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Established 1894

Society Rules

BRANDBY AGRICULTURAL TRADING ASSOCIATION LIMITED

(3289R)

Incorporating
Partial Amendment of Society Rules
(2013)

All previous Rules rescinded save for the existing rules 16.3, 17.2, 19.1 and 19.2 which shall not be regarded as rescinded or altered by these New Rules and are restated in their entirety as Rules 16.3, 17.2, 19.1 and 19.2 in these New Rules

Adopted on _____ 2024

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Registration Number: 3289R

RULES OF BRANDSBY AGRICULTURAL TRADING ASSOCIATION LIMITED

(adopted by resolution passed at a special meeting of the Society on 2024)

1 Definitions and Interpretation

1.1 The following definitions and rules of interpretation apply in these Rules:

Act means the Co-operative and Community Benefit Societies Act 2014.

Board or Board of Directors means the Board of Directors of the Society.

Business Day a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

clear days means the period of days excluding the day on which a notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

Co-opted Director means a Director appointed by the Board of Directors pursuant to Rule 10.8.

Country Member means any person, corporate body or trust who is not a Farmer Member but who is designated as a Country Member of the Society and whose name is entered as such in the Register of Members. A Country Member is not required to have a connection to the agricultural trading business of the Society. *[N.B. Country Members were previously referred to and described as Investor Members]*

Country Shares means the shares of £1 each in the capital of the Society held by Country Members.

Director means a member of the Board of Directors and, for the avoidance of doubt, includes any Co-opted Director.

Farmer Member means any person, corporate body or trust having a connection with the agricultural trading business of the Society who is designated as a Farmer Member of the Society and whose name is entered as such in the Register of Members. *[N.B. Farmer Members were previously referred to and described as Ordinary Members]*

Farmer Shares means the shares of £1 each in the capital of the Society held by Farmer Members.

Group Accounts means the consolidated accounts for a year of account of the Society dealing with the state of affairs and income and expenditure of the Society and its subsidiaries in accordance with the requirements of section 98 of the Act.

Intimation Notice means a notice given by an Aggrieved Member pursuant to Rules 6.3.2 and 6.3.3.

Member means both a Farmer Member and a Country Member.

Partner means in relation to another person, a member of the same household living together as a family unit.

Secretary means the Secretary of the Society for the time being.

Shares means both Farmer Shares and Country Shares.

Society means Brandsby Agricultural Trading Association Limited (registration number 3289R), being the society of which these are the registered Rules.

subsidiary shall have the meaning specified in section 100 of the Act.

Special Resolution means a resolution of members carried by a 75% majority.

Termination Notice means a notice given by the Board pursuant to Rule 6.3.1.

Register of Members means the register of members of the Society maintained pursuant to the provisions of Rule 11.

Rules means the rules set out in this document as amended from time to time.

1.2 In addition to the terms defined in Rule 1.1, certain other terms are defined elsewhere in these Rules (denoted by bold type). Each such term shall have the meaning stated for the purpose of the provision in which it is defined and where used elsewhere in these Rules.

1.3 Headings in these Rules are used for convenience only and shall not affect the construction or interpretation of these Rules.

1.4 A reference in these Rules to a "Rule" is a reference to the relevant rule of these Rules unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as it is in force on the date when these Rules become binding on the Society.

1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made as it is in force on the date when these Rules become binding on the Society under that legislation or legislative provision.

1.7 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

1.8 A reference to one gender shall include a reference to other genders.

1.9 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.10 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

CHAPTER 1 - What your Society is established for

1 Name

- 1.1 The name of the Society is Brandsby Agricultural Trading Association Limited, ~~and it is called "the Society" in these Rules.~~

2 Purpose

- 2.1 The purpose of the Society is to carry out its objectives and functions as a co-operative.

3 Values and Principles

- 3.1 In conducting its affairs, the Society is committed to:

~~(a)~~3.1.1 respecting the rights and diversity of its members, employees and people dealing with the Society, treating them fairly and not discriminating on any grounds;

~~(b)~~3.1.2 conducting its business in an open and honest way.

- 3.2 The net profits of the Society's business shall be used in accordance with these Rules.

4 Objects

- 4.1 The objectives of the Society are, in accordance with its purpose:

~~(a)~~4.1.1 to carry on the business of dealing (on a retail or wholesale basis) in, producing, creating, supplying and providing, property, goods and services of all kinds, including engaging in, credit sale, rental and other services or credit transactions; and

~~(b)~~4.1.2 to engage, as principals or agents, in any other business, trade, industry or activity which seems to the Society directly or indirectly conducive to carrying out the functions above.

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CHAPTER 2 - Membership

5 Members

5.1 The Society consists of its members and there are two classes of members, ~~Ordinary Members and Investor Members. Ordinary Members shall be people or corporate bodies having connection with the agricultural trading business of the Society and whose names are entered in the register of members. All existing members at the date of the rule change (20/12/2013) will automatically become Ordinary Farmer Members and Country Members. For the avoidance of doubt, all Farmer Members at the date of adoption of these Rules remain Farmer Members and all Country Members remain Country Members.~~

~~5.2 Investor Members will be such people or corporate bodies whose names are entered as such in the register of members. They need not have any connection with the agricultural trading business of the Society.~~

~~5.3 In these rules "member" means, where the context so admits, both Ordinary and Investor Members.~~

~~5.45.2~~ Membership is open to any person who is 18 years old or older, and any corporate body or trust who completes the membership application form specified by the Board (which shall include an application for the minimum number of shares), and whose application is accepted by the Board.

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~~5.5 Any member changing their address shall give notice to the Secretary, and the necessary alterations shall be made in the register of members.~~

~~5.65.3~~ The Board has an absolute discretion to accept or refuse any membership application, does not have to give reasons for its decision, and may take into consideration (amongst other things) the applicant's likely participation in the Society's business and affairs. The Board may delegate responsibility for deciding membership applications to the Secretary and, under their supervision, to ~~the~~ other employees. Any such decision shall be made in accordance with the Society's membership policy.

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~~5.75.4~~ Two or more people may be joint ~~members~~Members.

~~5.5 Any Member changing their postal address or email address shall give notice to the Secretary, and the necessary alterations shall be made in the Register of Members.~~

6 Termination of Membership

6.1 A ~~member~~Member shall cease to be a ~~member~~Member if:

~~(a)~~6.1.1 they withdraw from membership by giving at least one month's written notice to the Secretary, and withdraw their shares under these Rules; or

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6.1.2 they are expelled on any of the following grounds (following implementation of the procedure set out in Rule 6.3);

~~6.1.2.1~~ they have breached any of the Rules; or

~~6.1.2.2~~ they have breached any contract between the Member and the Society; or

~~6.1.2.3~~ they are guilty of fraud or dishonesty or engage in any conduct (not sanctioned in advance by the Board) which, in the opinion of the Board, has brought or may bring the Society into disrepute or they have prejudiced or may prejudice the business or affairs of the Society; or

~~(b)6.1.2.4~~ they cease to be entitled to be a member/Member of the Society under these Rules; or

~~(e)6.1.3~~ they are removed from the register/Register of members/Members by the Secretary in accordance with the Maintenance of Register provisions/Rule 11.7 in these Rules; or

~~(d)6.1.4~~ they die, if an individual person or cease to exist if a corporate body or trust.

~~6.2~~ On cessation of a Member's membership in accordance with Rule 6.1, the Society shall pay to such Member the amount standing to their credit in the share ledgers of the Society, together with any sum of money representing interest or dividend previously credited to such Member in the books of the Society in respect of their shares as soon as reasonably practicable following termination of membership. The Board has a discretion, where cessation of a Member's membership is part way through a financial year of the Society, whether to pay interest and/or dividends in respect of that period of membership, and if so, the amount(s) to be paid. To the extent such amounts are paid, they would be paid at the end of the relevant financial year. For the avoidance of doubt any share in respect of which the amount paid up or credited is repaid pursuant to this Rule 6 shall be cancelled.

~~6.26.3~~ A member/Member may be expelled by a resolution of the Board approved by not less than two-thirds of those attending and voting at the relevant Board meeting. The following procedure is to be adopted:

~~6.2.1~~ any member may complain to the Secretary that another member has acted in a way detrimental to the interests of the Society.

~~6.2.2~~ if a complaint is made, the Board may itself consider the complaint having taken such steps as it considers appropriate to ensure that each member's point of view is heard and may:

~~6.2.2.1~~ dismiss the complaint and take no further action; or

~~6.2.2.2~~ for a period not exceeding twelve months suspend the rights of the member complained of to attend members meetings and vote under these Rules; or

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- ~~6.2.2.3~~ — arrange for a resolution to expel the member complained of to be considered at a future meeting of the Board.
- ~~6.2.3~~ — if a resolution to expel a member is to be considered at a meeting of the Board, details of the complaint must be sent to the member complained of not less than one calendar month before the meeting with an invitation to answer the complaint and attend the meeting.
- ~~6.2.4~~ — at the meeting, the Board will consider evidence in support of the complaint and such evidence as the member complained of may wish to place before them.
- ~~6.2.5~~ — if the member complained of fails to attend the meeting without good reason the meeting will proceed in their absence.
- ~~6.2.6~~ — a person expelled from membership will cease to be a member upon the declaration by the Chair of the meeting that the resolution to expel them is carried.
- ~~6.3.1~~ — the Society will immediately following a resolution of the Board to expel a Member, the Board of Directors shall serve notice on the Member terminating his membership of the Society (**Termination Notice**);
- ~~6.3.2~~ — the Member's membership of the Society shall terminate on expiry of the period of twenty-eight days following service of a Termination Notice (the **Service Period**) unless within the Service Period the Board has received an Intimation Notice (as defined in Rule **6.3.3**) from that Member. During the Service Period, and if an Intimation Notice is received by the Board within that period, thereafter until notice of the Committee's (as defined in Rule **6.3.4**) decision is given to the Member in accordance with Rule **6.3.5**, the Member's rights to attend and vote at meetings of the Society shall be suspended;
- ~~6.3.3~~ — if a Member on whom a Termination Notice is served (an **Aggrieved Member**) objects to termination of his membership, he may, by notice (an **Intimation Notice**) to the Secretary served within the Service Period, intimate his intention to appeal against such termination. The Intimation Notice shall set out the basis on which he objects to the termination;
- ~~6.3.4~~ — following service of an Intimation Notice, the Secretary shall convene a hearing of the Aggrieved Member before a committee appointed by the Board for such purpose in its absolute discretion (the **Committee**) at which the termination and the basis of the Aggrieved Member's objections shall be considered by the Committee. The Aggrieved Member shall be entitled to make such written or oral representations to the Committee as are appropriate and shall be entitled to be represented at any such hearing;
- ~~6.3.5~~ — the Committee shall, following the hearing or consideration of the written representations, as the case may be, decide whether to lift suspension of the membership (whether or not subject to conditions) or confirm the decision to terminate membership, and its decision shall be conclusive, final and binding.

Notice of such decision shall be given to the Aggrieved Member within seven days of making such decision;

6.3.6 if the Committee decides to lift suspension of the membership of the Aggrieved Member, the Aggrieved Member's rights as a Member shall be restored with effect from the date of the Committee's decision and the Aggrieved Member shall have no claims whatsoever against the Board or the Society arising out of service of the Termination Notice; and

6.3.7 if the Committee decides to confirm the Board's decision to terminate the membership:

6.3.7.1 such termination shall take effect from the date of the Committee's decision; and

(g)6.3.7.2 the Society shall pay to such person the Aggrieved Member the amount standing to their credit in the share ledgers of the Society, together with any interest or dividend credited in respect of their shares, and cancel their shares; in accordance with Rule 6.2.

6.4 If the Member's membership of the Society has terminated pursuant to Rule 6.3.2 at the end of the Service Period, the terms of Rule 6.3.7.2 shall apply.

7 Shares

7.1 The shares of the Society shall be of the nominal value of £1. Shares can be withdrawn subject to Rule ~~7.9~~7.12, but cannot be transferred except where permitted by these Rules.

~~(a)7.2 the shares will~~ There shall be of two separate classes of shares namely "OrdinaryFarmer Shares" and "InvestorCountry Shares". ~~In these Rules 'shares' means, where the context so admits, both Ordinary Shares and Investor Shares.~~

~~(b)7.3 the~~The Society shall have the power to limit the number of InvestorCountry Shares allotted to a member individually or those allotted in total so that the proportion of InvestorCountry Shares to OrdinaryFarmer Shares is not such as to prejudice the administration or the businesses of the Society.

7.4 The Board shall have the power to re-designate a Farmer Member to Country Member status where, in the opinion of the Board, that Farmer Member no longer satisfies the relevant criteria. Where a Farmer Member is re-designated to Country Member status under this Rule, their shares shall automatically re-designate as Country Shares. The Board shall be entitled to serve notice on a Farmer Member (a Re-designation Notice) informing them of their re-designation to Country Member status. If a Farmer Member on whom a Re-designation Notice is served objects to the re-designation of his membership, he may appeal against such re-designation and the provisions of Rules 6.3.2 to 6.3.5 (inclusive) shall apply, save that (1) references to "terminate" shall be changed to "re-designate", references to "Termination Notice" shall be changed to "Re-designation

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Notice” and references to “termination” and “termination of membership” shall be changed to “re-designation” and “re-designation of membership”, and (2) such changes shall be made to the operation of those Rules as are strictly necessary for their application to a re-designation as opposed to a termination.

7.27.5 Every ~~member~~Member shall hold at least one hundred fully paid up shares, and all shares shall be paid for in full on application.

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7.37.6 The Society shall allot:

(a)7.6.1 to ~~members~~Members when they are admitted the shares for which they have applied, and after that shall allot any further share or shares applied for; provided that the Board may in its discretion allot a lesser number of shares than those applied for in each case;

(b)7.6.2 to the trustee of any Employee Share Scheme the shares which the Board decides in its absolute discretion, and any shares issued in this way shall, subject to the rules of the Employee Share Scheme, be ~~transferrable~~transferable only by the trustee to employees or former employees who are already individual ~~members~~Members or are then admitted as individual ~~members~~Members, by a transfer document in a form approved by the Board;

but nobody shall be allotted shares which will cause them to hold more than ~~the maximum number of~~30,000 shares ~~permitted by the Industrial and Provident Societies Acts, having an aggregate nominal value exceeding £30,000.~~

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7.47.7 A notice required by these Rules to be given in relation to any share or shares which are held jointly must be given to whichever joint ~~member~~Member, the joint ~~members~~Members specify in writing, and if they do not specify, to the joint ~~member~~Member whose name appears first in the ~~register~~Register of ~~members~~Members. ~~All notices so given shall be sufficient notice to all the joint holders.~~ An application for the withdrawal of any shares or part of a share held jointly must be made by all the joint holders who alone shall be able to give a valid receipt for any share capital repaid.

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7.57.8 On the death of a joint holder of any share, it shall be transferred into the name of the survivor or survivors on their application.

7.67.9 The Board may apply money for which they cannot find profitable investment in repaying to ~~members~~Members the amounts paid up on their shares, subject to the following:

(a)7.9.1 ~~The~~the Board may only do this if a Members' Meeting has approved it;

(b)7.9.2 ~~Repayment~~repayment shall be made by paying back to the ~~member~~Member (or ~~members~~Members) who holds (or hold) the largest number of shares the amount of which their shareholding is greater than the next largest shareholding;

~~(e)7.9.3~~ ~~None~~ repayment shall be made which causes the number of shares held by any member to fall below the minimum number of shares required by these Rules to be held as a condition of membership; ~~and~~

~~(d)7.9.4~~ ~~Any~~ share in respect of which the amount paid up or credited has been repaid shall be cancelled.

~~7.7.10~~ Where repayment is to be made in accordance with the preceding ~~rule~~Rule, notice thereof shall be given to the ~~member~~Member stating the date on which repayment is to be made and no interest shall be payable on any amount so to be repaid after the date for repayment stated in the notice.

~~7.8.11~~ Interest shall not be calculated on or for any fraction of £1, nor part of a calendar month.

~~7.9.12~~ Subject to the other provisions of this ~~rule~~Rule below and the minimum shareholding requirements under these Rules, shares may be withdrawn by ~~members~~Members upon giving three months' notice to the Society; Provided that:

~~(a)7.12.1~~ all withdrawals shall be in the order in which the notices were received by the Society;

~~(b)7.12.2~~ the Board may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;

~~(c)7.12.3~~ ~~unless the Board agrees~~except with the sanction of a Special Resolution, not more than one-tenth of the paid up share capital of the Society at 1st January in each year (including all sums under notice of withdrawal at that date) shall be withdrawable during that calendar year;

~~(d)7.12.4~~ ~~unless~~except with the Board's ~~agreement~~sanction of a Special Resolution, no ~~member~~Member shall be entitled to withdraw during any year more than one-tenth of the share capital standing to their credit on 1st January of that year, unless the ~~members~~Member also withdraws from membership of the Society;

~~(e)7.12.5~~ the right to withdraw may by resolution of the Board be suspended either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the Board. ~~Where~~ the suspension is for a fixed period such period may be extended from time to time by a resolution of the Board;

~~(f)7.12.6~~ during any period when the right of withdrawal has been suspended, the shares of a deceased ~~member~~Member may, if the board so determines, be withdrawn by their legal personal representative upon giving such notice as the Board may require and subject as regards the amount payable on withdrawal to such deduction as the Board may from time to time determine;

~~(g)7.12.7~~ no interest shall be payable upon any share in respect of which a notice of withdrawal has been given in relation to any period after the date of the notice; and

~~(h)7.12.8~~ The Society may deduct from such payment and retain any amount which the member Member owes to the Society on a trading or staff loan account.

CHAPTER 3 – How your Society is organised

8 Organisation

8.1 The Society comprises the following:

~~(a)8.1.1~~ Members;

~~(b)8.1.2~~ the Board of Directors;

~~(c)8.1.3~~ the Chief Executive; and

~~(d)8.1.4~~ the Secretary.

8.2 The affairs of the Society are to be conducted by all of them in order to fulfil the Society's purpose. Their respective responsibilities or functions, which are at all times to be performed in accordance with these Rules, are as follows:

Board

8.3 The Board has the following responsibilities:

~~(a)8.3.1~~ to ensure that the Society's affairs are conducted in accordance with these Rules, the best interests of the Society and its members;

~~(b)8.3.2~~ to determine the strategy and policy of the Society in consultation with the Chief Executive always in keeping with the Society's objectives.

8.4 The Board has the following rights and powers:

~~(a)8.4.1~~ subject to what the ~~Industrial and Provident Societies Act 1965 to 2002~~ and these Rules say, the Board:

~~(i)8.4.1.1~~ may exercise all the powers of the Society;

~~(ii)8.4.1.2~~ appoints, removes and fixes the remuneration and terms of employment of the Chief Executive and the Secretary;

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~~(iii)~~8.4.1.3 may at any time call upon the Chief Executive or the Secretary to report or obtain a report in writing upon any matter in connection with or concerning the business of the Society;

~~(iv)~~8.4.1.4 determines from time to time matters which require the approval of the Board; and

~~(v)~~8.4.1.5 approves the use of the Society's seal if it has one.

Chief Executive

8.5 The Chief Executive is responsible for conducting the day-to-day business of the Society and shall do so in accordance with these Rules.

Secretary

8.6 The functions of the Secretary include:

~~(a)~~8.6.1 acting as the Secretary to the Board;

~~(b)~~8.6.2 monitoring the conduct of the Society's affairs to ensure that they are conducted in accordance with these Rules;

~~(c)~~8.6.3 publishing to members in an appropriate form information which they should have about the affairs of the Society;

~~(d)~~8.6.4 custody of the Society's seal if it has one;

~~(e)~~8.6.5 acting as returning officer for elections;

~~(f)~~8.6.6 preparing and sending all returns required to be made to the Financial ~~Services~~Conduct Authority; and

~~(g)~~8.6.7 making all necessary entries in all registers required by these Rules or the ~~Industrial and Provident Societies Acts~~Act to be kept by the Society.

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CHAPTER 4 – Members’ Meetings

9 Meetings

9.1 Meetings of the members of the Society are either ordinary meetings or special meetings.

9.2 In each year the Society shall hold one ordinary meeting, called the Annual Members Meeting, and such other additional ordinary meetings as the Board decides, called Interim Members Meetings. All other meetings of the members of the Society are Special Members Meetings.

Business of Members’ Meetings

9.3 An ordinary meeting may transact the following business:

~~(a)~~9.3.1 consideration of the accounts, balance sheets, and the reports of the Board and of the auditor and the application of the profits;

~~(b)~~9.3.2 the announcement of the election of ~~directors~~Directors;

~~(c)~~9.3.3 the appointment of the auditor (if required);

~~(d)~~9.3.4 any motion of which at least 21 clear days’ written notice has been given to the Secretary by a ~~member~~Member. The Board has the discretion not to include such a motion if in its and the Secretary’s reasonable opinion:

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- ~~(i)~~9.3.4.1 it seeks to intervene in the exercise of their powers under these Rules by the Board, the Secretary or any authorised committee or sub-committee of the Society; or
- ~~(ii)~~9.3.4.2 the publicity for it would be likely to diminish substantially the confidence in the Society of investing members of the public; or
- ~~(iii)~~9.3.4.3 it seeks needless publicity for defamatory matters; or
- ~~(iv)~~9.3.4.4 it is submitted for frivolous or vexatious purposes; or
- ~~(v)~~9.3.4.5 it does not relate directly to the affairs of the Society; or
- ~~(vi)~~9.3.4.6 it is in substantially the same terms as any motion which has been defeated at any meeting of the Society held during the preceding two years.

Any amendments to proposals appearing on the notice convening a meeting shall be submitted in writing to the registered office not less than 7 clear days before the date of the meeting.

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- 9.4 A Special Members' Meeting shall not transact any business not specified in the notice convening it. An ordinary meeting may be made a Special Members' Meeting for any purpose of which due notice has been given, provided that such business is not brought on until the business of the ordinary meeting is concluded.

Convening Members' Meetings

- 9.5 Ordinary meetings shall be convened by the Secretary on an order of the Board.
- 9.6 Ordinary meetings are to be held at the registered office and/or at such other place or places as the Board decides.
- 9.7 Special Members' Meetings shall be convened by the Secretary, either on an order of the Board, or on a written requisition signed by fifty ~~members.~~Members. Special Members Meetings shall be held as soon as is reasonable after the receipt of the order or delivery of the requisition, at the place and time at which ordinary meetings are usually held, so far as is possible. A requisition must state the objects of the meeting and be delivered to the registered office.
- 9.8 If the Secretary, has failed, within 21 days of the delivery to the registered office of the written requisition, to convene a Special Members' Meeting, any of the requisitionists may convene a Special Members Meeting by giving the notice provided for in these Rules and shall have a claim upon the Society for any costs properly incurred in giving such notice.

9.9 ~~A~~The Secretary will give notice of all meetings of Members as follows:

- ~~9.99~~9.1 every meeting shall be convened by notices posted conspicuously in the registered office and in all other places of business of the Society to which

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~~the members~~Members have access ~~and~~, on the Society's website ~~(if it has one),~~and by written notice to Members, given not less than eight clear days at least before the day of the date fixed for such meeting. ~~The notice shall specify the place, the time, and the date of the meeting, whether the meeting is an ordinary, or a Special Members Meeting and the business to be transacted at the meeting.;~~

~~9.9.2~~ the notice shall specify the place, time and date of the meeting, whether it is an ordinary or a special meeting and if it is an ordinary meeting whether it is an "Annual Members Meeting" or an "Interim Members Meeting" and the business to be transacted at the meeting; and

~~9.9.3~~ the notice shall be sent to the registered email address of each Member or (in the absence of the Society holding an email address for a Member) posted to the Member's registered address provided that the accidental omission to give any Member notice of a meeting or the non-receipt of such notice by any Member shall not invalidate the proceedings of that meeting.

Attending and voting at Members' Meetings

- 9.10 Every ~~member~~Member who has a vote under the Rules (including the ~~deputy~~representative of a corporate body) shall be entitled to attend Members' Meetings on the production of such evidence as the Board may from time to time determine.
- 9.11 A ~~member~~Member of the Society which is a corporate body may by a resolution of its directors or of management appoint any person ~~as a deputy~~ to act ~~as its representative~~ on its behalf at any meeting ~~or Meetings~~ of the Society. A copy of such a resolution, signed by the secretary and two directors or members of the committee of management of the legal body, must be delivered to the registered office of the Society at least twenty-four hours before the holding of the meeting or meetings concerned. A ~~deputy~~representative appointed in this way shall be competent during the continuance of their appointment to act as if they were a member of the Society. ~~The appointment of a deputy~~representative shall continue until a copy of a resolution appointing another person ~~to act as deputy~~representative in their place is delivered in the same way.
- 9.12 Every ~~member~~Member of the Society shall be entitled to cast one vote on any resolution put to the ~~members~~Members at a ~~Members' Meeting~~meeting of the Members provided that no ~~Investor~~Country Member shall be entitled to cast a vote on a resolution to convert the Society to company status nor on a resolution to elect a ~~director~~Director or officer of the Society. In the event of Members holding shares jointly they shall have one vote between them which shall be exercised by the one whose name appears first in the ~~register~~Register of ~~members~~Members, unless the joint members together appoint in writing another joint member, and the appointment is delivered to the registered office not less than twenty-four hours before the meeting.
- 9.13 The Board may ~~in its discretion~~ make arrangements for members to vote at meetings by post, or by using electronic communications.

9.14 At any ~~Members' Meeting~~meeting of Members a resolution put to the vote shall be decided on a show of hands (upon which a representative or a proxy may show his hand) unless a ballot is demanded by the Board, or by ten members present in person or by representation or proxy at the meeting. -The ballot shall be taken at the meeting in such manner as the ~~chairman~~Chair of the meeting directs.- Subject to any special provision contained in these Rules or an Act of Parliament all resolutions shall be carried by a simple majority of votes. ~~in~~The Chair of any meeting of Members may exercise any vote to which he may be entitled as a Member and also as a proxy or representative of a Member, and in the event of an equality of votes the Chair of the meeting shall have a second or casting vote.

9.15 Any Member or representative of a Member appointed and notified by such a Member in writing to the Secretary, may appoint a proxy to attend any meeting of Members and to vote on such Member's behalf. The instrument appointing a proxy shall be in writing in such form as the Board may require, under the hand of the appointor, or if the appointor is a company or society, either under its common seal or under the hand of a director of the appointor or such a representative. The said instrument and the authority, if any, under which it is signed shall be deposited at the registered office of the Society not less than 72 hours before the time for holding the meeting at which it is to be used and in default the instrument of proxy shall be treated as invalid.

9.16 A proxy need not be a Member. A proxy can act as proxy for more than one Member. A proxy shall be entitled to participate in the meeting only to the extent necessary to enable him to exercise his right to vote and to demand a formal ballot.

Procedure at Members' Meetings

~~9.159.17~~The Chair of the Board, or in his absence another member of the Board, shall chair a Members' Meeting. If no member of the Board is present, such ~~member~~Member as the meeting may determine shall chair the meeting.

~~9.169.18~~Ten ~~members~~Members including ~~deputies~~representatives of corporate bodies having a vote and being present in person shall be a quorum. A Members' Meeting may proceed to business if a quorum is present within half an hour after the time fixed for the meeting. Otherwise the meeting, if a Special Members Meeting convened on the requisition of the ~~members~~Members, shall be dissolved, but if an ordinary meeting or a special meeting convened by order of the Board, shall stand adjourned to the same day in the week following, at the same time and place, and the adjourned meeting may proceed to business whatever is the number of ~~members~~Members present. No meeting shall become incompetent to transact business from the want of a quorum arising after the ~~chair~~Chair has been taken.

~~9.179.19~~Any properly constituted meeting may adjourn to such place, time and day within 30 days as the ~~members~~Members present direct, and may continue any such adjournment from time to time. No business shall be transacted at any adjourned meeting which could not have been transacted at the meeting from which the adjournment took place, and the

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same notice shall be given of any meeting adjourned for more than 14 days, as is required in case of an original meeting.

~~9-189.20~~ Standing Orders for the conduct of Members Meetings and for the closure of business may be made by the Board and subject to any resolution passed at an ordinary meeting such Standard Orders shall be binding on all ~~members~~Members and their representatives.

CHAPTER 5 – The Board of Directors

10 Composition of the Board of Directors

10.1 The Board of Directors shall comprise between ~~56~~ and 8 Directors, who shall be elected in accordance with election procedures approved from time to time by the Board.

10.2 Not more than one third of the places on the Board shall be held by ~~members~~Members of the Society who are employees of the Society.

~~10.3~~ At every Annual Members Meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office. Such number of Directors being required to retire by rotation shall not include any person(s) appointed to fill a casual vacancy or as a Co-opted Director who must offer themselves for election pursuant to Rule 10.10.

~~10.4~~ The Directors so to retire shall include any Director who wishes to retire and not to offer himself for re-election, any Director to whom Rule 10.7 applies and shall otherwise be those who have been longest in office since their last appointment or re-appointment but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the Annual Members Meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after such date but before the close of the meeting.

~~10.5~~ Subject to Rule 10.7 a Director who retires at an Annual Members Meeting shall be eligible for re-appointment. If he is not re-appointed, or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

~~10.6~~ The Society at the meeting at which a Director retires by rotation may fill the vacated office by appointing a person to it and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-appointment of such Director shall have been put to the meeting and lost.

10.7 At the Annual Members Meeting following a Director attaining the age of 76, they shall retire and not be able to offer themselves for re-election in order to ensure a reasonable flow of new appointments into the Director role to facilitate succession planning.

~~10.3~~10.8 The Board may co-opt up to two ~~professional external directors to the Board additional~~ Directors (in addition to the number of Directors specified in these Rules) to provide expertise in specific areas that the Board considers will be beneficial to the Society, provided that at all times the number of ~~professional~~ external directors shall be in the minority ~~on the Board (Co-opted Directors)~~. A ~~Co~~Co-opted Director shall serve for a fixed period determined by the Board at the time of co-option, subject to a review at least every twelve months, may be removed from office at any time by a resolution passed by a majority of the members of the Board, and shall be remunerated in an amount (to be disclosed in the published accounts) from time to time fixed by the Board.

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~~10.4~~10.9 Elected Directors ~~shall normally~~will serve for a ~~period~~maximum of three terms of three years ~~each. The three year term is deemed to commence on the first Annual Members Meeting of or immediately after appointment and shall end on the Annual Members Meeting next following three years thereafter.~~

~~10.5~~10.10 Where a vacancy arises on the Board of Directors otherwise than on the completion of a term of office, at the discretion of the Board it may be filled either by appointment made by the Board. ~~In either case the~~The person filling the vacancy shall retire at the end of the vacancy which they are filling. ~~Anyone who is appointed to fill a casual vacancy or a Co-opted Director must offer themselves for election at the next following Annual Members Meeting in addition to those who retire by rotation in accordance with Rules 10.3 to 10.7.~~

~~10.6~~10.11 The Board will prepare and approve a code of conduct for Directors. The code of conduct for Directors will include commitments to training where needed, in order that the Board is competent to fulfil its role. All Directors will be required to sign an acceptance of the code of conduct for Directors.

~~10.7~~10.12 A Director may be removed from office by a resolution approved by not less than three-quarters of the remaining Directors on the grounds that:

(a)10.12.1 they have refused to sign an acceptance of the code of conduct for Directors;
or

(b)10.12.2 they have committed a serious breach of the code of conduct for Directors, and the Board considers that it is not in the best interests of the Society for them to continue as a Director. ~~The following~~procedures set out in Rules 10.13 to 10.16 (inclusive) are to be followed in the event of a proposal that the Board should remove a Director from office.

~~10.8~~10.13 The Board shall consider the matter having taken such steps as it considers appropriate to ensure that any relevant Director's point of view is heard and may either:

(a)10.13.1 dismiss the matter and take no further action; or

~~(b)10.13.2~~ for a period not exceeding twelve months suspend the rights of the Director complained of to attend Board meetings and vote under these Rules; or

~~(c)10.13.3~~ arrange for a resolution to remove from office the Director complained of, to be considered at the next Board meeting.

~~40.9~~10.14 At the next Board meeting the Board will consider evidence in support of the complaint and such evidence as the Director complained of may wish to place before them.

~~40.10~~10.15 If the Director complained of fails to attend ~~the~~that meeting without due cause ~~the~~that meeting may proceed in their absence.

~~40.11~~10.16 A Director removed from office will cease to be a Director upon the declaration by the Chairman~~Chair~~ of the meeting that the resolution to expel them is carried.

~~40.12~~10.17 The ~~members~~Members may remove a Director from office by a resolution passed by two-thirds of the votes cast at a Special Members' Meeting.

~~40.13~~10.18 The Directors shall elect one of their number (who may not be an employee or a ~~professional external director~~Co-opted Director) to be Chair of the Board for a period of office not exceeding three years. The Board may elect one or more Vice-Chairs.

Eligibility to be a Director

~~40.14~~10.19 A person shall only be eligible to be nominated for election as a Director if they fulfil the following criteria: (and if already elected shall immediately cease to be a Director if they cease to be eligible):

~~(a)10.19.1~~ they are ~~an Ordinary~~a Farmer Member of the Society; ~~(this provision shall not apply to any Co-opted Director);~~

~~(b)10.19.2~~ they hold and have held at least £100 share capital in the Society or a society which has transferred engagements to the Society. ~~(This (this provision shall not apply to any professional external director~~Co-opted Director);

~~(c)10.19.3~~ they have not been dismissed (save for redundancy) from the employment of the Society or a society which has transferred its engagements to the Society;

~~(d)10.19.4~~ neither they ~~or~~nor their spouse or ~~partner~~Partner is engaged in a managerial capacity in carrying on of any business trade or undertaking which in the opinion of the Board competes in any way with any business trade or undertaking carried on by the Society;

~~(e)10.19.5~~ neither they nor their spouse or ~~partner~~Partner has any interest in any business which is trading with the Society, other than as a supplier or customer in the ordinary course, or holding less than 1% of the issued shares of a company whose shares are listed on a Stock Exchange, or as a non-

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managerial member or employee of any society or company which is trading with the Society;

~~(f)10.19.6~~ they have not previously been removed from office as a ~~director~~Director under these Rules; and

~~(g)10.19.7~~ they are not bankrupt, nor subject to a disqualification order made against them under the Company Directors Disqualification Act 1986 or the Charities Act 1993.

Board Meetings

~~10.15~~10.20 The Board shall meet and regulate its meetings as it may determine. Except in an emergency or by agreement of the Board, seven clear days' notice of the date, time and place of each meeting is to be given in writing by the Secretary to all Directors.

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~~10.16~~10.21 At least half of the minimum number of Directors provided for in these Rules (not including any ~~professional-external~~Co-opted Directors) will form a quorum, provided that less than half of those present are employees.

~~10.17~~ The Chief Executive shall attend every meeting of the Board, unless requested by the Board not to do so.

~~10.18~~ The Board may agree that Directors can participate in its meeting by telephone, computer or video link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.

10.22 Any Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or any other form of communications equipment (whether in use when these Rules are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating by telephone or other communication shall be deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chair of the meeting then is. A resolution passed at any meeting held in the above manner, and signed by the Chair of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

~~10.19~~10.23 Meetings of the Board shall be chaired by the Chair, or in their absence a Vice-Chair, or in their absence another Director elected by the members of the Board present at that meeting.

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~~10.20~~10.24 Questions arising at any meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes the ~~chair~~Chair of the meeting shall have a second or casting vote.

~~40.24~~10.25 A special meeting of the Board may be called by a notice in writing given to the Secretary, at least fourteen clear days before the meeting to be called, by not less than one quarter of the Directors for the time being. The notice shall state the business of the meeting and the Secretary shall communicate such notice to all Directors as soon as possible. No other business shall be transacted at the meeting than the business stated in the notice.

Disclosure of Interest

~~40.22~~10.26 Any Director who has a material interest in a matter as defined ~~below~~ in Rule 10.29 shall declare such interest to the Board and:

~~(a)~~10.26.1 may not be present in any discussion of the matter unless a majority of the Board agrees to their presence, but

~~(b)~~10.26.2 shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted).

~~40.23~~10.27 Details of any such interest shall be recorded by the Secretary in the register of the interests of Directors.

~~40.24~~10.28 Any Director who fails to disclose any interest required to be disclosed under the preceding paragraph must permanently vacate their office if required to do so by a majority of the remaining Board: (regardless of the provisions of Rules 10.12 to 10.16).

~~40.25~~10.29 A material interest in a matter is any interest in any transaction or act or proposed transaction or act of the Society and any office or position (save for the exceptions referred to below) held by a Director or their spouse or ~~partner~~ Partner in any firm or company or business which is involved in a transaction or proposed transaction with the Society. The exceptions which shall not be treated as material interests are as follows:

~~(a)~~10.29.1 any employment contract with the Society;

~~(b)~~10.29.2 shares not exceeding 2% of the total shares in issue held in any company whose shares are listed on a Stock Exchange.

Committees

~~40.26~~10.30 The Board may delegate any of its powers to committees consisting of such ~~Directors~~ or Members as it thinks fit who shall, in the ~~function~~ tasks entrusted to them, follow in all respects the instructions given to them by the Board. Any such delegation may be made subject to any conditions the Board may impose and it may be revoked or altered at any time.

~~40.27~~10.31 The Board shall appoint:

~~(a)~~10.31.1 a Finance and Audit Committee comprising not less than three and not more than ~~eight~~ five Directors ~~and not less than two and not more than three independent appointees~~. No Director who is an employee or recently retired

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superannuated employee shall be a member of the Finance and Audit Committee; ~~and~~

~~40.27.2 a Remuneration Committee.~~

10.31.2 a Governance, Nomination and Remuneration Committee (to be known as 'GNR' or 'Governance Committee'), comprising not less than three and not more than five Directors, and not less than two and not more than three independent appointees. No Director who is an employee or recently retired superannuated employee shall be a member of the Governance Committee; and

10.31.3 a Membership Committee comprising not more than two Directors, and between three and five Members, of which no more than two shall be employees of the Society.

Remuneration and protection of Directors

~~40.28~~10.32 The Remuneration Governance Committee shall from time to time fix the remuneration of the Directors, who shall in addition be reimbursed their reasonable travel, hotel and out of pocket expenses wholly and necessarily incurred on Society business at such rates as may be determined from time to time by the Remuneration Governance Committee. The remuneration and expenses of the Board shall be reported in each of the Society's Annual Report and Accounts.

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~~40.29~~10.33 Anything done in good faith by any meeting of the Board or by the Chief Executive, ~~or~~ Secretary shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any of them, or that any one or more of them were disqualified, and shall be as valid as if every Director and the Chief Executive and the Secretary had been duly appointed and was duly qualified to serve.

~~40.30~~10.34 Separate from any other indemnity to which they may be entitled, and subject to what is said in the rest of this ~~rule~~Rule, every Director, the Chief Executive, ~~and~~ the Secretary shall be indemnified out of the funds and assets of the Society against the following: all actions, claims, costs, demands and expenses and any personal liability whatsoever, whether civil or criminal, arising out of or in connection with the exercise of purported exercise of their duties on behalf of the Society.

~~40.31~~10.35 This indemnity excludes liability for offences incurred under ~~Section 62~~section 128 of the ~~Industrial and Provident Societies Act 1965~~, and liability for wilful default, fraud or dishonesty. No person shall be indemnified against costs or expenses recovered from them by order of the Financial ~~Services~~Conduct Authority.

~~40.32~~10.36 The Society is authorised to purchase and maintain insurance for the purpose of:

~~(a)~~10.36.1 indemnifying the Directors and officers (Chief Executive, Secretary) of the Society against any liability which they or any of them might incur, in respect

of negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Society; and

~~(b)10.36.2~~ indemnifying the Society itself as reimbursement for ~~the~~ indemnity actually and lawfully provided to its ~~directors~~Directors and officers under ~~the first paragraph of this Rule 10.34.~~

~~10.33 — In this rule “partner” means in relation to another person, a member of the same household living together as a family unit.~~

CHAPTER 6 – Register of Members

11 Register of Members

11.1 The Society shall keep at its registered office a register of members in which the Secretary shall enter the following information:

~~(a)~~11.1.1 the names and postal addresses of the ~~members~~Members;*

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~~11.1.2~~ where the Member has notified the Society of an electronic address for the purposes of receiving notices or documents under the Act, the electronic address and the purposes for which it has been notified; *

~~(b)~~11.1.3 a statement of the number of shares held by each ~~member~~Member, of the amount paid, or agreed to be considered as paid, on the shares of each ~~member~~Member; *

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~~11.1.4~~ the status of the Member (for example, "Farmer" or "Country");

~~(c)~~11.1.5 a statement of other property in the Society, whether in loans, deposits, or otherwise held by each ~~member~~Member; *

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~~(d)~~11.1.6 the date ~~at which~~ each person was entered in the register as a ~~member~~Member, and ~~(where applicable)~~ the date ~~at which~~ any person ceased to be a ~~member~~Member;*

~~11.1.7~~ in respect of each Director:

~~11.1.7.1~~ the ~~Director's~~ names and ~~addresses of~~postal address; *

~~11.1.7.2~~ where the ~~Directors~~Director has notified the Society of an electronic address for the purposes of receiving notices or documents under the Act, the electronic address and the ~~Secretary, with~~ purposes for which it has been notified; *

~~11.1.7.3~~ the ~~offices~~office held by them respectively; * and

~~(e)~~11.1.7.4 the date ~~on which they assumed~~the person took office.*; *

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11.2 The register shall be kept in such a way that it is open for inspection as required by the ~~Industrial and Provident Societies Act 1965~~Act disclosing only the information in those - sub-paragraphs above marked by an (*).

Right of Inspection

11.3 Any ~~member~~Member or person having an interest in the funds of the Society may inspect their own account and the books containing the names of the ~~members~~Members at all reasonable hours at the registered office or any place where they are kept. This right of inspection is subject to any regulations about the time and manner of inspection which may be made by the ~~members~~Members of the Society in a meeting.

Updating the Register of Members

- 11.4 The Secretary may remove ~~members~~Members from the ~~register~~Register of ~~members~~Members, in the following circumstances.

Loss of Contact

- 11.5 Where the Society has evidence that a ~~member~~Member no longer lives at the address shown in its ~~register~~Register of ~~members~~Members ("registered address"), then subject to carrying out the ~~following~~ procedures ~~set out in Rule 11.6~~, the Secretary may remove the name of such ~~member~~Member from the ~~register~~Register of ~~members~~Members, and the Society may then cancel their shares and forfeit to the Society the amount standing to the credit of such member in the share ledgers of the Society, together with any sum of money representing interest or dividend credited to the member in the books of the Society in respect of their shares (together referred to as "credit accounts").

- 11.6 The procedures are as follows:

~~(a)~~11.6.1 ~~The~~the Secretary shall take all reasonable steps to establish whether there is a forwarding address, and if there is one, to contact the ~~member of~~Member at the ~~following~~forwarding address with ~~the~~ information set out below;

~~(b)~~11.6.2 ~~The~~the Secretary shall cause advertisements to be posted conspicuously in all places of business of the Society to which ~~members~~Members have access, giving the following information:

~~(i)~~11.6.2.1 ~~advising~~ that the Society intends after a notice period of not less than two calendar months to revise its ~~register~~Register of ~~members~~Members to remove those members no longer living at their registered address;

~~(ii)~~11.6.2.2 ~~advising~~ that any credit accounts of such members can be claimed within two years;

~~(iii)~~11.6.2.3 ~~Providing~~providing postal, telephone and website contact details for any person wishing to update their registered address, or to withdraw from membership of the Society and claim the funds contained in any credit account.;

~~(c)~~11.6.3 ~~At~~at the end of the notice period, the Secretary shall cause the ~~register~~Register of ~~members~~Members to be revised by removing those ~~members~~Members no longer living at their registered address, cancelling their shares and transferring any credit accounts of any such ~~members~~Members to a suspense account within the books of the Society;

~~(d)~~11.6.4 ~~At~~at the end of a period of two years commencing with the date upon which any credit accounts have been transferred to a suspense account, any such credit accounts that remain unclaimed shall be forfeited to the Society.

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Insufficient share account balance

11.7 If a ~~member~~Member has not throughout the immediately preceding period of twelve calendar months maintained a balance in their share account of at least £100 then subject to carrying out the ~~following~~ procedures set out in Rule 11.8, the Secretary may remove the name of such ~~member~~Member from the ~~register~~Register of ~~members~~Members, and the Society may cancel their shares and forfeit to the Society the amount standing to the credit of such member in the share ledgers of the Society together with any sum of money representing interest or dividend credited to the member in the books of the Society in respect of their shares.

11.8 The procedures are as follows:

~~(a)11.8.1~~ The Society shall give not less than two calendar ~~months~~months' notice ~~of~~to the ~~member~~Member stating that it is proposed to cancel their ~~shares~~shares and specifying the sums to be forfeited to the Society.:

~~(b)11.8.2~~ Unlessunless the ~~member~~Member shall within the period of notice increase the balance in their share account to £100, the Society shall cancel and forfeit their ~~share~~shares:

~~(c)11.8.3~~ Aa notice under the provisions of this ~~clause~~Rule 11.8 may be sent to the ~~member~~Member by pre-paid ordinary letter post at their registered or last known address and shall include a statement to the effect that if the ~~member~~Member objects to the cancellation and forfeiture of their share and wishes to remain a ~~member~~Member of the Society, they should within two calendar months increase the balance on their account to £100.

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CHAPTER 7 – Audit

12 Auditor

- 12.1 There shall be appointed in each year of account a qualified auditor to audit the Society's accounts and balance sheet for that year. In this Rule "qualified auditor" means a person who is a qualified auditor under ~~Section 7 of the Friendly and Industrial and Provident Societies Act 1968 as amended by the Companies Act 1989 (Eligibility for Appointment as Company Auditor) (Consequential Amendments) Regulations 1991~~ section 91 of the Act.

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

~~(a)~~12.2.1 an officer or employee of the Society;

~~(b)~~12.2.2 a person who is a partner of or in the employment of or who employs an officer ~~of~~ employee of the Society.

12.3 At least every ~~ten~~five years, the ~~Society~~Board shall consider whether to offer the opportunity of appointment as auditor to other qualified persons.

12.4 Except as provided below every appointment of an auditor shall be made by resolution of a Members' Meeting of the Society.

12.5 The Board may appoint an auditor to fill any casual vacancy occurring between meetings of members of the Society.

12.6 An auditor appointed to audit the accounts and balance sheet of the Society for the preceding year of account (whether by a ~~members' meeting~~Members' Meeting or by the Board) shall be reappointed as auditor of the Society for the current year of account (whether or not any resolution expressly reappointing them has been passed) unless:

~~(a)~~12.6.1 a resolution has been passed at a Member's Meeting of the Society appointing somebody instead of them or providing expressly that they shall not be reappointed; or

~~(b)~~12.6.2 they have given to the Society notice in writing of their unwillingness to be reappointed; or

~~(c)~~12.6.3 they are not a qualified auditor or are a person prohibited from appointment under these Rules; or

~~(d)~~12.6.4 they have ceased to act as auditor of the Society by reason of incapacity.

12.7 A resolution at a Members' Meeting of the Society:

~~(a)~~12.7.1 appointing another person as auditor in place of a retiring auditor; or

~~(b)~~12.7.2 providing expressly that a retiring auditor shall not be reappointed,

shall not be effective unless notice of the intention to move it has been given to the Society not less than 28 days before the meeting at which it is to be moved. On receipt by the Society of notice of such an intended resolution, the Society shall immediately send a copy of the notice to the retiring auditor. If it is practicable to do so, the Society shall give notice to its ~~members~~Members of the intended resolution at the same time and in the same way as it gives notice in accordance with these Rules of the meeting at which the resolution is to be moved. If that is not practicable, the Society shall give notice to its members by advertisement, not less than 14 clear days before the meeting, in a newspaper circulating in the area in which the Society conducts its business. Where the retiring auditor makes any representations in writing to the Society with respect to the

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intended resolution or notifies the Society that he intends to make such representations the Society shall notify the ~~members~~Members accordingly as required by ~~Section 6~~section 95 of the ~~Friendly and Industrial and Provident Societies Act 1968.~~

- 12.8 The auditor shall in accordance with ~~Section 9~~section 85 of the ~~Friendly and Industrial and Provident Societies Act 1968~~, make a report to the Society on the accounts explained by him or her and on the revenue account or accounts and the balance sheet of the Society for the year of account in respect of which he is appointed.
- 12.9 Where necessary in law, or where the membership require, the Board shall cause the accounts of the Society to be submitted at least once in every year to the auditor for audit.
- 12.10 For the purposes of any audit the auditor shall be given access to and be entitled to call for and examine all books, deeds, documents and accounts of the Society. They shall be entitled to require from the officers of the Society such information and explanations as they think necessary for the performance of their duties. The auditor shall be entitled to attend any Members' Meeting of the Society, to receive all notices and other communications relating to any Members' Meeting which any member of the Society is entitled to receive, and to be heard at any meeting which they attend on any part of the business of the meeting which concerns them as auditor.

CHAPER 8 – Accounts

13 Accounts

- 13.1 The Board shall cause proper books of account to be kept with respect to ~~it~~the Society's transactions and its assets and liabilities, and it shall establish and maintain a satisfactory system of control of its books of account, its cash holdings and all of its receipts and remittances in accordance with the ~~Industrial and Provident Societies Acts 1965 to 1968.~~Act.
- 13.2 The Board shall in respect of each year of account:

~~(a)~~13.2.1 cause to be prepared a revenue account ~~of~~for revenue accounts which singly or together deal with the affairs of the Society as a whole for that year and which give a true and fair view of the income and expenditure of the Society for that year; and

~~(b)~~13.2.2 cause to be prepared a balance sheet giving a true and fair view as at the date thereof of the state of affairs of the Society.

13.3 The Board shall have power to prepare in addition a revenue account or revenue accounts for less than one year of account and a balance sheet at the end of the period covered by such revenue account or revenue accounts.

13.4 Every balance sheet presented to a meeting of members shall be accompanied by a report of the Board, on the state of the Society's affairs, signed by the ~~Chairman~~Chair of the meeting of the Board adopting the report.

13.5 A copy of each revenue account and balance sheet made during the period included in any annual return shall be sent by the Secretary to the Financial ~~Services~~Conduct Authority together with the annual return and such copy shall incorporate the report made thereon by the auditor.

13.6 The Secretary shall keep a copy of the last balance sheet for the time being, always displayed in a conspicuous place as its registered office and in the Members' Information area on the Society's website.

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CHAPTER 9 – Administrative provisions

14 Administrative Provisions

Registered office

14.1 The Society's registered office is:

Main Street, Amotherby, Malton YO17 6TA or at such other place as the Board decides.

Name

14.2 The name of the Society (which may, except where statute otherwise requires, be in abbreviated form or a trading name) shall be clearly displayed:

~~(a)~~14.2.1 on the outside of every office or place of business of the Society;

~~(b)~~14.2.2 in all business letters, notices, advertisements, official publications, bills of exchange, promissory notices, endorsements, cheques, orders for money or goods purporting to be signed by or on behalf of the Society, and on all bills, invoices, receipts, or letters of credit of the Society.

Minutes

14.3 The Society shall arrange for minutes of all members meetings and Board meetings to be kept.

Powers

14.4 The Society has full power to do all things necessary or expedient for accomplishing any of its ~~functions:~~objectives.

14.5 In particular it may:

~~(a)~~14.5.1 purchase, hold, sell, mortgage, rent, lease or sub-lease lands of any tenure and erect, pull down, repair, alter or otherwise deal with any building on those lands;

~~(b)~~14.5.2 borrow money, mortgage or charge any of its property and issue debentures and other securities upon such terms and conditions as the Board thinks fit; provided that the Society's total borrowings shall not at any time exceed the value of the Society's gross assets as stated in the Society's last published accounts;

~~(c)~~14.5.3 establish a pension or superannuation scheme for the benefit of its employees and pay contributions and enter into any contract or trust deed for this purpose;

~~(d)~~14.5.4 establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Society by or for the benefit of any individuals who are employees or former employees of the Society or any subsidiary society or company upon such terms as the ~~board~~Board shall approve ("an Employee Share Scheme"), and to establish, maintain, manage, support and contribute to any schemes for sharing profits of the Society or any such subsidiaries with any such employees or former employees;

~~(e)~~14.5.5 receive from any person whether members or not, sums on deposit, withdrawable on not less than two clear ~~days~~days' notice, not exceeding in total the amount permitted under the law applicable to ~~industrial~~co-operative and ~~provident~~community benefit societies for the time being in force.

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14.6 The capital of the Society may be invested in or upon any of the securities or shares specified in ~~Section 31~~section 27 of the ~~Industrial and Provident Societies Act 1965~~, but not otherwise.

FSMA Activity

14.7 The Society must make an authorisation application to the Financial ~~Services~~Conduct Authority for any activities the Society wishes to carry on which fall under those regulated by the Financial Services and Markets Act 2000.

Annual Return

14.8 The Society shall within the time allowed by legislation in each year send to the Financial ~~Services~~Conduct Authority:

~~(a)~~14.8.1 a general statement in the prescribed form, called the annual return, relating to its affairs during the period covered by the return;

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~~(b)~~14.8.2 a copy of the report of the auditor on the Society's financial statements for the period included in the return; and

~~(c)~~14.8.3 a copy of each revenue account and balance sheet made during that period and of any report of the auditor on that balance sheet.

Copy of Rules and Annual Return

14.9 The Secretary is to deliver:

~~(a)~~14.9.1 a copy of these Rules to any person who asks for them, on payment of an amount fixed by the Board subject to the statutory maximum save that no fee is payable where the request is made by a Member of the Society who has not previously been given a copy of the Rules;

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~~(b)~~14.9.2 a copy of the most recent annual return of the Society to any member or person interested in the Society's funds who asks for it, free of charge. When doing so, the Secretary shall also supply a copy of the report of the auditor on the accounts and balance sheet contained in the return.

14.10 A copy of these Rules shall be made available on the Society's website.

Service of Notices, Documents and other information

~~14.10~~14.11 ~~Any notice is, document or other information~~ required to be given by the Society to any ~~member~~Member under these Rules or under the ~~Industrial and Provident Societies Act~~ or otherwise ~~may~~shall be ~~deemed to have been~~ given (unless these Rules state otherwise) if given to the Member personally, or by sending it to the registered email address for a Member, or (in the absence of the Society holding an email address for a Member) by sending it by pre-paid first class post, or other next working day delivery service. Any notice to be given to a Member may be given by reference to the Register of

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Members as it stands at any time within the period of 15 days before the notice is given and no change in the Register of Members after that time shall invalidate the giving of the notice.

14.12 Any notice, document or other information shall be deemed received by the intended recipient:

14.12.1 if delivered by hand, at the time the notice, document or other information is left at the address;

14.12.2 if sent by pre-paid first class post or other next working day delivery service, at 9:00 am on the second Business Day after posting;

14.12.3 if sent by email, at the time of transmission; or

14.12.4 if sent or supplied by means of a website, when the material is first made available on the website.

Seal

~~14.11~~14.13 If the Society has a seal, its name shall be engraved in legible characters upon the seal, which shall be kept in the custody of the ~~secretary~~Secretary and shall be used only under the authority of a resolution of the Board. Every instrument upon which the seal is impressed shall be countersigned by one ~~director~~Director and the Secretary or in the absence of the Secretary, by the Chief Executive or by such other person or persons as the Board may appoint for that purpose.

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Disputes

~~14.12~~14.14 Every unresolved dispute (except one to be dealt with under Rule 6.3) which arises out of these Rules between the Society and:

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~~(a)~~14.14.1 a ~~member~~Member; or

~~(b)~~14.14.2 any person aggrieved who has ceased to be a member within the 6 months prior to the date of the dispute; or

~~(c)~~14.14.3 any person claiming through such ~~member~~Member or person aggrieved; or

~~(d)~~14.14.4 any person bringing a claim under the Rules of the Society; or

~~(e)~~14.14.5 an office holder of the Society

~~is shall be resolved amicably if possible, but if not shall be referred to be submitted and finally determined by arbitration in accordance with Rules 14.15 to 14.21. For the avoidance of doubt, Rules 14.15 to 14.21 shall not apply in respect of any matter which falls to be dealt with pursuant to Rule 6.3. Any arbitration pursuant to Rules 14.15 to 14.21 shall be governed by English law.~~

14.15 Any party wishing to commence an arbitration (the **Claimant**) shall deliver to the other party a written request for arbitration (the **Request for Arbitration**) which shall include a description of the dispute, any documents or other evidence relied upon, a description of the relief sought, proposals for resolving the dispute as well as proposals as to the identity of the arbitrator.

14.16 The party receiving the Request for Arbitration (the **Respondent**) shall within 14 days of receipt, deliver his written answer (the **Answer**) to the Claimant, which shall include a summary of his defence to the matters set out in the Request for Arbitration, any documentary or other evidence upon which he relies, any counterclaim which he wishes to bring, his proposals for resolving the dispute and his proposals as to the identity of the arbitrator.

14.17 The matter to be referred to arbitration shall be referred to a sole arbitrator to be agreed bybetween the parties or in the absence of and, failing agreement to be appointed on the applicationwithin 28 days of the delivery of the Request for Arbitration, shall be, at the option of either party, nominated by the President or acting officer of the Law Society. The arbitrator's decision will be binding and conclusive on all of England and Wales.

14.18 In the event of the arbitrator dying, resigning, refusing to act or otherwise becoming incapable of performing his functions, a replacement arbitrator shall be appointed in the manner provided in Rule 14.17.

14.19 The arbitrator shall have full power to determine the procedure for arbitration and to give such directions to the parties as to procedure and hearings as he shall see fit.

14.20 All awards made by the arbitrator shall be final and binding on the parties and the arbitrator shall provide reasons for his award.

14.1314.21 The arbitrator shall in his absolute discretion determine the question of payment of any costs arising from the arbitration procedures. Any person bringing a dispute must, if so required, deposit with the Society a reasonable sum (not exceeding £200) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

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CHAPTER 10 – Application of profits

15 Application of profits

15.1 The net profits of all business carried on by or on account of the Society shall be applicable as follows:

15.1.1 Members

Interest on share capital

~~(a)~~15.1.1 ~~It is~~ paying to members interest on the share capital at such rate or rates as determined by the Board from time to time, but not exceeding in any case 5 per cent per annum or 2 per cent above the Bank of England base rate, whichever is the greater. ~~Different rates may be paid, graduated according to the amount of share capital in the Society held by a member or according to whether the member is an Ordinary Farmer Member or an Investor Country Member. In this rule~~Rule “the Bank of England base rate” means base rate at the time of determining the rate of interest or at such time within 2 years prior to the date of such determination as the Board decides;

Dividend on purchases

~~(b)~~15.1.2 ~~It is~~ paying such dividend upon the value of the purchases made from the Society as an ordinary meeting may declare to persons who were ~~members~~Members of the Society at the time of such declaration ~~and/or in accordance with Rule 6.2~~, and where an ordinary meeting so determines, to any other person. Provided that:

~~(i)~~15.1.2.1 the Board may determine that no dividend or that reduced rates of dividend shall be paid in respect of such purchases as they specify from time to time, and such power of determination shall extend to the specification of goods or services and/or to the

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places or areas in which goods are sold or services provided by the Society;

~~(ii)~~15.1.2.2 no dividend shall exceed the amount recommended by the Board;

~~(iii)~~15.1.2.3 the Board may from time to time pay such interim dividend as appears to them to be justified by the profits of the Society and purchases on which an interim dividend has been paid shall not rank for dividend in the final distribution of profits in any one year;

~~(iv)~~15.1.2.4 any amount payable in respect of a dividend for which the ~~member~~Member has not requested withdrawal within 3 weeks after it has become payable may be applied in payment for further shares.;

Member activities

~~(e)~~15.1.3 ~~It is~~ setting aside such amount if any as an ordinary meeting may determine, for the purposes of promoting education, culture or recreation.;

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15.1.2 –Employees

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15.1.4 ~~It is~~ paying such amount (if any) as the Board considers appropriate having regard to trading conditions and the revenues of the Society, divided between the employees of the Society in proportion to their salaries or wages;

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15.1.3 –Community

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15.1.5 ~~It is~~ making such payments for charitable purposes or for the benefit of the community as the Board shall determine;

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15.1.4 Other distributions

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~~(a)~~15.1.6 ~~It is~~ making payments for any lawful purpose whatsoever whether within the functions for which the Society is formed or not provided that no distribution of the profits aforesaid to the Members shall be made except as is expressly provided for in this ~~rule~~Rule;

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~~(b)~~15.1.7 ~~It is~~ setting aside to a reserve fund such amount, if any, as the Board may determine.;

~~(e)~~15.1.8 ~~It is~~ retaining as reserves any of the profits not applied in one of the ways set out above.

CHAPTER 11 – Amendment of Rules, Transfer of Engagements, etc.

16 Amendment of Rules

- 16.1 Except where these Rules say otherwise, any of these Rules may be amended, or rescinded, or any new rule may be made, by a resolution passed at a special meeting of the Society by two-thirds of the votes cast.
- 16.2 No amendment of rules is valid until registered. When submitting rule amendments for registration the Secretary may at their sole discretion accept any alterations required or suggested by the Financial ~~Services~~Conduct Authority without reference back to a further special meeting of the Society.
- 16.3 Subject to necessary re-numbering of ~~rules~~the Rules in the event of a complete amendment of ~~rules~~the Rules, this ~~rule~~(Rule 16.3) and ~~rule~~Rule 17.2 may only be rescinded or altered by resolution passed at a special meeting of the Society at which 75% of the total votes have been cast in favour of such a resolution.

17 Amalgamation, Transfer of Engagements, and Conversion

- 17.1 The Society may, by special resolution passed in the way required by the ~~Industrial and Provident Societies Acts~~Act, amalgamate with or transfer its engagements to any other society. The Society may also accept a transfer of engagements and assets by resolution of the Board or of a meeting of ~~members~~Members.
- 17.2 The Society may, by special resolution passed in the way required by the ~~Industrial and Provident Societies Acts~~Act, amalgamate with or transfer its engagements to a company or convert itself into a company under the Companies Acts.

18 Dissolution

- 18.1 The Society may be dissolved:

~~(a)18.1.1~~ by winding up in accordance with the ~~Industrial and Provident Societies Act 1965~~ Act in pursuance of an order or resolution made as is directed in regard to companies by the Insolvency Act 1986; or

~~(b)18.1.2~~ by an instrument of dissolution ~~signed~~approved by ~~not less than three-fourths~~at least 75% of the ~~members~~Society's Members for the time being ~~consenting to it~~, in accordance with section ~~58~~119 of the ~~Industrial and Provident Societies Act 1965~~.

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19 **Surplus Assets**

19.1 If on the solvent dissolution or winding up of the Society there remain after the satisfaction of all its debts and liabilities and the repayment of the paid up share capital any assets whatsoever, such assets shall be paid to or distributed among the members of the Society according to their share capital.

19.2 This ~~rule~~~~(rule~~Rule (Rule 19.1 and 19.2) may not be changed, except by a special resolution of the members passed in accordance with the requirements for the passing ~~for~~of a special resolution under section ~~52 (as amended)~~111 of the ~~Industrial and Provident Societies Act 1965~~.

S H Clarke	Chief Executive/Secretary	K Harrison	Member
<u>Dorothy Fairburn</u>		<u>[INSERT NAME]</u>	
.....		

J E Sherwood	Member	T B Southwell	Member
<u>[INSERT NAME]</u>		<u>[INSERT NAME]</u>	
.....		