

CO-OPERATIVE & COMMUNITY BENEFIT SOCIETIES ACT 2014

RULES of PRIMARY CARE WIRRAL LIMITED

Charitable Community Benefit Society

Adopted September 2016

1 NAME

The name of the Society shall be **Primary Care Wirral Limited** and it is called the "Society" in these Rules.

2 OBJECTS

2.1 The Objects of the Society are to carry on business for the benefit of the community by advancing health and saving lives in particular by:

- (a) providing, procuring or organising the provision of health and care services;
- (b) working with statutory bodies and partner agencies to improve health outcomes; and
- (c) promoting best practice, education and learning in health and social care services,

together with such other activities reasonably incidental to the above, as the directors shall determine.

(referred to in these Rules as "the Objects").

3 POWERS

3.1 The Society shall have the power to do all things necessary or expedient to further its Objects, except where expressly prohibited by these Rules or by law.

3.2 Without limiting its general powers, the Society shall have the power to:

- 3.2.1 purchase, take or grant any interest in land and to erect, or carry out works to buildings;
- 3.2.2 to buy, take on lease or in exchange, develop, hire or otherwise acquire any real or personal property and to construct, maintain and equip it for use together with any amenities incidental thereto;
- 3.2.3 to co-operate with charities, voluntary bodies, statutory authorities or private organisations to exchange information and advice and enter into and perform contracts or joint ventures with them;
- 3.2.4 to employ paid or unpaid agents, staff, volunteers or advisers;
- 3.2.5 to pay remuneration and allowances to any person including making arrangements for providing, or securing the provision of pensions or gratuities;
- 3.2.6 to donate, subscribe or guarantee money for any national, local, charitable, benevolent, public, general or useful object, or for any other purpose which may be considered likely, directly or indirectly, to further the Objects of the Society;
- 3.2.7 to provide indemnity insurance for the Board members or any other officer of the Society in relation to any liability in respect of negligence, default, breach of duty or

- breach of trust including the legal and professional costs of defending any proceedings in respect of the same;
- 3.2.8 to indemnify out of the funds of the Society Board members and officers of the Society (who act honestly and in good faith) against any personal civil liability which is incurred in the execution of their functions;
- 3.2.9 to effect insurance against any risk to the Society's property and to take out other insurance policies to protect the Society, its officers, members and staff where required, such as legal expenses insurance and professional indemnity insurance;
- 3.2.10 to open and operate bank accounts;
- 3.2.11 to lend or advance any money or give credit on such terms as may be expedient with or without security;
- 3.2.12 to make investments in the manner allowed by Section 27 of the Act;
- 3.2.13 to acquire and undertake the whole or any part of the business, operations, goodwill and/or assets of any public body, person, firm or company carrying on or proposing to carry on any business which the Society is authorised to carry on so as directly or indirectly to further the Objects or enhance the value of the Society's property;
- 3.2.14 to receive from any person donations or loans free of interest towards its work, provided that the Society shall not carry on deposit-taking or banking operations;
- 3.2.15 subject to Rules 18 and 21 below, to transfer all or any part of the undertaking, property and rights of the Society to any body, incorporated or unincorporated with which the Society is authorised to amalgamate or transfer its engagements pursuant to the Act (provided that the proposed recipient is subject to at least the same degree of restriction on the distribution of its profits and assets as imposed by these Rules);
- 3.2.16 guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging, assigning, or charging (both fixed and floating security) all or any part of the undertaking, property and assets (present and future) of the Society or by both such methods or in any other way, the performance of any obligations or commitments of, and repayment or payment of any monies payable or in respect of any securities of liabilities of the Society;
- 3.2.17 to apply for, exercise, use, register, turn to account, purchase, acquire, sell, let, grant or otherwise deal with or use any patents, trademarks, concessions, licences, inventions, rights, privileges, or any interest in the same;
- 3.2.18 to enter into contracts, joint ventures or partnerships with any natural or legal person and to make investments in projects to further the Objects on such terms as the Board thinks fit;
- 3.2.19 to borrow money for the purposes of or in connection with its Objects in accordance with Rule 13 below;
- 3.2.20 to provide training and consultancy services; and

3.2.21 to establish subsidiary or associated organisations as the Board deems fit.

4 REGISTERED OFFICE

The Registered Office of the Society shall be at Marine Lake Medical Practice, The Concourse, Grange Road, West Kirby, Wirral CH48 4HZ.

5 MEMBERSHIP

- 5.1 The first members of the Society shall be the signatories to the application for registration.
- 5.2 The Society shall be owned and controlled by its members. The liability of a member shall be limited to the amount of their shareholding.
- 5.3 Membership shall be open to any person who has an interest in supporting and furthering the Objects of the Society and who completes a membership application in a form specified by the Board from time to time. Membership shall be on such terms and conditions as the Society may from time to time determine in General Meetings, or as determined by the Board subject to review by the Society at a General Meeting. Membership shall be open to all members of the Board whilst they hold that office.
- 5.4 A person who qualifies under Rule 5.3 above may apply to the Secretary for membership and upon acceptance by the Board and receipt of the signed application form and payment of a minimum £10 the Society shall issue to them one share certificate and shall enter their name in the register of members. In addition, members may be required to pay an annual membership fee at a level determined by the Board from time to time.
- 5.5 The Board may refuse any application for membership at its absolute discretion.
- 5.6 The Society shall keep at its Registered Office a register of members in which the Secretary shall enter the following particulars:
- 5.6.1 the name and address of every member (and any electronic address and the purpose for which it has been notified);
 - 5.6.2 a statement of shares held by each member and the amount that has been paid on each share;
 - 5.6.3 a statement of other property in the Society, whether in loans or otherwise, held by each member;
 - 5.6.4 the date on which each member's name was entered in the register and the date on which any member ceased to be a member;
 - 5.6.5 the names and addresses (including any electronic address and the purpose for which it has been notified) of the Board members and officers of the Society, of the office held by them respectively, and the dates on which they assumed and vacated the office.
- 5.7 A copy of these Rules and any amendments made to them shall be given on request free of charge to every member upon admission to membership and shall be provided to any other

person on demand and on payment of the relevant statutory fee chargeable for the time being (currently £5).

6 CESSATION OF MEMBERSHIP

6.1 A member shall cease to be a member if he or she:

6.1.1 resigns in writing to the Secretary by giving one month's written notice; or

6.1.2 where applicable, fails to pay on demand any payment due in respect of membership within three months of its falling due, or fails to comply with the terms of membership; or

6.1.3 is expelled or ceases to be entitled to be a member of the Society under these Rules; or

6.1.4 being an individual, dies or ceases to comply with any criteria for such membership determined and published from time to time by the Board; or

6.1.5 is struck off any professional register by order of a relevant professional body or is found guilty of serious misconduct by any regulatory authority and either the member does not appeal against such decisions (or any decision to uphold such decision on appeal) or such decisions are upheld following the exercise by the member of all available rights of appeal against such decisions; or

6.1.6 is expelled by a resolution passed by a majority of the Board.

6.2 A member may also be expelled for conduct prejudicial to the Society by a resolution carried by a simple majority of the members, provided that the grounds for expulsion have been specified in the notice calling the meeting and that the member whose expulsion is to be considered has first been given the opportunity to state his or her case to the meeting. If on due notice of the meeting being served, the member fails to attend the meeting the meeting may proceed in the member's absence.

6.3 No member expelled from membership shall be re-admitted except by a resolution carried by a simple majority of those members voting at a General Meeting of which due notice has been given and if the Board agrees to re-admit the person as a member.

6.4 A member who is expelled shall be repaid the nominal value of shares held by them.

7 GENERAL MEETINGS

7.1 An Annual General Meeting shall be held within six months of the close of the financial year of the Society, the business of which shall comprise:

7.1.1 the receipt of the accounts and balance sheet and of the reports of the Board and auditor or reporting accountant;

7.1.2 the re-appointment of an auditor or consideration of a motion to dispense with an audit where permitted by the Act;

- 7.1.3 the election of members of the Board (or the announcement of the results of election if held previously by ballot); and
- 7.1.4 the transaction of any other business included in the notice convening the meeting.
- 7.2 There shall be two types of General Meeting, the Annual General Meeting and Special General Meetings.
- 7.3 A Special General Meeting shall be convened either by order of the Board or at the request of 10% (ten per cent) of the membership by notice in writing lodged at the Registered Office. If the Board has not convened the meeting within 30 days, any 3 members may proceed to convene and hold a general meeting and shall be reimbursed by the Society for the costs of so doing.
- 7.4 If requested by 10% (ten percent) of the membership by notice in writing received at least 10 days before the meeting, an item of business shall be added to the agenda for any General Meeting and a draft resolution together with an accompanying statement of up to 1000 words may be supplied. Unless they consider it defamatory, frivolous or vexatious, the Board shall circulate the same in advance of the meeting, together with a statement in reply.
- 7.5 An Annual General Meeting or a Special General Meeting shall be called by at least 14 days' notice in writing posted or delivered by email to the address of every member recorded in the register of members (and each member shall be deemed to have consented to electronic communication in their application for membership), or by such other means as the Board deems appropriate. The notice shall specify whether the meeting is an Annual or a Special General Meeting and state the time, date and place at which it is to be held. The notice shall contain details of the nature of the business to be transacted, and no business may be transacted at a General Meeting other than that specified in the notice calling it. The accidental omission to send any notice to a member, or its non-receipt, shall not by itself invalidate proceedings at the meeting.
- 7.6 The Society's auditor (or reporting accountant) shall be entitled to attend General Meetings of the Society and to receive all notices of and communications relating to any General Meeting which any member of the Society is entitled to receive. The auditor (or reporting accountant) shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.

8 PROCEEDINGS AT ANNUAL GENERAL MEETINGS AND SPECIAL GENERAL MEETINGS

- 8.1 No person shall be entitled to vote on any question at a General Meeting other than a member of the Society or their properly authorised representative.
- 8.2 No business shall be transacted at a General Meeting unless a quorum is present in person or by proxy. Unless and until otherwise decided by the Society in General Meeting, a quorum shall be at least 3 of the members of the Society or 10% (ten per cent) of the membership, whichever is the greater, except that:
- 8.2.1 at any General Meeting convened on a requisition of the members to do any of the following:
- 8.2.1.1 to approve a conversion into, an amalgamation with, or transfer of engagements to a company or another organisation; or

- 8.2.1.2 to dismiss the Board or any individual Board Member; or
- 8.2.1.3 to change the name or the Objects of the Society,
- the quorum required shall be at least 20% (twenty per cent) of the members of the Society.
- 8.2.2 A member present by proxy shall exercise voting rights through the Chair. The appropriate form of proxy shall be determined and published by the Board from time to time.
- 8.3 If within half an hour after the time appointed for the General Meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until a day between seven and fourteen days after the date set for the original meeting, and all members shall be given such notice as is practicable. With the exception of the business set out in Rule 8.2.1 above, if at such a reconvened meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum and may proceed to transact the business set out in the notice.
- 8.4 The Chair or Vice-Chair of the Society shall preside at every General Meeting. In the event of their absence or unwillingness to act, the members present shall choose one of their own number to chair the meeting.
- 8.5 The Chair may adjourn the meeting from time to time and from place to place with the consent of any General Meeting at which a quorum is present, or if it appears to them that such adjournment is necessary to protect the safety of persons attending or the orderly conduct of business. The Chair shall adjourn it, if so directed by the meeting. However, no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than publicising it on the Society's website.
- 8.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, or electronic voting system approved by the Board from time to time, unless a secret paper ballot is, before or on the declaration of the result of the show of hands, demanded by at least 10% (ten per cent) or 3 of the members present (whichever is greater). Unless a secret paper ballot is demanded, a declaration by the Chair that a resolution has on a show of hands or electronic vote been carried or lost with an entry to that effect in the minute books of the Society shall be conclusive evidence of that fact without proof of the number or proportions of the votes recorded in favour or against such a resolution.
- 8.7 If a secret paper ballot is duly demanded it shall be taken in such a manner as the Chair directs, and except as provided in Rule 8.2.2 no member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
- 8.8 The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any business other than the questions on which ballot has been demanded. The demand for a secret ballot may be withdrawn.

- 8.9 Every member shall hold one vote only on each question to be decided at a General Meeting. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast. The votes of persons present by proxy shall be taken into account in any such show of hands or secret ballot.
- 8.10 In the case of an equality of votes, whether on a show of hands, electronic vote, or on a ballot, the Chair shall have a second or casting vote.
- 8.11 The Board may introduce arrangements for members to vote by post, or by using electronic communications.
- 8.12 The Board may agree that members may participate in meetings by video or computer link or some other electronic means. Participation in a meeting in this manner shall be deemed to constitute presence 'in person' at the meeting.

9 THE BOARD

- 9.1 The business of the Society shall be managed by the Board, which may, subject to these Rules, the general law and the roles and responsibilities of the Board, exercise all powers of the Society and delegate its functions to committees, executive officers or such other persons as it sees fit.
- 9.2 The Society shall have a Board comprised of up to 10 and not less than 3 board members.
- 9.3 All Board members will have an initial term of office of 3 years. Following this, at each Annual General Meeting thereafter, one third of Board Members in office shall retire, those longest in office retiring first and the choice between any of equal length of service being made by drawing lots.
- 9.4 If the Society, at the meeting at which a Board member retires in the above manner, does not fill the vacancy, the Board member shall, if willing to act, be deemed to have been reappointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the re-appointment of the Board member is put to the meeting and lost.
- 9.5 New Board members shall be nominated, approved and inducted in accordance with such procedures as may be adopted by the Board from time to time.
- 9.6 The Board may at any time co-opt any member of the Society or the representative of an organisation which is a member to fill a casual vacancy on the Board. Any person co-opted by the Board may be removed by a simple majority vote of the Board. A casual vacancy shall be deemed to exist if the number of Board members drops below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
- 9.7 Where the Board has co-opted a member to fill a casual vacancy on the Board, the appointment must be ratified at the next Annual General Meeting.
- 9.8 No person less than 18 years of age may serve on the Board.
- 9.9 If the size of the Board drops below the minimum number of Board members prescribed in these Rules, the remaining Board member may act to increase the number or to call a General Meeting of the Society, but not for any other purpose.

- 9.10 A Board member must declare an interest in any contract, arrangement or matter in which they or their spouse or partner or a family member has a personal or financial interest, whether directly or indirectly, and they shall not vote in respect of such a contract or matter.
- 9.11 Board members may be reimbursed all reasonable and proper expenses incurred by them in attending meetings of the Board or General Meetings of the Society or in connection with the business of the Society in accordance with a policy adopted by the Board.
- 9.12 Board members may receive remuneration for their services provided that the majority of the Board members in office are not paid for their services as Board Members. A Board member shall withdraw from any meeting whilst his or her appointment, remuneration or other terms of employment are being discussed.
- 9.13 The office of Board member shall be vacated if the Board member:
- 9.13.1 resigns his or her office by one month's notice in writing to the Secretary; or
 - 9.13.2 is expelled as a member of the Society; or
 - 9.13.3 is removed from office by a majority vote of the members in General Meeting, the notice for which specified that the question of the Board member's removal was to be considered; or
 - 9.13.4 in the opinion of a majority of the Board, has failed to declare his or her interest in any contract arrangement or matter as referred to in Rule 9.11; or
 - 9.13.5 is absent from 3 (three) successive meetings of the Board during a continuous period of twelve months without leave of absence from the Chair and the Board resolves that they have by reason of such absence vacated office; or
 - 9.13.6 becomes bankrupt or enters into an individual voluntary arrangement; or
 - 9.13.7 in the reasonable opinion of the Board, becomes incapable on medical or psychological grounds (confirmed by a certificate of a registered medical practitioner) of carrying out the functions of a Board member; or
 - 9.13.7 is removed by a resolution carried by a 75% (seventy-five per cent) majority of the Board members; or
 - 9.13.8 being a nominee of a corporate body, that body replaces them as its nominee or that body is wound up or ceases to exist; or
 - 9.13.9 is struck off any professional register by order of a relevant professional body or is found guilty of serious misconduct by any regulatory authority and either the member does not appeal against such decisions (or any decision to uphold such decision on appeal) or such decisions are upheld following the exercise by the member of all available rights of appeal against such decisions; or
 - 9.13.10 is prohibited by law from holding that office.
- 9.14 The Board may establish sub-committees and advisory groups on such terms as the Board deems fit.

10 OFFICERS OF THE BOARD

- 10.1 The Board shall select a Chair, a Vice Chair and Treasurer. The officers shall hold this office for twelve months and shall be eligible for re-election at the meeting at which they retire. In the event of a deadlock in Board decisions the Chair shall have a casting vote.
- 10.2 The business of the Society shall be managed by the Board who may pay all expenses of the formation of the Society as they think fit and may exercise all such powers of the Society as may be exercised by the Society (unless they are required by statute or by these Rules to be exercised by the Society in General Meetings). In exercising its powers, the Board shall have regard to any written representations received by the Board from any of the Society's advisory groups or committees.
- 10.3 All cheques, promissory notes, drafts, contracts and other negotiable instruments and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed or otherwise executed in such a manner as the Board shall from time to time direct.
- 10.4 The Board may delegate any of its functions to sub-committees made up of members of the Board and such other or persons as it sees fit. Any sub-committee or person shall in the exercise of their powers conform with any terms of reference or regulations imposed upon them by the Board, which shall always include the requirement for regular and prompt reports back to the Board. At the time of appointment, the Board shall determine the terms of reference, membership, quorum and scope of any such sub-committees.
- 10.5 The Board may appoint a Chief Executive who shall be responsible for the effective operation and management of the Society's activities under the supervision of the Board.
- 10.6 The Society shall have a Secretary. The first Secretary shall be the person named as such on the application for incorporation. Thereafter the Secretary shall be appointed by the Board on such terms as they think fit including the payment of remuneration. The Secretary shall have the functions set out in these Rules and other functions which the Board assigns to them.
- 10.6 The Secretary shall maintain a register of Board members and officers which shall include the following details:
- 10.6.1 name of Board member
 - 10.6.2 postal address and contact details
 - 10.6.3 date on which they took up office
 - 10.6.4 date on which they left office.

11 PROCEEDINGS AT BOARD MEETINGS

- 11.1 The Board may meet for the transaction of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall at the request of two or more Board members summon a meeting of the Board at any reasonable time by giving all Board members reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered. The Board shall meet once every quarter as a minimum.

- 11.2 Unless and until otherwise decided by the Society in General Meeting, the quorum necessary for the transaction of business at a Board meeting shall be 3 Board members present in person or by electronic means in accordance with Rule 11.8.
- 11.3 The Board may invite officers and advisers to attend and speak at Board meetings.
- 11.4 At every Board meeting the Chair or the Vice Chair shall preside, but in the event of his or her absence or unwillingness to act, the Board members present shall choose one of their number to chair the meeting.
- 11.5 The Secretary shall ensure that proper minutes are made of all the proceedings of the of the Board of any sub-committees and General Meetings. All such minutes shall be open to inspection by any member of the Board at all reasonable times and the Society shall provide a copy upon request.
- 11.6 Except where otherwise specified by these Rules or by the Act, questions arising at Board meetings shall be decided by a majority of votes of those present and eligible to vote. In the event of a tied vote, the Chair shall have a second or casting vote.
- 11.7 A resolution in writing which has been sent to all members of the Board (or members of a sub-committee) who are entitled to receive notice of a meeting of the Board (or that sub-committee) and signed by a majority of the Board members for the time being entitled to vote at meetings of the Board (or that sub-committee of the Board) shall be as valid and effective as if the same had been passed at a meeting duly convened and held and may consist of several documents in the same form, each signed by one or more Board members.
- 11.8 The Board may hold a meeting as a virtual meeting via the Internet or by such other method of telecommunication or electronic means as the Board considers suitable and expedient, provided that each participant is able to hear the proceedings and be heard by the other participants.
- 11.9 All decisions made by a meeting of the Board or by a Board member shall remain valid, even if it is later discovered that there was a defect in calling the meeting or in the appointment of a Board member.

12 SHARES

- 12.1 The Society shall have shares of £10 each.
- 12.2 Application for shares shall be made to the Secretary, and is subject to any maximum specified by law. Shares shall be paid for in full on allotment.
- 12.3 The minimum shareholding shall be one share. The Society may from time to time make a share offer, and any such offer may specify a minimum number of shares to be purchased.
- 12.4 Shares shall not be transferable except on death, bankruptcy or a change of nominee by an unincorporated body and shall be withdrawable at the sole discretion of the Board in accordance with the Rules as follows:
- 12.4.1 shares may be withdrawn by members who have held them for a minimum period of 3 years or such other period as the Board may decide from time to time;

- 12.4.2 application for withdrawal shall be made on not less than three months' notice, on a form approved by the Board;
- 12.4.3 the Board may specify a maximum total withdrawal for each financial year;
- 12.4.4 all withdrawals shall be funded from trading surpluses, reserves or new share capital raised from members, and shall be at the absolute discretion of the Board having regard to the long-term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit. If any withdrawal is to be funded from reserves, the Board must be satisfied that:
- (i) as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and
 - (ii) the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal;
- 12.4.5 all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made;
- 12.4.6 except where a member intends to terminate their membership, they shall not be permitted to withdraw shares leaving them with less than the minimum required by these Rules;
- 12.4.7 the Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers appropriate;
- 12.4.8 the Board may by a written announcement published on its website suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall apply to all notices of withdrawal which have been received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Board;
- 12.4.9 during any period when the right of withdrawal has been suspended, the shares of a deceased member may, if the Board agrees, be withdrawn by their personal representatives on giving such notice as the Board requires;
- 12.4.10 the Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a member on the withdrawal of shares; and
- 12.4.11 any Shares withdrawn shall be cancelled.
- 12.5 The Society may (but is under no obligation to) pay interest to holders of shares, as compensation for the use of such funds, subject to the following:
- 12.5.1 any payment of interest must be from trading surpluses and is at the discretion of the Board having regard to the long-term interests of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit;

- 12.5.2 the rate of interest to be paid from time to time shall be determined by the Board, provided that the rate of interest shall not exceed the minimum rate necessary in the opinion of the Board to attract and retain the required capital;
- 12.6 On the solvent winding-up of the Society, holders of shares will have no financial entitlement beyond the payment of outstanding interest and repayment of their paid-up share capital.
- 12.7 In the event that a member resigns from membership, dies (or in the case of a corporate body ceases to exist), or is expelled in accordance with the Rules, the shares held by them at the date of resignation, removal or expulsion shall thereupon become a loan, repayable to the former member (or where applicable, to their personal representative(s)) by the Society. The terms of repayment shall be those applying to the withdrawal of share capital set out in these Rules, and notice of withdrawal shall be treated as having been given at the point of resignation, removal or expulsion.
- 12.8 If the Society's Auditor or reporting accountant certifies at any time that the Society's liabilities when added to the value shares in issue are greater than its assets, then the Board may resolve that this excess shall be apportioned among the members in proportion to the amount of the nominal value of shares held by each member (but not beyond that amount). The apportionment shall be based on the value of paid up shares held by members at the time of the resolution. The value of each member's shares shall then be reduced for the purpose of allowing any withdrawals, except that the value may not be reduced below the minimum shareholding required by these Rules.
- 12.9 The Society shall have a lien over the shares of any member for any debt or liability due to it and may set off any sum standing the that member's credit against such liability or debt.

13 BORROWING

- 13.1 The Board shall have power to borrow money for the purposes of the Society, including the issue of loan stock, providing that the amount owed shall not exceed £500,000 (five hundred thousand pounds) without the consent of the members in general meeting.
- 13.2 The Board shall have the power to mortgage or charge any of the Society's property, including the assets and undertakings of the Society, present and future, to issue debentures and other securities for money borrowed or for the performance of any contracts of the Society or bodies having dealings with the Society.
- 13.3 The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or on mortgage from a Building Society or Local Authority, shall not exceed 8% per annum or 3% above the base lending rate of the Society's bankers from time to time, (whichever is the higher) without the consent of the members in general meeting.

14 AUDITORS

- 14.1 Subject to clause 14.2 below, the Society shall appoint in each financial year an auditor qualified under section 91 of the Act to audit the Society's accounts and balance sheet for the year.
- 14.2 The Society may be exempt from the obligation to appoint a qualified auditor if during the preceding financial year it met such criteria regarding low levels of income and/or expenditure or other factors which either: (a) qualify it for exemption from the need to appoint qualified

auditors in accordance with Section 83 of the Act; or (b) allow it to choose to disapply this requirement by passing a resolution in accordance with Section 84 of the Act. If so, the Society may instead appoint persons who are not qualified auditors, but who are appropriately registered accountants to prepare the accounts and balance sheet for the year (a 'reporting accountant').

14.3 None of the following shall be appointed as an auditor of the Society:

14.3.1 an officer or employee of the Society;

14.3.2 a person who is a partner or employee of or who employs an officer of the Society.

14.4 The first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the Board if no General Meeting is held within that time. The Board may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these Rules, every appointment of an auditor shall thereafter be made by a resolution of a General Meeting of the Society.

14.5 An auditor for the preceding financial year shall be re-appointed as auditor of the Society for the current financial year unless:

14.5.1 a resolution is passed at a General Meeting appointing someone else as auditor, dispensing with the need for an audit where an appropriate statutory exemption applies, or providing expressly that they shall not be re-appointed; or

14.5.2 they have given notice in writing to the Society of their unwillingness to be re-appointed; or

14.5.3 they are ineligible for the appointment as auditor of the Society for the current financial year; or

14.5.4 they have ceased to act as auditor of the Society by reason of incapacity.

14.6 Any resolution of a General Meeting of the Society either to remove an auditor from office or to appoint another person as auditor shall not be effective unless notice of the proposed resolution has been given to the Society at least 28 days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such a resolution is then to be given to members of the Society in the manner prescribed in these Rules and in writing to the auditor.

15 ANNUAL RETURN

15.1 Every year and within the period prescribed by the Act, the Secretary shall send to the FCA the annual return in the prescribed form, relating to its affairs for the period required by the Act to be included in the return together with:

15.1.1 a copy of the report of the auditor or reporting accountant on the Society's accounts for the period required by the Act to be included in the return; and

15.1.2 a copy of each balance sheet made during that period and the report of the auditor on that balance sheet.

15.2 The Society shall on demand supply free of charge to any member, or to any person with an interest in the funds of the Society, a copy of the latest annual return together with a copy of any auditor's report on the accounts and balance sheet contained in the return.

15.3 The Society shall at all times keep a copy of the latest balance sheet of the Society displayed in a conspicuous place at the Registered Office and on the Society's website.

16 NOTICES

16.1 Notices under these Rules may be sent by hand, or by post or by suitable electronic means or (where applicable to members generally) may be published in any suitable journal or newspaper circulating in the area of benefit or in any newsletter distributed by the Society, may be posted on the Society's website or using such other means as the Board deems appropriate.

16.2 The address at which a member is entitled to receive notices is the address noted in the register of members (or, if none, the last known address).

16.3 Any notice given in accordance with these Rules is to be treated for all purposes as having been received:

16.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address;

16.3.2 two clear days after being sent by first class post to that address;

16.3.3 three clear days after being sent by second class post or overseas post to that address;

16.3.4 on the date of publication of a journal, newspaper or web page containing the notice;

16.3.5 on being handed to the member or their authorised representative personally; or

16.3.6 if earlier, as soon as the member acknowledges actual receipt.

16.4 A technical defect in the giving of notice of which the members of the Board are unaware at the time shall not invalidate decisions taken at the meeting.

17 SEAL AND DEEDS

If the Society has an official seal it may only be used with the authority of the Board. Every document to which the seal is applied and any deed executed by the Society shall be signed by two Board members or a Board member and the Secretary.

18 APPLICATION OF SURPLUS

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

18.1.1 the continuation and development of the Society in furtherance of its Objects; or

18.1.2 to make payments for social or community purposes consistent with the Objects.

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

19 REGULATIONS

The Society in General Meeting or the Board may from time to time make, adopt and amend such regulations in the form of bye-laws, standing orders, and secondary rules or otherwise as they may think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board and sub-committees. No regulation shall be made which is inconsistent with these Rules or the Act. All members of the Society and the Board members shall be bound by such regulations whether or not they have received a copy of them, provided the text of the same has been made available on the Society's website.

20 AMENDMENTS TO RULES

- 20.1 Any of these Rules other than this Rule and Rule 21 may be rescinded or amended or a new Rule made by a vote of at least 75% (seventy five percent) of the members of the Society voting at a General Meeting of which 14 clear days' notice has been given, such notice to include details of the changes to be proposed at the meeting PROVIDED THAT if the Society qualifies as charitable, no amendment shall be permitted which would have the effect of making the Society cease to be a charity at law.
- 20.2 No amendment of the Rules shall be valid until registered by the FCA.

21 DISSOLUTION

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

22 INTERPRETATION

- 22.1 In these Rules:

"the Act" means the Co-operative and Community Benefit Societies Act 2014 or any Act or instrument amending it or in substitution for it for the time being;

| | |
|----------------------|--|
| “Share Offer” | means an offer to subscribe for withdrawable share capital made to persons who wish to support the Objects of the Society; |
| "FCA" | means the Mutuals Team of the Financial Conduct Authority or any successor thereto; |
| "Objects" | means the permitted purposes set out in Rule 2; |
| “Person” | means a natural person, unincorporated association, firm, partnership, corporate body or a nominee of the same, as the context requires. |

22.2 Any reference to a statutory provision shall be deemed to include any modification, re-enactment or successor legislation from time to time.

23. DISPUTES

In the event of a dispute between the Society, its Board, individual Board members and a member or former member of the Society, before any court action is taken, the matter must first be referred to mediation in accordance with the CEDR 125 Low Cost Mediation Service (www.cedr.com/solve/lowcostmediation/) or any similar replacement scheme. Either party may contact CEDR to request the appointment of a mediator and the rules of that scheme will then apply. Either party may suggest a time and venue for the mediation to take place, or if they cannot agree, the mediator shall have the power to fix a time and venue. The mediation fee must be paid at the time of the application to CEDR. Each party shall be responsible for payment of 50% of the fee. However, one party may pay the whole fee and the respective contribution from the other shall then be due as a debt. If the matter cannot be resolved by mediation, then either party may refer the matter to the County Court.

-ENDS -

Signatures of Founder Members

| Full Name | Signature | Dated |
|--------------------------|-----------|-------|
| 1. Dr Mark Fraser | | |
| 2. Dr Margaret Porteous | | |
| 3. Natalie Young-Calvert | | |

Secretary

| Full Name | Signature | Dated |
|-------------|-----------|-------|
| Jane Brocki | | |

