

**ALL PREVIOUS RULES RESCINDED****Rules of****CO-OPERATIVE ASSISTANCE NETWORK LIMITED**

*(Registered under the Industrial and Provident Societies Acts 1965-1978)*

**NAME**

1. The name of the Society (referred to in these Rules as "the Co-operative") shall be Co-operative Assistance Network Limited.

**OBJECTS**

2. The objects of the Co-operative shall be to carry on the business as a bona fide co-operative and to carry on any other trade, business or service as principals or agents which may seem to the Co-operative to be conducive to its interests generally.

In carrying out the above objects the Co-operative shall have regard to promoting the physical, emotional, mental and spiritual well-being of the community, especially those who participate in the activities of the Co-operative, and shall support, foster and promote the principles and practice of common ownership and co-operation in its own affairs and in society generally.

**POWERS**

3. The Co-operative shall have power to do all things necessary or expedient for the fulfilment of its objects and in particular:
  - a) to establish and contribute to pension or superannuation schemes for any persons who are or have been employed by the Co-operative and their dependants;
  - b) to make gifts to ex-employees of the co-operative or their dependants in cases of hardship;
  - c) to make gifts and donations for social or charitable purposes.

**REGISTERED OFFICE**

4. The Registered Office of the Co-operative shall be at:  
The Coach House, 2 Upper York Street, Bristol, BS2 8QN.

**MEMBERSHIP**

5. All persons aged sixteen years or over who are employees of the Co-operative (or of any subsidiary of the Co-operative) may be members, subject only to such probationary period not exceeding twelve months which may be in force.
6. If, at any time, the membership of the Co-operative falls below three persons then the Committee may appoint an individual, who may not meet the criteria for membership as referred to in Rule 5, as a member of the Co-operative. Said member must stand down if (i) another member is appointed by the Committee who meets the criteria for membership or (ii) has been in office for a period of six months. Only one member may be appointed in this way in any 12 month period.

7. If after the expiration of the six month period referred to in Rule 6(ii) above the Committee has been unable to recruit a new member who does meet the criteria for membership then the provisions of Rule 36 shall apply.
8. A person who qualifies under Rule 5 may apply for membership to the Committee, and upon acceptance and payment of the minimum amount of shareholding required as determined by the Committee from time to time, the Co-operative shall issue to him/her share certificates as appropriate and shall enter his/her name in the register of members. The Committee may refuse any application for membership at its absolute discretion. Applications for membership shall be in such form as the Committee may from time to time direct.
9. The Co-operative shall keep at its registered office a register of members in which the Secretary shall enter the following particulars:
  - a) the name and address of every member;
  - b) a statement of the number of shares held by each member and that £1.00 has been paid, or agreed to be considered as paid, on each share;
  - c) a statement of other property, whether in loans or otherwise, held by each member;
  - d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member;
  - e) the names and addresses of the Committee members and officers of the Co-operative, of the offices held by them respectively, and the dates on which they assumed and vacated office.
10. A copy of these Rules and any amendments made to them shall be given 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 statutory fee chargeable for the time being in force.

### **CESSATION OF MEMBERSHIP**

11. A member shall cease to be a member if s/he:
  - a) ceases to be employed by the Co-operative (or of any subsidiary of the Co-operative) for any reason whatsoever; or
  - b) ceases to hold the minimum amount of shareholding required in accordance with Rule 8; or
  - c) resigns in writing to the Secretary; or
  - d) dies; or
  - e) is expelled from membership in accordance with Rule 12.
12. A member may be expelled for conduct prejudicial to the Co-operative by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Co-operative of which due notice has been given, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the member whose expulsion is to be considered shall be given the opportunity to state her/his case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.
13. No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of which due notice has been given.

### **GENERAL MEETINGS**

14. An Annual General Meeting shall be held within six months of the close of the financial year of the Co-operative, the business of which shall comprise:
  - a) The receipt of the accounts and balance sheet and of the reports of the Committee and auditor (if any);
  - b) The appointment of an auditor (subject to Rule 58);
  - c) The election of Committee members or the results of the election if held previously by ballot (subject to Rule 32);
  - d) The application of profits;
  - e) The transaction of any other business included in the notice convening the meeting.
15. All other General Meetings shall be called Special General Meetings.
16. A Special General Meeting shall be convened either upon an order of the Committee or at the request of three members of the Co-operative or ten per cent of the membership, whichever is the greater.
17. A General Meeting shall be convened by at least fourteen days' notice unless all members of the Co-operative agree to hold a General Meeting with shorter notice. Notices of meetings shall either be given to members personally or posted to them at their registered address or alternatively, if so agreed by the Co-operative in General Meeting, notices of General Meetings may be displayed conspicuously at the registered office and in all other places of business of the Co-operative to which members have access. Notices shall specify the time, date and place at which the meeting is to be held, and the business which is to be transacted at that meeting. A General Meeting shall not transact any business other than that specified in the notices calling the meeting.
18. A notice sent by post to a member's registered address shall be deemed to have been duly served forty-eight hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any member shall not invalidate the proceedings at the meeting.
19. If the Co-operative has appointed an auditor in accordance with Rule 57 they shall be entitled to attend General Meetings of the Co-operative and to receive all notices of and communications relating to any General Meeting which any member of the Co-operative is entitled to receive. The auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.

### **PROCEEDINGS AT GENERAL MEETINGS**

20. No person other than a member duly registered shall be entitled to vote on any question at a General Meeting. Every member shall hold one vote only. Votes may only be cast personally; proxy voting is not permitted. Except where otherwise specified by the Rules or by the Act, questions shall be resolved by a simple majority of votes cast.
21. No business shall be transacted at a General Meeting unless a quorum is present in person. Unless and until otherwise decided by the Co-operative in General Meeting, a quorum shall be one half or more of the members of the Co-operative.
22. If within half an hour from the time appointed for the 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 the same day in the next week at the same time and same place or otherwise as the Committee may direct, and all members shall be given such notice of the adjourned meeting as is practicable. The members present at a meeting so adjourned shall constitute a quorum.

23. The members present at a General Meeting shall choose one of their number present to be Chairperson of that meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
24. The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but 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.
25. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least three members present. Unless a secret ballot be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Co-operative shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
26. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that no member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
27. The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a secret ballot may be withdrawn.
28. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.
29. The Co-operative may invite other persons who are not members to attend General Meetings, with or without speaking rights and without voting rights.

#### **AMENDMENTS TO RULES**

30. Any of these rules may be rescinded or amended or a new rule made by a vote of three quarters of members of the Co-operative voting at a General Meeting of which fourteen clear days' prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment of rules is valid until registered by the Financial Services Authority.

#### **COMMITTEE OF MANAGEMENT**

31. The Co-operative shall have a Committee of not more than fifteen and not less than three members. Only eligible members of the Co-operative may serve on the Committee. By "eligible members" are meant members aged eighteen years or over and who are not bankrupt or otherwise prohibited by law from acting as the director of a company or society.
32. For so long as the Co-operative has less than fifteen eligible members, the Co-operative in General Meeting may decide that all such eligible members shall be members of the Committee until the number of such members exceeds fifteen (or until such earlier time if the Co-operative should so decide), when the Co-operative shall commence electing Committee members. During a period when all eligible members of the Co-operative are also members of the Committee, Rules 14(c), 33, 34 and 35 shall not apply.

33. New Committee members shall be elected at or by ballot prior to the Annual General Meeting. Procedures for nominating and electing Committee members shall be established and may be amended by the Committee, provided that all eligible members are entitled to stand for election and all members are entitled to vote.
34. A Committee member shall, subject to Rule 39 below, hold office until the end of the next Annual General Meeting following her/his election. Retiring members shall be eligible for re-election at the Annual General Meeting at which they retire.
35. The Committee may co-opt any eligible member of the Co-operative to fill a casual vacancy within their body. A person so co-opted shall for all purposes be treated as a duly elected member of the Committee and shall serve until the end of the next Annual General Meeting following their co-option. A casual vacancy shall be deemed to exist if the number of Committee members should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
36. In the event that the size of the Committee should drop below the minimum number of members prescribed in these Rules, the members of the Committee may act to increase their number or to call a General Meeting of the Co-operative, but for no other purpose.
37. A Committee member shall declare an interest in any contract or matter in which s/he has a personal material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, provided that nothing shall prevent a member voting in respect of her/his terms and conditions of employment or any associated matter.
38. Any remuneration of Committee members shall only be in respect of services actually rendered to the Co-operative. Committee members may also be paid all reasonable expenses incurred by them in connection with the business of the Co-operative.
39. The office of Committee member shall be immediately vacated if s/he:
  - a) resigns her/his office in writing to the Co-operative; or
  - b) ceases to be a member of the Co-operative for any reason whatsoever; or
  - c) is removed from office by a majority vote of the Co-operative in General Meeting, the notices for which specified that the question of the Committee member's removal was to be considered; or
  - d) in the opinion of a majority of the Committee, fails to declare her/his interest in any contract as referred to in Rule 37; or
  - e) is absent from three successive meetings of the Committee during a continuous period of twelve months without special leave of absence from the Committee and they decide that s/he has by reason of such absence vacated office; or
  - f) becomes bankrupt or, in the opinion of a majority of the Committee, incapable on medical or psychological grounds of carrying out the functions of a Committee member.

## **OFFICERS**

40. The Committee shall elect from among their own number a Treasurer and Secretary and such other honorary officers as they may from time to time decide. These honorary officers shall have such duties and rights as may be bestowed on them by the Committee or by statute and any officer appointed may be removed by the Committee. A serving officer who is not re-elected to the Committee at the Annual General Meeting shall nevertheless continue in office until the first Committee meeting following the Annual General Meeting.

## **POWERS AND DUTIES OF THE COMMITTEE**

41. The business of the Co-operative shall be managed by the Committee who may pay all expenses of the formation of the Co-operative as they think fit and may exercise all such powers of the Co-operative as may be exercised and done by the Co-operative and as are not by statute or by these Rules required to be exercised or done by the Co-operative in General Meeting, provided that any arrangement involving the disposal of assets equivalent in value to one-third or more of the total value of the last published balance sheet of the Co-operative must be ratified by a General Meeting before such arrangement is entered into.
42. No regulation made by the Co-operative in General Meeting shall invalidate any prior act of the Committee which would have been valid had that regulation not been made.
43. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Co-operative shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Committee shall from time to time direct.
44. Without prejudice to its general powers, the Committee may exercise all the powers of the Co-operative to borrow money and to mortgage or charge its undertaking and property or any part of it and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Co-operative or of any third party.

#### **PROCEEDINGS AT COMMITTEE MEETINGS**

45. The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall at the request of two or more Committee members summon a meeting of the Committee at any reasonable time by giving all Committee members reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered.
46. The quorum necessary for the transaction of business at a Committee meeting shall be one half of the members of the Committee.
47. At every Committee meeting the Committee members present shall elect one of their number to be Chairperson of the meeting whose function shall be to conduct the business of the meeting in an orderly manner.
48. The Committee shall cause proper minutes to be made of all the proceedings of the Co-operative, of the Committee and of any sub-committees. All such minutes shall be open to inspection by any member of Co-operative at all reasonable times provided that certain minutes relating to the personal affairs of Co-operative members and employees may be designated confidential and shall be available only to current members of the Committee.
49. Questions arising at Committee meetings shall be decided by a majority of votes of those present. In the event of a tied vote the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.

#### **SHARE CAPITAL**

50. (a) The shares of the Co-operative shall be of the nominal value of £1.00. The minimum shareholding required of a member shall be defined as such number of fully paid shares as the Committee may determine subject to the Act, or as may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.  
(b) A member may subscribe for shares in tranches of shares which are smaller in number than the minimum shareholding, provided that any member who does not achieve the minimum shareholding within 12 months after her/his first payment shall cease to be a

member and shall have returned to her/him the value of the shares paid for to date, and the relevant shares shall be cancelled.

(c) Shares shall be withdrawable only in accordance with the provisions of these rules. Shares shall not be transferable except on death or bankruptcy.

(d) Application for shares shall be made to the Committee of the Co-operative who shall allot to members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any member shall not exceed the maximum shareholding permitted by law.

(e) Shares shall be paid for in full on allotment.

### **WITHDRAWAL OF SHARE CAPITAL**

51. Shares may be withdrawn by members upon giving three months' notice to the Co-operative provided that:

(a) all withdrawals shall be paid in the order in which the notices were received by the Co-operative;

(b) except where a member intends to terminate her/his membership of the Co-operative, a member shall not be entitled to withdraw shares so as to leave her/him with less than the minimum shareholding;

(c) the Committee may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;

(d) the Committee may suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Committee suspend the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Committee;

(e) during any period when the right of withdrawal has been suspended under rule (d) of this rule, the shares of deceased members may, if the Committee agree, be withdrawn by their personal representatives upon giving such notice as the Committee may require;

(f) the amount to be paid to a member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction their value in accordance with the provisions of these rules;

(g) interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.

Any share withdrawn in accordance with the above rule shall be cancelled. Members may withdraw from the Co-operative by withdrawing all their shares in the Co-operative in accordance with this rule or, if the right to withdraw has been suspended as provided for in that rule, by surrendering all their shares to the Co-operative. Upon such surrender the Committee may in their discretion pay to the withdrawing member the amount paid up or credited in the shares surrendered. The Co-operative may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a member on the withdrawal of shares in the Co-operative.

### **REDUCTION IN SHARE VALUES**

52. If the auditors (or any independent qualified accountants appointed for the purpose by the Committee) certify at any time that the aggregate of the Co-operative's liabilities plus the amount of its issued share capital exceeds its assets, then (unless in the meantime the excess has been removed) the Committee may determine that the amount of this excess, or part of it, shall be apportioned among the members in proportion to (but not beyond) the amount of the nominal value of the shares paid up and held by each member. This apportionment shall be based on the value of the shares paid up and held by each member at the close of business on the date of such determination. The value of shares held by each member shall be reduced accordingly for the purposes of withdrawal of shares, notwithstanding that the value of shares held by any member may thereby be reduced below the minimum shareholding.

## BORROWING

53. The Co-operative shall have power to borrow money from its members and others for the purposes of the Co-operative providing that the amount outstanding at any one time shall not exceed £10,000,000.
54. The Co-operative shall have power to mortgage or charge any of its property, including the assets and undertakings of the Co-operative, present and future, and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Co-operative or its customers or persons or corporations having dealings with the Co-operative.
55. The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a Building Society or Local Authority shall not exceed 6½% per year or 3% above the base lending rate of The Co-operative Bank plc at the commencement of the loan, whichever is the higher.
56. The Co-operative may receive from any persons donations or loans free of interest towards its work but shall not receive money on deposit.

## AUDITORS

57. Subject to rule 58 below the Co-operative shall appoint in each financial year an auditor qualified under section 7 of the Friendly and Industrial and Provident Societies Act 1968 to audit the Co-operative's accounts and balance sheet for the year.
58. The Co-operative shall (subject to Rule 59) 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 as to qualify it for statutory exemption from the need to appoint qualified auditors.
59. The members of the Co-operative shall in general meeting vote every year to allow the Co-operative to apply the audit exemption. Such a resolution shall be deemed to have been passed if less than twenty per cent of the total number of votes cast are against the resolution and less than ten per cent of the members of the Co-operative cast their votes against the resolution.
60. None of the following persons shall be appointed as auditor of the Co-operative:
  - a) an officer or employee of the Co-operative;
  - b) a person who is a partner or employee of or who employs an officer of the Co-operative.
61. The first appointment of an auditor shall be made within three months of the registration of the Co-operative and shall be made by the Committee if no General Meeting is held within that time. The Committee may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these cases, every appointment of an auditor shall be made by a resolution of a General Meeting of the Co-operative.
62. An auditor for the preceding financial year shall be re-appointed as auditor of the Co-operative for the current financial year unless:
  - a) a resolution has been passed at a General Meeting appointing someone else as auditor or providing expressly that s/he shall not be re-appointed; or
  - b) s/he has given notice in writing to the Co-operative of her/his unwillingness to be re-appointed; or

- c) s/he is ineligible for appointment as auditor of the Co-operative for the current financial year; or
  - d) s/he has ceased to act as auditor of the Co-operative by reason of incapacity.
63. Any resolution of a General Meeting of the Co-operative 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 Co-operative at least twenty-eight days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such resolution must then be given to members of the Co-operative in the manner prescribed in Rule 17 and in writing to the auditors.

### **ANNUAL RETURN**

64. Every year and within the period prescribed by the Act, the Secretary shall send to the Financial Services Authority the annual return, in the form prescribed by the Financial Services Authority, relating to its affairs for the period required by the Act to be included in the return together with:
- a) a copy of the report of the auditor on the Co-operative's accounts for the period included in the return or a copy of such other report (if any) as is required by statute for such period; and
  - b) a copy of each balance sheet made during that period and of the report of the auditor or other appropriate person as required by statute on that balance sheet.
65. The Co-operative shall on demand supply free of charge to any member or any person with an interest in the funds of the Co-operative a copy of the latest annual return together with a copy of the auditor's report on the accounts and balance sheet contained in the return.
66. The Co-operative shall at all times keep a copy of the latest balance sheet of the Co-operative together with a copy of the corresponding auditor's report hung up in a conspicuous place at the registered office.

### **PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER**

67. Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Co-operative belonging to the deceased or bankrupt member, the Co-operative shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.
68. A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Co-operative at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. On receiving a satisfactory proof of death of a member who has made a nomination the Co-operative shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

### **APPLICATION OF PROFITS**

69. The profits of the Co-operative shall be applied as follows in such proportions and in such manner as may be decided by the Co-operative at the Annual General Meeting:
- a) firstly, to a general reserve for the continuation and development of the Co-operative;
  - b) secondly, in paying dividends on issued share capital at a rate not exceeding 10 per cent;
  - c) thirdly, in paying a bonus to members in some equitable proportion to their contribution to the business of the Co-operative at such rates, on such terms and in such manner as the meeting shall decide;

- d) fourthly, in making payments for social and charitable objects.

**SEAL**

70. If the Co-operative has a seal it shall be kept in the custody of the Secretary and used only by the authority of the Committee of Management. Sealing shall be attested by the signature of two members of the Committee of Management or of one member of the Committee of Management and the Secretary for the time being. If the Co-operative does not have seal, a document which would have previously required to be sealed, should be signed by a member of the Committee of Management and secretary or two members of the Committee of Management and accompanied by a written statement that the document has been executed by the Co-operative as if under common seal.

**INVESTMENT OF FUNDS**

71. The Co-operative may invest any part of its funds:
- a) in the manner set out in Section 31 of the Industrial and Provident Societies Act 1965; and (without limitation of those powers)
  - b) upon the security of a written promise by the borrower to repay, in any society registered under the Act or any company registered under the Companies Act or Acts from time to time in force, being a society or company with limited liability.

**DISSOLUTION**

72. The Co-operative may be dissolved by the consent of three quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act. If on the winding up or dissolution of the Co-operative 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 common ownership enterprise(s), or to the Co-operative Movement or some other non-profit organisation(s) promoting and supporting co-operative and common ownership enterprises, as may be decided by the members at the time of or prior to the dissolution.

**DISPUTES**

73. In the event of a dispute between the Co-operative or its Committee and a member of the Co-operative or a former member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute. The decision of such an arbitrator shall be binding. In the event that a dispute cannot, for whatever reason, be concluded by reference to an arbitrator, the matter may with the consent of both parties be referred to the County Court (or in Scotland, to the Sheriff).

**INTERPRETATIONS**

74. In these Rules, "the Act" refers to the Industrial & Provident Societies Acts 1965 to 1978 or any Act or Acts amending or in substitution for them for the time being in force. "Common ownership" shall have the meaning afforded to it in the Industrial Common Ownership Act 1976.

Signatures of Members

Full Names in BLOCK CAPITALS (no initials)

- 1. ....
- 2. ....

3. ....

Secretary: .....