withdrawing all their shares. Or, if the right to withdraw is suspended by rule 7.7, members may surrender all their shares. On surrender the board of directors may (but do not have to) pay some or all of the money paid for the shares.

8 What if a member loses their share certificate?

- 8.1 The members of the society are those whose names are on the register of members. So, at their discretion, the board of directors may allow the society to replace a lost or destroyed share certificate.
- 8.2 The board of directors may set conditions for the replacement. Members will have to meet those conditions before the society can issue the replacement.

9 Can a member sell their shares?

- 9.1 A member cannot transfer any of their shares to any other person.

10 What are a member's voting rights?

- 10.1 At the society's annual general meeting (and other general meetings of the society), each member has one vote. Members will have one vote each irrespective of the number of shares they may hold.

11 Can a member hold shares in joint names?

- 11.1 A member may hold any shares in their own name. Or they may hold them jointly (with up to three others).
- 11.2 Suppose a member represents an unincorporated association (perhaps a club or society, for example). The association's shares must be held in the joint names of two or more persons. The association cannot hold shares in its own name (but the holders of its shares may ask the society to note the association's name and address in the society's register of members).
- 11.3 For voting and the payment of interest, the joint holders of a share are one shareholder and one member.
- 11.4 If a member holds a share jointly, the member and the other holders of that share may go to the society's general meetings (and speak at them). But only one of the holders of that share can vote. If the holders of the share cannot agree between them who is to vote, it will be the person named first (in the society's register of members).
- 11.5 Similarly, the society will send correspondence, notices, and the share certificate, only to the person named first (in the society's register of members), unless that person gives the society different, written, instructions.
- 11.6 Similarly, the society will pay interest only to the person named first (in the society's register of members), unless that person gives the society different, written, instructions.
- 11.7 Unless members give the society different, written, instructions, all joint holders of a share must sign an application to withdraw the share.

12 Can children own shares?

- 12.1 There is no minimum age requirement for members.

13 What happens on death, bankruptcy or mental incapacity?

- 13.1 This rule 13.1 applies on the death of a member holding a share in their own name.

For shareholdings of £5,000 or less:

- If the member has named a person to take the shares on their death (called the **member's nominee**),

and

- if the shares registered in the member's name have a total value of £5,000 (or less),

then the society will transfer the shares to the member's nominee.

For shareholdings greater than £5,000:

and

- If the member has named a person to take the shares on their death (called the **member's nominee**)
- if the shares registered in the member's name have a total value of more than £5,000,

then the society will transfer the shares to the member's nominee, but only for shares with a total value of £5,000. The society will decide which shares transfer to the member's nominee. The member's personal representatives will have to deal with the other remaining shares.

For shareholdings where the member has no nominee and the value is £5,000 or less:

and

- If the member has NOT named a person to take the shares on their death,
- if the shares registered in the member's name (and any other interests the member may have with the society) have a total value of £5,000 (or less),

then the society may (at the society's discretion) transfer the shares to the person who seems to have the legal right to them (member's wife, husband, civil partner or children, for example). The society will ask for evidence of their right. The society is unable to transfer the shares to that person if the personal representative has applied for probate or letters of administration.

For shareholdings where the member has no nominee and their personal representatives have applied for probate or letters of administration, and the value is £5,000 or less:

and

- If the member has NOT named a person to take the shares on their death, BUT their personal representatives have applied for probate or letters of administration,
- if the shares registered in the member's name (and any other interests the member may have with the society) have a total value of £5,000 (or less),

then the society will transfer the shares to the member's personal representative. The society must see the probate or letters of administration.

For shareholdings where the member has no nominee and the value is greater than £5,000:

- If the member has NOT named a person to take the shares on their death,

and

- if the shares registered in the member's name have a total value of more than £5,000,

then the society will transfer the shares to the member's personal representative. The society must see the probate or letters of administration.

13.2 After the society has transferred the member's share to their personal representative, the personal representative:

- ◇ may apply to withdraw the share;
- ◇ may apply to receive any interest that may become due on the share before they withdraw it;
- ◇ but cannot exercise any other membership rights for that share.

13.3 Any other person to whom the society transfers a member's shares (under rule 13.1) will have all the membership rights previously enjoyed by the member.

13.4 This rule 13.4 applies on the death of a member who held a share jointly with others.

- If the member has not given the society written instructions then the society will treat the surviving owner (or owners) as the only (joint) owner of that share.
- If the member has given the society written instructions to do so then rule 13.1 tells the society who to register in the member's place.

13.5 This rule applies to the member's replacement (the person to whom the society transfers the member's shares under rules 13.1 or 13.4). Rules 13.1 and 13.4 do not allow the member's replacement to hold (on their own or jointly, with others) shares with a total value greater than the law allows. See rule 5.1.

13.6 After the society receives written proof that a member is bankrupt, the trustee of their estate may apply to withdraw the share. The trustee may also then apply to receive any interest that may become due on the share before they withdraw it. The trustee cannot exercise any other membership rights for that share. This rule 13.6 applies if the share was in the member's sole name.

13.7 This rule 13.7 applies when the society receives written proof that a joint holder of a share is bankrupt. The society will then substitute the interest of the trustee of their estate for the name of that joint holder (in the society's register of members). The trustee will be substituted as the last named person (of the joint holders of that share) registered as holding that share. The society will automatically cancel any written instructions that vary the effect of rules 11.5, 11.6, or 11.7.

13.8 This rule 13.8 applies when a member (or a person claiming through a member) is mentally incapable. The board of directors should treat that individual as mentally incapable when satisfied (after considering medical evidence) that the individual is incapable, through disorder or disability of mind, of managing their own affairs.

13.9 When rule 13.8 applies, the board of directors should deal with the individual's donee or deputy if:

13.9.1 the individual lacks capacity (as described in the Mental Capacity Act 2005) for the purposes of the Co-operative and Community Benefit Societies Act 2014; and

13.9.2 there is, for that individual:

13.9.2.1 a donee of an enduring power of attorney (as described in the Mental Capacity Act 2005); or

13.9.2.2 a donee of a lasting power of attorney (as described in the Mental Capacity Act 2005); or

13.9.2.3 a deputy, appointed by the Court of Protection; and

13.9.3 that donee, or deputy has power for that individual, for the purposes of the Co-operative and Community Benefit Societies Act 2014.

13.10 In all other cases when rule 13.8 applies, the board of directors may pay, to any person they judge proper, the value of that individual's shares, loans and deposits with the society. But first the board of directors must be satisfied that:

13.10.1 no other person has been appointed to administer that individual's property; and

13.10.2 it is just and expedient to pay that person.

13.11 Any other property held by a member who dies or becomes bankrupt which is not otherwise dealt with under this rule 13 shall be dealt with in accordance with the instructions of the member's duly appointed personal representative or trustee in bankruptcy.

14 Will members get a windfall if the society converts?

14.1 The society may convert itself into a company, amalgamate with another society or company, or transfer its business to another society or company. The procedures and conditions for that are in Part 9 of the Co-operative and Community Benefit Societies Act 2014.

14.2 Members are not to benefit financially if the society converts, or transfers its business or is dissolved or wound up (see rule 33.5) apart from recovering the money paid for their shares in accordance with rules 7.1 and 33.3, and any interest owing on their shares in accordance with rule 15.2. The society may make it a condition of membership that members sign a contract with the society prior to becoming a member, in such form as the society's board of directors require, by which members give up any personal financial benefit from conversion, or transfer, or winding up.

15 Will the society pay interest on shares?

15.1 The society may use its property and profits only to promote its objects. The society will not pay members any dividend, bonus or other share in profits.

15.2 Rule 15.1 does not prevent the society from paying interest on shares. The board of directors will set the rate of interest (if any). It will be a variable interest rate. Subject to the agreement of members at an AGM, the board of directors may decide to pay interest to members on their shares by issuing further shares.

15.3 The society will not pay a rate of interest that is higher than needed to fund the society's activities. In setting the rate, the board of directors will take particular account of the

society's intention to provide an opportunity for public-spirited people and organisations to contribute financially to the community, with the expectation of a social return, rather than personal financial reward.

- 15.4 The society will calculate the interest on the money paid for the shares (unless their capital value has been written down under rule 16.4.1). While shares are written down under rule 16.4.1 the society will calculate the interest on that written down value.
- 15.5 Rule 15.1 does not prevent the society from setting aside a reserve fund. The society's board of directors are to decide how much is to be transferred to the reserve fund. The reserve fund may be used to meet any contingency which affects the society's business. But, before the society can use the reserve fund:
 - 15.5.1 the board of directors have to recommend its use to a general meeting of members; and
 - 15.5.2 the general meeting must approve its use (by a simple majority).
- 15.6 Rule 15.1 does not prevent the society from paying money to support
 - 15.6.1 educational purposes; and
 - 15.6.2 charitable purposes,
where these further the society's objects.
- 15.7 The board of directors may propose payments authorised by rule 15.6. But, before the society can make the payment:
 - 15.7.1 the board of directors have to recommend it to a general meeting of members; and
 - 15.7.2 the general meeting must approve it (by a simple majority).
- 15.8 Rule 15.1 does not prevent the society from paying (in good faith):
 - 15.8.1 (at a reasonable and proper rate) for services rendered to the society by any of its employees, officers or members, and reimbursement of their expenses; and
 - 15.8.2 (at a reasonable and proper rate) rent, for premises let to the society by any of its employees or officers.

16 Can members have their shares taken from them?

- 16.1 The society may reduce the value of shares if the society's liabilities (plus issued share capital) become more than the value of the society's assets. The circumstances in which this may happen are described below (in rules 16.2 to 16.4). Those rules 16.2 to 16.4 also describe the procedures the society must follow to do that.
- 16.2 If the board of directors believe that the society's liabilities (plus issued share capital) may be more than the value of the society's assets they then may instruct accountants to report to them. The accountants may be the society's auditors, or they may be independent qualified accountants.
- 16.3 If the accountants appointed under rule 16.2 report to the board of directors that the society's liabilities (plus issued share capital) are more than the value of the society's assets the board of directors may then decide to apportion the excess liabilities (or part of them) among the shareholders. When the excess liabilities are apportioned,

the total of the excess will be apportioned among the shareholders in proportion to the total nominal value of shares held by each member. The total nominal value, for these purposes, will be taken to be that at the close of business on the date of the apportionment.

16.4 If the board of directors resolve to apportion the society's excess liabilities in accordance with rule 16.3 they must then resolve:

16.4.1 That the capital value of each share then in issue is reduced accordingly, but:

16.4.1.1 the society shall not reduce the capital value of any share below zero (that is to say a member will not owe any money to the society); and

16.4.1.2 the society may restore the capital value, by a similar procedure to that described in rules 16.2 to 16.4 (but only where the value of the society's assets is more than the liabilities [plus nominal issued share capital]); and

16.4.1.3 if the society restores the capital value, the society shall not increase it above one pound; and

16.4.1.4 all shares the society may issue later (after the society has reduced the capital value of any shares) are to be issued at par (and for a nominal value of one pound each).

17 Nominee shareholdings

17.1 The board of directors may approve a person as an Approved Nominee. The board of directors may impose conditions when it approves an Approved Nominee, and may later vary them and add new conditions. For example, the board of directors may wish to ensure that:

17.1.1 the Approved Nominee is a fit and proper person to represent members of the society; and

17.1.2 the Approved Nominee is operating effective identification and money-laundering procedures at least equivalent to those operated by the society; and

17.1.3 the Approved Nominee will, on request, give full identification information about any member it represents; and

17.1.4 the Approved Nominee gives prospective members a reasonable and fair description of the risks associated with holding withdrawable shares in this society.

17.2 The board of directors may not approve more than five Approved Nominees at any time.

17.3 An Approved Nominee may apply for membership of the society on its own behalf, or on behalf of others. When applying for membership on behalf of another, the Approved Nominee must name that other, and identify the number of shares for which that other is applying.

17.4 When the board of directors approve an application for shares by an Approved Nominee (acting as such), the society will enter the member in its register of members, and issue the share certificate as: '*[name of Approved Nominee] re [name of member]*'.

The society will enter the address of the Approved Nominee as the address of that member for those shares.

- 17.5 For the purposes of rules 5.1 and 7.8, each member represented by the Approved Nominee is a separate member and their shareholding through the Approved Nominee is treated as part of their total shareholding. The Approved Nominee itself (if it owns shares other than on behalf of others) is a separate member.
- 17.6 For the purposes of rule 7.3, an Approved Nominee may give notice on behalf of a member it represents (but only for those shares registered in its name on behalf of that member).
- 17.7 The society will return capital and pay interest payable under rule 15.2 to the Approved Nominee on behalf of the members it represents (but only for those shares registered in its name on behalf of those members).
- 17.8 For the purposes of rules 28 and 29, the society need give only one notice to an Approved Nominee, with one set of papers, and that is regarded as good notice of the general meeting, to the Approved Nominee and each member it represents (for all shares owned by that member).
- 17.9 At general meetings the Approved Nominee is automatically the proxy of each member it represents, without the need for any further proxy form. In counting for the quorum at a general meeting, each member represented by the Approved Nominee is regarded as present.
- 17.10 At general meetings, the Approved Nominee does not have to cast all votes under its control in the same manner. So, for example, some of its block of votes may be cast for a particular resolution, some against, and some might abstain. Nothing in these rules gives any member or officer of the society any right to compel the Approved Nominee to disclose why it has cast the votes under its control in any particular way.
- 17.11 An Approved Nominee must give this information to the society on each occasion that it casts any of its block of votes:
 - 17.11.1 the total number of votes in its block.
 - 17.11.2 the number of votes it is casting for the motion.
 - 17.11.3 the number of votes it is casting against the motion.
 - 17.11.4 the number of abstentions from its block (all members whom it represents, but who are not voting for or against the motion).
 - 17.11.5 its net vote (the difference between the number of votes it is casting for the motion and the number it is casting against the motion).
- 17.12 The size of the block of votes cast by any Approved Nominee is limited. The net vote cast by an Approved Nominee for or against any motion is counted as no more than the lower of:
 - 17.12.1 That Approved Nominee's net vote on that motion.
 - 17.12.2 Such number of votes as constitutes 5% of the total votes cast for and against the motion. In counting the total votes cast for and against the motion the society must count the net vote of each Approved Nominee

voting (each limited to 5% of the total). In counting the total votes cast for and against the motion, the society must not count any abstentions.

- 17.13 The society may terminate the approval of the Approved Nominee on reasonable notice following failure to comply with any condition applied by the society. The Approved Nominee is then treated as having given notice to withdraw all shares it holds (for itself and on behalf of others).

C Management of the society

18 The directors

- 18.1 The people nominated (as directors) by the subscribers to these rules became the first directors of the society, when it was formed. (This rule does not apply to the society where the society is adopting these rules in substitution for an earlier set of rules).

- 18.2 The directors:

- ◇ manage the business of the society;
- ◇ may (at any board meeting at which there is a quorum) exercise any of the society's powers;
- ◇ may delegate any of their powers to a committee (of 2 or more directors);
- ◇ may delegate any of their powers to a sole director;
- ◇ may appoint any person to act as the agent of the society (and they may authorise that person to delegate their powers).

- 18.3 The society has a minimum of two directors (see also rule 18.7). If the number falls below this minimum the remaining director/s may appoint directors in accordance with rule 18.4.

18.3.1 In the event of there being no remaining directors, the secretary must remain in office until such time as additional directors have been appointed or elected;

18.3.2 The board of directors may determine a maximum number of directors.

- 18.4 The directors on the society's board are appointed by members at the annual general meeting. All candidates for a director's position must find members to act as a proposer and seconder and then declare their intention to stand for the board 14 days before the annual general meeting. Between annual general meetings, the board of directors may appoint a director either:

18.4.1 to fill a vacancy; or

18.4.2 as an additional director.

- 18.5 Directors appointed by the board of directors must stand down at the end of the next annual general meeting. The members may reappoint them, at that annual general meeting.

- 18.6 The society will hold a special general meeting within six months after the society is formed. The directors appointed by the subscribers to these rules (see rule 18.1) must stand down at the end of that special general meeting. The members may reappoint

them, at that special general meeting. (This rule does not apply to the society where the society is adopting these rules in substitution for an earlier set of rules).

- 18.7 The members may increase the minimum number of directors (by changing rule 18.3, but any such increase would only take effect once an appropriate rule amendment had been registered by the Financial Conduct Authority).
- 18.8 Directors do not have to be members of the society. Directors may be members of the society. Directors must be individuals.
- 18.9 A director, chief executive or secretary cannot be appointed if they are (and must stand down if they become):
- ◇ bankrupt; or
 - ◇ convicted of an offence of dishonesty; or
 - ◇ convicted of another offence (which, in the board of directors' opinion, makes them unsuitable to hold office); or
 - ◇ disqualified from acting as a director (under the Company Directors Disqualification Act 1986); or
 - ◇ unable to conduct regulated activities on behalf of another organisation because the Prudential Regulation Authority (PRA) withdraws their approval (under the Financial Services and Markets Act 2000 (FSMA), that person having previously been so approved); or
 - ◇ unable to conduct regulated activities because the PRA makes a prohibition order against them (under FSMA); or
 - ◇ (in the board of directors' opinion) physically or mentally unable to carry out their duties properly.
- 18.10 Directors must stand down if:
- 18.10.1 without good reason and without the board of directors' permission they fail to attend three board meetings in a row; and
 - 18.10.2 the board of directors resolves that they should be removed.
- 18.11 The society can pay its directors, but only if the members approve the basis for the payments.
- 18.12 The society will take reasonable steps to verify the identification of directors. The society will retain a copy of all documents seen to verify the identity of a director.

19 Retirement by rotation

- 19.1 At least one third of the directors appointed by the members must stand down (as well as any directors who must stand down under rule 18.5), at each annual general meeting. The members may reappoint them, at that annual general meeting. If any director is not reappointed, they will stand down at the end of the annual general meeting.
- 19.2 The directors who stand down, at an annual general meeting, will be those directors who have held office for the longest time (since their appointment, or last

reappointment). The chair may decide, by drawing lots, who is to be treated as in office for the longest time, if more than one director was appointed or reappointed on the same day.

20 The secretary

- 20.1 The board of directors appoints the secretary. The secretary may be a director.
- 20.2 The board of directors may remove the secretary.
- 20.3 The secretary is responsible for preparing and sending all returns to be made to the Financial Conduct Authority.

21 Co-opted board members

- 21.1 The board of directors may co-opt board members.
- 21.2 Co-opted board members:
 - ◇ need not be members of the society (but the board of directors may require that they be members of the society);
 - ◇ may attend board meetings (unless the board of directors decide that they may not);
 - ◇ may speak at board meetings (unless the board of directors decide that they may not);
 - ◇ may not vote at board meetings;
 - ◇ must stand down at the next annual general meeting (but the board of directors may reappoint them).

22 Board meetings

- 22.1 Two directors are a quorum for board meetings (unless the board of directors decide on a higher number).
- 22.2 Any director may request the secretary to call a board meeting.
- 22.3 The secretary must call a board meeting on request from a director.
- 22.4 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 22.5 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is located.

23 Decisions of the board of directors

- 23.1 The board of directors may make decisions by a majority vote. The chair has a casting vote if votes are equal.
- 23.2 The board of directors may appoint any director to chair board meetings generally, or to chair a particular board meeting.
- 23.3 The board of directors may make any decision by signing a written resolution, rather than at a board meeting. All directors must sign or otherwise authenticate the resolution for it to be effective.

23.4 This rule 23.4 applies to rules 23.3. A written resolution may be contained in more than one document and will be treated as passed on the date of the last signature required to reach a majority.

24 Directors' interests

24.1 Directors must disclose – to the full board – any material interest they may have in any matter being considered by the board of directors. The director may not then:

24.1.1 be treated as part of the quorum of the meeting discussing that matter; or

24.1.2 vote on that matter.

24.2 Directors may disclose their interest by a general notice giving details of their interest in transactions of a particular nature, or with a particular person.

24.3 For the purposes of rule 24.1, a director need not disclose an interest:

24.3.1 that does not conflict with the interests of the society; or

24.3.2 that arises out of the director's membership (or proposed membership) of the society; or

24.3.3 which – for good reasons – the director does not know about.

24.4 For the purposes of rule 24.1, a director must disclose an interest:

24.4.1 even if it is an indirect interest; or

24.4.2 of a person 'connected' with him (see rule 38.3).

24.5 Before any meeting of the board of directors, the chair may decide whether a director (other than himself) has a material interest in the matter to be discussed. The chair's ruling is final.

24.6 A director who complies with rule 24.1 will not be treated as in breach of any duty of good faith to the society, to the extent that they have made a fair disclosure of their interest.

25 Indemnity for directors

25.1 The society may maintain insurance for the benefit of its directors, secretary, auditors and other officers, against liabilities they may incur:

25.1.1 in the performance of their duties; or

25.1.2 in defending themselves (successfully) against any proceedings (criminal or civil) for breach of duty.

26 Audit and accounts

26.1 Every year and within the period prescribed by statute, the secretary shall send to the Financial Conduct Authority the annual return, in the form prescribed by the Authority, relating to its affairs for the period required under the Co-operative and Community Benefit Societies Act 2014 to be included in the return together with:

26.1.1 a copy of the report by the auditor on the society's accounts for the period included in the return or with a copy of such other report (if any) as is required by statute for such period; and

- 26.1.2 a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person on that balance sheet as required by statute.
- 26.2 The members shall vote annually, as allowed by the Co-operative and Community Benefit Societies Act 2014, at a general meeting, to have, when necessary in law, or where the membership require, an audit carried out by a registered auditor, or unaudited accounts, where the conditions for such prevail.
- 26.3 If a full audit or a report is required, a person who is a qualified auditor under Part 7 of the Co-operative and Community Benefit Societies Act 2014 shall be appointed.
- 26.4 The qualified or lay auditors, if so appointed, shall not be officers or servants of the society and nor shall they be partners of, or in the employment of, or employ, an officer or servant of the society.
- 26.5 Lay auditors shall be chosen by the board of directors from the general membership and/or others.
- 26.6 If the membership vote for unaudited accounts, the society's Income/Expenditure Ledger shall be scrutinised by the secretary and directors of the society only and signed, as a true record, by the secretary and two directors of the society or such other number as may be required by legislation. An Income/Expenditure report will be prepared to present to the society's members at each Annual General Meeting.
- 26.7 The board of directors may appoint an auditor if, for any reason, there is no auditor.
- 26.8 The auditor may not be a person whom Part 7 of the Co-operative and Community Benefit Societies Act 2014 prevents from being appointed as an auditor.
- 26.9 The auditor may be removed by the procedure in Part 7 of the Co-operative and Community Benefit Societies Act 2014.

27 The seal of the society

- 27.1 If the society has a seal with the society's name on it then...
- 27.1.1 The secretary of the society keeps the seal.
- 27.1.2 The society needs the authority of a board of directors' resolution to use the seal.
- 27.1.3 When the society seals a document, the seal must be countersigned by either:
- 27.1.3.1 a director and the secretary of the society; or
- 27.1.3.2 two directors of the society.

D Meetings of members

28 The annual general meeting

- 28.1 The society will hold an annual general meeting of its members in each calendar year. The society will hold each annual general meeting 12 months after the previous one, but this need not be on the anniversary of the previous meeting but must be held within three months before or after that anniversary. The board of directors will call the annual general meeting.

- 28.2 The society will hold its first annual general meeting within 15 months after the society is formed (but it need not be in the calendar year in which the society is formed). (This rule does not apply to the society where the society is adopting these rules in substitution for an earlier set of rules).
- 28.3 The society will give members (and its auditors) at least 21 clear days' notice of the annual general meeting. The notice shall include-
- fiscal accounts;
 - request for members' resolutions to be received by the secretary of the society at least 14 days before the AGM;
 - application form for prospective board members to be received by the secretary of the society at least 14 days before the AGM.
- 28.4 The business for the annual general meeting is:
- ◇ approval of the minutes of the last annual general meeting (and any more recent special general meeting);
 - ◇ the directors' report;
 - ◇ approval of the accounts and any auditor's report;
 - ◇ vote on audit exemption or auditor appointment;
 - ◇ approval of any alterations or additions to any standing orders;
 - ◇ resolutions proposed by members for the AGM in accordance with rule 28.3;
 - ◇ election of directors;
 - ◇ any other business.

29 Special general meetings

- 29.1 A special general meeting is any general meeting of members, which is not an annual general meeting.
- 29.2 The board of directors may decide to call a special general meeting.
- 29.3 The society will give members (and its auditors) at least 21 clear days' notice of a special general meeting. The only business the society can do at that meeting is that which is identified in the notice.
- 29.4 The board of directors must call a special general meeting:
- ◇ if the greater of five of the society's members or 10% of the society's membership sign written requests for a special general meeting specifying the business which they wish to be considered at that meeting (and, if such business required a special resolution, specifying the wording of that resolution);
 - ◇ to be held within six weeks after they receive the requests,

and if the board of directors fail to call a special general meeting, the members themselves may call one.

30 Procedure at general meetings

30.1 The quorum for a general meeting is:

30.1.1 two members; or

30.1.2 (if the society has more than 20 members) 10% of the society's members.

30.2 If there is no quorum when the meeting is due to start, the chair will wait for 30 minutes.

30.3 If there is no quorum after the chair has waited for 30 minutes, the chair must adjourn the meeting. The chair must also adjourn the meeting if the number of members present becomes fewer than the quorum. The board of directors will decide where and when the society will hold the adjourned meeting.

30.4 Adjournment of General Meetings:

30.4.1 The chair may adjourn a meeting when a quorum is present at his or her discretion.

30.4.2 The chair must adjourn the meeting if a majority of the members present call for an adjournment or if, for any reason, it is not possible to continue the meeting in an appropriate manner.

30.4.3 If a general meeting has been adjourned as a result of disruption by a member or members, the chair may remove the person or persons from the meeting.

30.5 If a meeting is adjourned for more than 14 days, the society will give members at least 7 clear days' notice of the adjourned meeting.

30.6 The chair of the board of directors, if present, will chair the general meeting. Otherwise, the directors at the meeting will choose a director present to chair that meeting. If only one director is at the meeting, they will chair it. If there is no director at the meeting, the members must choose a member present at the meeting to chair it.

30.7 Any director may attend and speak at general meetings.

30.8 Members may appoint a proxy to represent them at any general meeting. The society will send the member a suitable form with the formal notice of the meeting. The proxy may vote in the member's place on the member's instructions. Proxies count towards quoracy.

31 Voting at general meetings

31.1 All members have one vote regardless of how many shares they hold.

31.2 All votes will be on a show of hands unless:

◇ two members; or

◇ the chair

call for a ballot. They may call for a ballot before a vote on a show of hands, or after the vote. If members call for a ballot, they can – if the chair agrees – withdraw the call before the ballot is held. If no ballot is held, the decision on the show of hands is valid.

- 31.3 The chair will decide the procedure for the ballot.
- 31.4 The chair may vote as a member (if they are a member). The chair also has a casting vote if votes are equal.
- 31.5 The board of directors may decide to call a postal ballot. They cannot use a postal ballot to let members vote:
 - 31.5.1 on anything that – by statute – must be passed at a meeting of the Society; or
 - 31.5.2 to appoint or reappoint auditors; or
 - 31.5.3 to remove auditors.
- 31.6 The chair will decide the procedure for the postal ballot, but the ballot must be held within 30 days of the date on which the board of directors decide to call it.
- 31.7 If the postal ballot is on a particular resolution passed by members at a meeting, the board of directors have 30 days from the date of the meeting to decide whether to call a postal ballot. If the board of directors fail to decide to call a postal ballot within those 30 days, they lose the right to call a postal ballot.
- 31.8 If the postal ballot is on a particular resolution passed by members at a meeting, the operation of the resolution is suspended until the decision of the postal ballot.

E The constitution of the society

32 Changes to the rules

- 32.1 The society may change its rules:
 - 32.1.1 with the approval of a resolution passed by a 75% majority (or a simple majority, to change the society's name) of members voting at a general meeting; and
 - 32.1.2 subject to registration of the amendments by the Financial Conduct Authority.
- 32.2 If the chair has a casting vote, then the chair has no casting vote on resolutions that need a 75% majority.
- 32.3 A resolution to alter or amend rule 2 (the society's objects), rule 15 (interest on shares), rule 14 (conversion of the society), rule 33 (winding up) and this rule shall not be passed if 10% or more of members present or represented at a general meeting and who vote on the resolution vote against it.

33 Winding up or dissolving the society

- 33.1 The society may be wound up or dissolved in any manner provided for by Part 9 of the Co-operative and Community Benefit Societies Act 2014. It may enter into administration or a voluntary arrangement with creditors if the Directors deem it to be more appropriate.
- 33.2 If the society is wound up or dissolved, members may not withdraw any of their shares until all the society's liabilities are paid (or provided for) in full.
- 33.3 If the society is wound up or dissolved, the society will use the funds available (after all liabilities are paid - or provided for - in full) to pay to members any money due to them on the withdrawal of their shares.

- 33.4 If the society is wound up or dissolved with insufficient funds to pay, in full, all money due to all shareholders (for the withdrawal of their shares) the society will then pay members less than 100 pence for every pound due to them (for the withdrawal of all of their shares). The society will apply the same discount to all shares.
- 33.5 There may be a surplus if the society is wound or dissolved up with enough funds to pay, in full, all money due to members, for the withdrawal of all their shares. Then:
- 33.5.1 members will not, under any circumstances, have any right to any payment out of the surplus.
- 33.5.2 the board of directors will choose an organisation with similar purposes to the society's to receive the surplus (and whose members have no right to any surplus on its winding up or conversion) having taken advice from the appropriate regulator such as the Financial Conduct Authority or HMRC, if required.

34 Restriction on use

- 34.1 Pursuant to regulations made under section 29 of the Co-operative and Community Benefit Societies Act 2014:

34.1.1 All of the society's assets are subject to a restriction on their use.

34.1.2 The society must not use or deal with its assets except—

34.1.2.1 where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;

34.1.2.2 to pay a member of the society the value of his withdrawable share capital or interest on such capital;

34.1.2.3 to make a payment pursuant to Section 39 (Section 37: procedure on death), or Section 36 (Payments in respect of persons lacking capacity) or 40 (provision for intestacy) of the Cooperative and Community Benefit Societies Act 2014;

34.1.2.4 to make a payment in accordance with the rules of the society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated;

34.1.2.5 where the society is to be dissolved or wound up, to pay its creditors; or

34.1.2.6 to transfer its assets to one or more of the following—

34.1.2.6.1 a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;

34.1.2.6.2 a community interest company

34.1.2.6.3 a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;

34.1.2.6.4 a charity (including a community benefit society that is a charity); or

34.1.2.6.5 a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.

34.1.3 Any expression used in this rule which is defined for the purposes of regulations made under section 29 of the 2014 Act shall have the meaning given by those regulations.

34.2 Pursuant to regulation 7 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006, this rule 34 may not be altered by the members.

35 Powers

35.1 To carry out the society's objects, the society may:

35.1.1 acquire and dispose of assets and property which, in the board of directors' opinion, may benefit the society's objects;

35.1.2 set up subsidiary companies, societies and other organisations;

35.1.3 take and hold shares, memberships, stock, debentures and other interests in other companies, societies and other organisations for the society and others;

35.1.4 buy, lease, hire, rent and own any real or personal property (tangible and intangible) of any description which, in the board of directors' opinion, is appropriate for the needs of the society's objects;

35.1.5 make arrangements with any government or authority (local, municipal, national or international) that, in the board of directors' opinion, is appropriate for the society's objects;

35.1.6 invest the society's funds in such property and investments as the board of directors may consider appropriate, and with the powers of a natural person in addition to the powers given by the Co-operative and Community Benefit Societies Act 2014;

35.1.7 carry on any other activity which, in the board of directors' opinion, may benefit the society's objects;

35.1.8 lend, deposit and advance money (with or without security when lending to members in accordance with the Co-operative and Community Benefit Societies Act 2014) and give credit or procure others to do the same to or with partnerships, companies other businesses, undertakings and concerns of all kinds;

35.1.9 act as agent;

35.1.10 act as trustee;

35.1.11 give or procure guarantees and indemnities for the payment of money or for the performance of obligations by any person (even where the society receives no direct or indirect financial benefit);

35.1.12 make or procure grants, gifts, donations and investments of a social nature;

35.1.13 take mortgages, charges, liens and other security to secure obligations of others to the society;

- 35.1.14 borrow money (subject to rule 35.3) and accept credit and grant mortgages, charges, liens and other security to secure the society's obligations, but
 - 35.1.14.1 the society may not carry on a deposit taking business (within the meaning of the Banking Act 1987; and
 - 35.1.14.2 not where:
 - 35.1.14.2.1 the loan is unsecured, and
 - 35.1.14.2.2 the lender is not itself authorised under the Banking Act 1987,
 - 35.1.14.3 the society will not pay a rate of interest that is higher than the society needs to fund its activities; in setting the rate, the board of directors will take particular account of the society's intention to provide an opportunity for other public-spirited people and organisations to contribute financially to the community, with the expectation of a social return, rather than personal financial reward;
- 35.1.15 provide and procure services such as giving advice in relation to financial and non-financial facilities for people, undertakings and businesses of all kinds;
- 35.1.16 create, make, draw, accept, endorse, execute, issue, discount, buy, sell, negotiate and deal in bills, notes, bills of lading, warrants, coupons, debentures and other negotiable or transferable instruments;
- 35.1.17 do such other things that the board of directors regard as incidental or conducive to the pursuit of the society's objects and the exercise of the society's express and implied powers.
- 35.2 Registration of a society does not give any permission for a society to carry on financial services as regulated by the Financial Services and Markets Act 2000 ("FSMA"). Any society which wishes to carry on such activities must seek advice and make a successful authorisation application. Carrying on such activities without authorisation may lead to prosecution.
- 35.3 The society's borrowing limit is £10,000,000.
- 35.4 Rules 2 and 35 should be interpreted in the broadest way possible and not to limit or restrict the society's objects. Each object should be read as an independent main object.

36 Registered Office

- 36.1 The society's registered office is the address given – for that purpose – to the Financial Conduct Authority and as specified in Rule 1.3.
- 36.2 The board of directors may change the address of the registered office. Any change to the address of the registered office must be registered by the Financial Conduct Authority.

37 Notices

37.1 Notices by post

- 37.1.1 The society may post formal notices to members at the address recorded in the society's register of members.

37.1.2 The society may assume – for all purposes – that members receive formal notices two clear days after the society posts them, excluding the day the notice is posted and the day the notice is deemed received.

37.2 Notices by email

37.2.1 The society may send formal notices to members by email, but only if:

37.2.1.1 the society has a current consent, from that member, to receive notices by email: and

37.2.1.2 that member has provided an email address for the purpose.

37.2.2 The society may assume- for all purposes- that members receive formal notices one working day after the society posts them, but only if:

37.2.2.1 the society keeps a copy of the email which shows:

37.2.2.1.1 all documents attached to the email; and

37.2.2.1.2 the time and date the society sent the email; and

37.2.2.1.3 the email address to which the email was sent; and

37.2.2.2 the society does not receive a response to suggest that the member's email address was no longer current.

37.3 Notices on websites

37.3.1 The society may send formal notices to members by posting them on a website, but only if:

37.3.1.1 the society sends that member a notice to tell them:

37.3.1.1.1 that the document is available on the website; and

37.3.1.1.2 the address of the website; and

37.3.1.1.3 any password they may need to view the document or download it; and

37.3.1.1.4 they may request a paper copy of the document - at no extra charge - with details how to do that; and

37.3.1.2 the society keeps the document available on the website for three months or longer (from any date the society sends the notice).

37.3.2 The society may assume - for all purposes - that members receive formal documents:

37.3.2.1 one working day after they receive the notice about how to view or download them on the website; or, if later

37.3.2.2 one working day after the society first posts the document on the website.

37.4 Definitions

37.4.1 'Formal notices' and 'notices' are phrases used interchangeably in this rule 37 to refer to all documents and notices a society may send to its members where there is a legal or regulatory requirement to do so.

37.4.2 This rule 37 does not allow the society to deliver a document by post, email or website where the law requires the delivery to be by other means.

37.4.3 In this rule 37, Saturday, Sunday and public holidays are not working days.

37.4.4 The references to emails and websites are intended to include other electronic communication methods adopted after the society adopts these rules.

38 What words mean – definitions

38.1 In rule 2.1, 'Community Land Trust' means an organisation which meets the requirements set out at section 79 of the Housing and Regeneration Act 2008 and 'Affordable Housing' means housing available to rent or buy at no more than 80% (eighty per cent) of market value.

38.2 In rule 14.2 the word 'contract' includes a declaration of trust and a deed.

38.3 In rule 24.4, the word 'connected' is used in the same sense in which it is used in s252 Companies Act 2006.

38.4 In rules 25.1.2 and 25.2.2, the phrase 'breach of duty' includes (for example), negligence, default, breach of trust or misfeasance.

38.5 In rule 33.2, the expression 'if the society is wound up' is used to mean 'from the commencement of the winding up'. The phrase 'commencement of the winding up' is used in the same sense as it is used in the Insolvency Act 1986.

38.6 In rules 15.8.2, the word 'officers' includes the society's directors and secretary.

38.7 The age restrictions in rule 12 apply to members only if they are individuals.

38.8 "Written" in these rules refers to a legible document including electronic form as defined by section 148 of the Co-operative and Community Benefit Societies Act 2014.

38.9 References to (any provision of) an Act of Parliament are treated as referring to:

38.9.1 it as amended (whether before today or later) and

38.9.2 any provision which replaces it (unchanged or amended) after today.

38.10 Any reference these rules make to the Financial Conduct Authority, FCA, includes reference to the statutory successor carrying on the relevant function.

F Miscellaneous Rules

39 Money Laundering

39.1 If required to do so by law, then the society will appoint a Money Laundering Reporting Officer (MLRO). The functions of the MLRO will be:

39.1.1 to establish and maintain procedures to prevent money laundering;

- 39.1.2 to establish and maintain awareness among the society's staff of the procedures to prevent money laundering, including the provision of training;
- 39.1.3 receiving internal money laundering reports on suspicious activity;
- 39.1.4 making external reports to Serious Organised Crime Agency (SOCA) if it is considered that the suspicion is justified.

40 Systems and Controls

- 40.1 The society will maintain systems and controls which would satisfy the financial services regulator for the nature, scale and complexity of its business.

41 Business Principles

- 41.1 The society will apply the following principles in the pursuit of its objects:
 - 41.1.1 It will conduct its business with integrity.
 - 41.1.2 It will conduct its business with due skill, care and diligence.
 - 41.1.3 It will take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
 - 41.1.4 It will maintain adequate financial resources.
 - 41.1.5 It will pay due regard to the interests of its customers and treat them fairly.

42 Fidelity Insurance

- 42.1 The society may insure against any description of loss suffered or liability incurred from fraud or other dishonesty of any of its officers or employees.

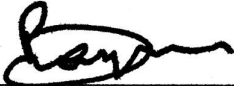
43 Accounts

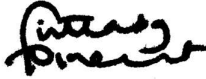
- 43.1 The society will provide a copy of its accounts to members. The accounts will be accompanied by the board of directors' assessment of the society's performance and prospects.

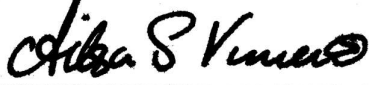
44 Disputes

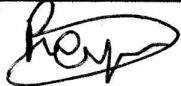
- 44.1 In the event of an unresolved dispute between the society and a member or a former member of the society, the dispute shall be referred to an independent arbitrator.
- 44.2 The appointment of the independent arbitrator is to be acceptable to both parties to the dispute. The arbitrator's decision shall be binding.
- 44.3 The arbitrator will decide how the costs of the arbitration will be paid.
- 44.4 If the dispute cannot be concluded by reference to an arbitrator, the matter can be referred to the County Court (or in Scotland, to the Sheriff).

We apply for registration of Secret Projects Community Benefit Society Limited

Name	BANKE AJAYI	Signature:	
Address	12 VICTORIA HOUSE BILLING ROAD NORTHAMPTON NN1 5BL	Date:	13.08.19

Name	FRITHA VINCENT	Signature:	
Address	8 PARK CHASE GUILDFORD SURREY GU1 1ES	Date:	13.08.19

Name	AILSA VINCENT	Signature:	
Address	8 PARK CHASE GUILDFORD SURREY GU1 1ES	Date:	13/08/19

for Secret Projects Community Benefit Society Limited	Secretary Name BANKE AJAYI	Signature:	
		Date:	15/08/19

Register a community benefit society

Section 1 – About this form

Use this form to register a community benefit society under the Co-operative and Community Benefit Societies Act 2014 or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969.

Use this form for either a new registration of a community benefit society, or for a conversion to a community benefit society from either a company or society registered under the Friendly Societies Act 1974.

To register a society we need:

- this completed form
- one signed copy of the society’s rules (or two copies where not submitting electronically)

This form, including any details provided on the form, will be made available to the public through the Mutuels Public Register: <https://mutuals.fca.org.uk>.

Before you start completing this form you may find it helpful to read Chapter 5 of our guidance on our registration function under the Co-operative and Community Benefit Societies Act 2014: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

Section 2 – About this application

2.1 What are you applying to do?

Register a new community benefit society	<input type="checkbox"/>
Convert a company to a community benefit society	<input checked="" type="checkbox"/>
Convert a friendly society into a community benefit society	<input type="checkbox"/>

2.2 Who should we contact about this application?

Name	Diana Moore
Position	Rules Registration Service
Postal address	Wessex Reinvestment Society c/o 70 Church Road Alphington Exeter EX2 8TA
Telephone number	07903932214
Email address	Diana.moore@wessexca.co.uk

Section 3 – About the society

3.1 What will be the registered name of the society? (This must be exactly as it appears on the society's proposed rules). Please see page 24 of our guidance for further guidance on society names.

Society name	Secret Projects Community Benefit Society Limited
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All societies must be carrying out an industry, business or trade. Here we are looking to gain a practical understanding of what that is for your society.

3.2 What is the business of the society? For example, will you be providing social housing, running an amateur sports club, etc.

Secret Projects Community Benefit Society Limited empowers women in India through the making and selling of ethical fashion and homeware. Our global community is driven by female leaders running projects.

3.3 What Standard Industrial Classification code best describes the society's main business? Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: <http://resources.companieshouse.gov.uk/sic/>

13923 manufacture of household textiles

We need to be satisfied that a community benefit society is conducting its business for the benefit of the community. The conduct of a community benefit society's business must be entirely for the benefit of the community.

3.4 Please describe the benefits to the community the society aims to deliver? Here we are looking to see *what* the intended benefits to the community are. Community can be said to be the community at large. For example, are you relieving poverty or homelessness through the provision of social housing.

Secret Projects Community Benefit Society Limited aims to unfold women's power in India through the making and selling of clothing and homeware to sell globally, so the women can earn an income for themselves and their families.

3.5 Please describe how the society's business will deliver these benefits? The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 3.2) benefits the community.

Secret Projects Community Benefit Society Limited works with women in areas of India where there are very few income-generating opportunities and high levels of unemployment.

The women are taught to make 'Secret Pillows' (Cushions that unfold into blankets). The producers are paid more than twice the minimum wage for the products they make.

The money they earn enables them to pay for their children to go to school, food, medicine and other basic living costs. The business has recently launched a clothing range, 'Secret Clothes', to enable the women to develop their sewing skills.

3.6 Does the society intend to work with a specific community, and if so, please define it here? For instance, will the society's activities be confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

The Society intends to work with communities across India, training and providing employment opportunities for the women in those communities. To date they have trained over 500 women in India in 6 different states. The goal is for the women to become financially independent and be able to contribute to their wider community in this way.

3.7 In what ways does the society intend to raise funds to set up and run its business? For instance, are you intending to apply for grants, seek capital from members, take out a loan.

1. Through the sale of goods produced by the women participating in the Society's programmes.
2. Through loans to social investors supporting the Society.
3. Crowdfunding: The company has previously raised thousands through crowdfunding, most recently in February 2019, when 143 backers pledged £5,088.
4. A community share issue may be undertaken to raise investment. In accordance with Rule 35.1.14.3 the Society, when issuing withdrawable share capital, will not pay a rate of interest that is higher than the society needs to fund its activities; in setting the rate, the Board of Directors will take particular account of the society's intention to provide an opportunity for other public-spirited people and organisations to contribute financially to the community, with the expectation of a social return, rather than personal financial reward.
5. Donations.

3.8 What will the society do with any surplus or profit? For instance, will money be reinvested in the business; put into reserves; used for some other purpose?

All surplus will be used to reinvest back into the Society to further promote its objects and sustain the business.

In order to satisfy ourselves that the society is conducting its business for the benefit of the community, we need to understand the society's relationships with other key stakeholders.

3.9 Please state any significant commercial arrangements that the society has, or intends to have, with any other organisation that could create, or be perceived as creating, a conflict of interest. Please tell us how you will ensure that any such conflicts of interest do not prevent the society from acting for the benefit of the community.

Banke Ajayi, the Secretary and one of the founding members runs her own Accountancy business which provides and will continue to provide accountancy services to the community benefit society at a commercial rate. The final accounts are checked, verified and signed off by an external accountant to ensure adequate checks and balances are in place.

Directors will act in accordance with clause 24 of the Rules to determine the disclosure and management of conflicts of interest.

3.10 Please state any close links which any of the founding members or directors has, or intends to have, with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors or founding members of the society in other organisations.

Other directorships of founding members:

Fritha Vincent – CEO Believe You can Make a Difference Ltd

Banke Ajayi – Owner – Banke Accountancy

Banke Ajayi – Director – Horeb Haven Youth and Family Services
CIC

3.11 On what date do you want the society's financial year to end? This is the date the society's financial year will end, every year after the society is registered. If you have a preference (e.g. 31 March) please specify that here. If you do not select a date the society will be given the anniversary of the last day of the month it was registered in.

3 1 / 0 3

Asset lock

3.12 Has the society included the community benefit society statutory asset lock in its rules? Please note that a society with a statutory asset lock in its rules cannot remove it. The asset lock is only available to community benefit societies other than regulated housing associations or charities.

Yes

No

Charitable objects

3.13 Are the society's objects intended to be charitable? Whilst we are not responsible for regulating charities, we need to know this because societies whose objects are wholly charitable are subject to a number of requirements in the Act.

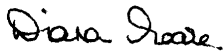
Yes

No

3.14 If charitable, what is your charitable purpose? Charity law in England and Wales differs to that in Scotland. If in doubt please refer to the charity legislation relevant for the area you are in. Please note that we will not assess whether your stated purpose meets the legal criteria for a charity.

Section 4 – The society's rules

4.1 If you have used a sponsoring body to submit this application please include their details here.

Name of sponsoring body	Wessex Reinvestment Society
Name of model rules	Reinvestment Rules - Community Assets Model 2018
Signature on behalf of sponsoring body (unless submitted by email by the sponsor)	
Date	22nd August 2019

The Act requires rules of societies to make provision for all of the matters listed below. If you have not made provision for all of the matters listed below we will not be able to register your society.

4.2 Please complete this table

Provision required by the Act	Number of the rule(s) covering this E.g. '2.3-2.7'
The society's name	1
The objects of the society	2
Place of the society's registered office, to which all communications and notices may be addressed	1
The terms of admission of the members, including any society or company investing funds in the society under the provisions of the Act	6
The method of holding meetings, the scale and right of voting, and the method of making, altering or rescinding rules	22-23, 28-32
The appointment and removal of a committee (by whatever name) and of managers or other officers and their respective powers and remuneration	18-21
The maximum amount of the interest in the shares of the society which may be held by any member otherwise than by virtue of section 24(2) of the Act	5
whether the society may contract loans or receive moneys on deposit subject to the provisions of this Act from members or others, and if so under what conditions, under what security, and to what limits of amount	35
Whether any or all shares are transferable, and provision for the form of transfer and registration of shares, and for the consent of the committee to transfer or registration Whether any or all shares are withdrawable, and provision for the method of withdrawal and for payment of the balance due on them on withdrawing from the society	9 7,13,16
Provision for the audit of accounts in accordance with Part 7 of the Act	26
Whether members may withdraw from the society and if so how, and provision for the claims of the representatives of deceased members and of the trustees of the property of bankrupt members (or, in Scotland, members whose estates have been sequestrated), and for the payment of nominees	7, 13
The way in which the society's profits are to be applied	15
If the society is to have a common seal, provision for its custody and use	27
Whether any part of the society's funds may be invested, and if so by what authority and in what way	35

Section 5 – Converting to a society

You only need to complete this section if you are converting from a company or friendly society to a community benefit society. If this does not apply to you please move on to section 6.

Requirements

If you are converting a company into a society, three copies of a special resolution to convert the company, with the following information included in the resolution:

- Company name & number
- Date the resolution was passed
- Names of three members appointed to sign the society’s rules and to either: accept alterations to the rules made by the FCA without further consulting the company; or lay any such alterations before a general meeting of the company for acceptance

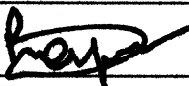
Details

5.1 Please provide details of the friendly society or company you are converting from.

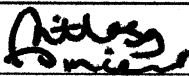
Name	SECRET PILLOW PROJECT LTD
Registration number	9102631
Registered office address	8 Park Chase, Guildford, Surrey,
Postcode	GU1 1ES


Section 6 – Member details

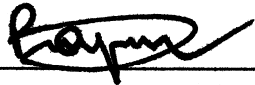
6.1 Please provide the details of the secretary below. All societies must have someone fulfilling the role of secretary.

Name	Banke Ajayi
Month of birth	June
Year of birth	1954
Signature	
Date	13.08.19

6.2 Please provide the details of 3 members below.

Name	Fritha Vincent
Month of birth	March
Year of birth	1979
Signature	
Date	13.08.19

Name	Ailsa Vincent
Month of birth	June
Year of birth	1953
Signature	
Date	13.08.19

Name	Banke Ajayi
Month of birth	June
Year of birth	1954
Signature	
Date	13.08.19

6.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no proposed director is disqualified under that Act:

No proposed director is disqualified

Section 7 – Submission details

7.1 Please complete the submission checklist below.

Items	Options
<p>The society's rules signed by three members and the secretary</p>	<p><input type="checkbox"/> Two copies attached - submitting by post</p> <p><input checked="" type="checkbox"/> One copy attached - submitting by email</p>
<p>Marked-up copy of rules showing what changes the society is making to the model rules</p>	<p><input checked="" type="checkbox"/> One copy attached</p> <p><input type="checkbox"/> Not attached - not using model rules</p> <p><input type="checkbox"/> Not attached – using model rules with no changes</p>
<p>Special resolution to convert the company to a society, including the following information:</p> <ul style="list-style-type: none"> • Company name & number • Date the resolution was passed • Names of three members appointed to sign the society's rules and to either: accept alterations to the rules made by the FCA without further consulting the company; or consult the company about any such alterations 	<p><input type="checkbox"/> Three copies attached - submitting by post</p> <p><input checked="" type="checkbox"/> One copy attached - submitting by email</p> <p><input type="checkbox"/> Not attached - not a company converting to a society</p>
<p>Cheque for registration fee made payable to the Financial Conduct Authority</p> <p>Please indicate below which fee is applicable to you, then select a box on the right to show how you are paying it:</p> <p><input type="checkbox"/> £40 - using model rules with no changes</p> <p><input checked="" type="checkbox"/> £120 - using model rules with 1-6 changes</p> <p><input type="checkbox"/> £250 - using model rules with 7-10 changes</p> <p><input type="checkbox"/> £950 - using model rules with 11 or more changes</p> <p><input type="checkbox"/> £950 - not using model rules</p> <p><input type="checkbox"/> No fee - Friendly society converting to a society</p>	<p><input type="checkbox"/> Cheque attached – submitting this form by post</p> <p><input checked="" type="checkbox"/> Cheque posted separately – submitting this form by email Fee paid into FCA collection account marked 'Secret Projects'</p> <p><input type="checkbox"/> No fee - Friendly society converting to a society</p>

Section 8 – Submitting this form

Please submit a signed, scanned version of your application by email to:
mutual.societies@fca.org.uk

Or please submit by post to:

Mutual Societies
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

This form is available on the **Mutuals Society Portal**:
<https://societyportal.fca.org.uk>