

RULES of: HIGH BICKINGTON CPT LIMITED

*Registered under the Industrial &
Provident Societies Act 1965*

Register No. 29778R

**Social Policy Legal Unit
Trowers & Hamlins
Sceptre Court
40 Tower Hill
London EC3N 4DX**

BASED ON NHF MODEL RULES 1998

REGISTERED AMENDMENTS

Rule G1 (Registered Office) amended 02.02.09

Rule A2 (Area of Benefit) amended 30.11.10

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PART A - NAME AND OBJECTS

Name

A1 The name of the society shall be High Bickington CPT Limited ("the association").

Objects

A2 The association is formed for the benefit of the community in the Administrative Parishes of High Bickington, Atherington, Yarnscombe, St Giles in the Wood, Roborough, Ashreigney, Burrington, Chittlehampton and Chittlehamholt. (the "area of benefit"). Its objects shall be:

A2.1 providing houses or hostels and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means;

A2.2 providing for the aged, disabled, handicapped (whether mentally or physically) or chronically sick persons in need thereof houses or hostels and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;

A2.3 providing services, advice or assistance upon terms appropriate to their means to aged, disabled, handicapped (whether mentally or physically) or chronically sick persons in need thereof;

A2.4 the provision of facilities for recreation or other leisure time occupation in the interest of social welfare with the object of improving the conditions of life for the residents of the area of benefit;

A2.5 the relief of poverty in such ways as may be thought fit amongst the residents of the area of benefit;

A2.6 the advancement of education and vocational training amongst the residents of the area of benefit and the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;

A2.7 the protection or conservation of the environment including the conservation, restoration and re-establishment of trees in particular broad leafed trees plants and all forms of wildlife and thereby to secure the enjoyment by the residents of the area of benefit of the natural environment;

A2.8 the provision of public health facilities and child care;

A2.9 the promotion for the benefit of the public, in partnership with the police and other bodies and agencies, of the protection of people and property from and the prevention of criminal acts, in particular through assisting in measures designed to reduce the level of crime, anti-social behaviour, drug and alcohol dependency and vehicle speeding and to provide education

information and practical assistance in community safety to the community.

“Houses” and “hostels” shall have the meanings given by Section 106 of the Housing Associations Act 1985 and shall include blocks of flats within the meaning of Section 4 of the Housing Associations Act 1985.

Non-profit

A3 The association shall not trade for profit.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

PART B - POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS

Powers

B1 The association shall have power to do any thing that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited in these rules.

B2 Without limiting the powers described in rule B1 the association shall have power to:

B2.1 take or grant or otherwise dispose of any interest in land;

B2.2 carry out works to land, buildings or other property;

B2.3 subject to such consents as may be required by law to borrow money, issue loan stock or raise money in such manner as the association shall think fit and to secure the repayment of any money borrowed raised or owing by such security as the association shall see fit upon the whole or any part of the association’s property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the association of any obligation or liability it may undertake or which may become binding on it;

B2.4 to insure and arrange insurance cover for the association from and against all such risks as the board may think fit and to pay any premium in respect of such insurance;

B2.5 to insure and arrange insurance cover for and to indemnify its members, employees and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its board members, co-optees or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the association PROVIDED THAT such insurance shall not extend to any liability in respect of an act or omission which such board member or board members, co-optee or co-optees knew was a breach of duty or trust or

which was committed by such board member or board members, co-optee or co-optees recklessly without due regard as to whether such act or omission might be a breach of duty or trust;

B2.6 to invest any monies of the association not immediately required for the furtherance of its objects in accordance with rule F16;

B2.7 to purchase or otherwise acquire or to encourage or promote or in any way support or aid the establishment and development of any subsidiary or associated association or company established for the purposes of carrying on any trade or business either for the purpose of raising funds for the association or for the furtherance of the objects of the association;

B2.8 to make donations, grants or loans or provide services or assistance to such persons and organisations and on such terms as the association shall think fit to further the objects of the association;

B2.9 to do anything else within the law which promotes or helps to promote the objects.

B3 The association shall not have power to receive money on deposit.

Powers of the board

B4 The business of the association shall be directed by the board.

B5 Apart from those powers which must be exercised in general meeting:

B5.1 by statute; or

B5.2 under these rules

all the powers of the association may be exercised by the board for and in the name of the association.

B6 The board shall have power to delegate, in writing, the exercise of any of its powers to committees and to employees of the association (subject to rule D1) on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

B7 The association in general meeting can only exercise the powers of the association expressly reserved to it by these rules or by statute.

General

B8 The certificate of an officer of the association that a power has been properly

exercised shall be conclusive as between the association and any third party acting in good faith.

- B9 A person acting in good faith who does not have actual notice of any regulations shall not be obliged to see or enquire if the board's powers are restricted by such regulations.

PART C - SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders

- C1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall act at all times in the interests of the association and, for the benefit of the community, as guardians of the objects of the association.

Nature of shares

- C2 The association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.
- C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees).
- C4 When a shareholder ceases to be a shareholder or is expelled from the association, his or her share shall be cancelled. The amount paid up shall become the property of the association.

Nature of shareholders

- C5 C5.1 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders and who is connected with the parish of High Bickington and whose application accords with the association's published membership policy determined by the association in general meeting.
- C5.2 Subject to rule C5.3, the following organisations shall be shareholders:
- the Council;
 - the parish council of High Bickington.
- C5.3 The number of shares held by local authorities (as defined by Section 67 of the Local Government and Housing Act 1989) and local authority persons shall not exceed one third of the total number of shareholders. The board shall use all reasonable endeavours to ensure that there are sufficient other members to avoid breach of this rule.

- C6 The following cannot be shareholders:
- C6.1 a minor;
 - C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;
 - C6.3 a local authority person if his or her membership leads to a breach of rule C5.3.
- C7 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder, and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.
- C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.
- C9 No shareholder shall hold more than one share and each share shall carry only one vote.
- C10 A share cannot be held jointly unless by nominees of an unincorporated body.

Admission of shareholders

- C11 The board shall set review and publish its policy for admitting new shareholders subject to the approval of the association in general meeting. Any person connected with the area of benefit who satisfies the association's membership policy may apply for membership following the procedure in Rule C12.
- C12 An applicant for shareholder membership shall apply in writing to the association's registered office
- C12.1 setting out their express desire to be a member together with details of the criteria set out in the association's membership policy which they satisfy in order to be a shareholder; and
 - C12.2 pay the sum of one pound (which shall be returned to them if the application is not approved).
- C13 Every application shall be considered by the board who shall accept the application if it is valid and accords with the association's membership policy. If the application is accepted the name of the applicant and the other necessary particulars shall be entered in the register of shareholders. One share in the association and a copy of its rules shall be issued to the applicant.

Ending of shareholding

- C14 A shareholder shall cease to be a shareholder if:
- C14.1 they die; or
 - C14.2 they are expelled under rule C15; or
 - C14.3 they withdraw from the association by giving one month's notice to the secretary; or
 - C14.4 in the case of a body corporate it ceases to be a body corporate; or
 - C14.5 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body; or
 - C14.6 they cease to satisfy any of the criteria for membership set out in the association's membership policy.
- C15 A shareholder (other than the Council which may not be expelled) may only be expelled by a special resolution at a special general meeting called by the board.
- C15.1 The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the association, and must request the shareholder to attend the meeting to answer the complaint.
 - C15.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.
 - C15.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

Annual general meeting

- C16 The association shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years.
- C17 The functions of the annual general meeting shall be:
- C17.1 to receive the annual report which shall contain:
 - the revenue accounts and balance sheets for the last accounting period
 - the auditor's report on those accounts and balance sheets
 - the board's report on the affairs of the association
 - the board's statement of the values and objectives of the association

- a statement of the current obligations of board members to the board and the association
 - the association's membership policy;
- C17.2 to appoint the auditor;
- C17.3 to elect board members;
- C17.4 to transact any other general business of the association included in the notice convening the meeting.

Special general meetings

- C18 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:
- C18.1 upon an order of the board; or
 - C18.2 upon a written requisition signed by one-tenth of the shareholders stating the business for which the meeting is to be convened;
 - C18.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting.
- C19 A special general meeting shall not transact any business that is not mentioned in the notice convening the meeting.

Calling a general meeting

- C20 All general meetings shall be convened by at least fourteen clear days' written notice posted or delivered to every member at the address given in the share register. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- C21 Any accidental failure to get any notice to any shareholder, shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived two days after being posted.

Proceedings at general meetings

- C22 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all shareholders or 20 people whichever is the fewer present in person or by proxy. As part of the quorum at least two shareholders must be present in person.
- C23 A meeting held as a result of a shareholder's requisition will be dissolved if too few shareholders are present half an hour after the meeting should begin.

- C24 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If too few shareholders are present within half an hour of the time the adjourned meeting should have started, those shareholders present shall carry out the business of the meeting.
- C25 The chair of any general meeting can adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.
- C26 At all general meetings of the association the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the deputy chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

Proxies

- C27 A proxy can be appointed by delivering a written appointment to the registered office at least two days before the date of the meeting at which the proxy is authorised to vote. It must be signed by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final. A proxy need not be a shareholder of the association.

Voting

- C28 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.
- C29 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- C30 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the association, shall be conclusive evidence of that fact.
- C31 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- C32 A ballot on a resolution may be demanded by any three shareholders at a meeting (in

person or by proxy) or directed by the chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.

- C33 A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.

PART D - THE BOARD

Functions

- D1 The association shall have a board (in these rules referred to as "the board") which shall direct the affairs of the association in accordance with its objects and rules. Amongst its functions shall be to:

- D1.1 define and ensure compliance with the values and objectives of the association and ensure these are set out in each annual report;
- D1.2 establish policies and plans to achieve the association's objectives and to implement its strategic policies;
- D1.3 approve each year's accounts prior to publication and approve each year's budget;
- D1.4 establish and oversee a framework of delegation and systems of control;
- D1.5 agree policies on all matters that create significant financial risk to the association or which affect material issues of principle;
- D1.6 monitor the association's performance in relation to these plans, budget, controls and decisions;
- D1.7 appoint (and if necessary remove) the chief executive (if any);
- D1.8 satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety;
- D1.9 take appropriate advice;

and none of these functions D1.1 to D1.9 inclusive shall be capable of delegation.

Composition of the board

- D2 D2.1 Subject to Rule D17 the board shall consist of three board members, or of such greater number not exceeding eleven (including co-optees) as may be determined by the association in general meeting.
- D2.2 The number of local authority persons who are board members shall not exceed one third of the total number of board members.

- D3 If the requirements of D2 are at any point not fulfilled then the board shall use its reasonable endeavours to appoint additional board members as appropriate provided that in the event that at any time the requirements are not fulfilled the remaining board members may continue to act and exercise all powers of the board.
- D4 Except for co-optees and nominees of the Council pursuant to rule D11 (and one member of the High Bickington parish council) only shareholders can be board members.
- D5
- D5.1 The board shall in its annual report set out the obligations of every board member to the board and to the association. The board shall review and may amend the obligations of board members from time to time.
- D5.2 Each board member shall sign and deliver to the board a statement, confirming that they will meet their obligations to the board and to the association. The board may vary the form of statement from time to time.
- D5.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the board may be removed from office by a resolution of a majority of the remaining board members.
- D6 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations nor vote on the election of officers of the association nor any matter directly affecting shareholders. For the purpose of these Rules and of the Act, a co-optee is not included in the expression “board member” or “member of the board”.
- D7 Not more than five co-optees can be appointed to the board or to any committee at any one time.
- D8 No one can become or remain a board member at any time if:
- D8.1 they are bankrupt or subject to an agreement with their creditors; or
- D8.2 they have been convicted of an indictable offence within the last five years or any other offence which in the opinion of the board brings the association into disrepute and the board resolves by a two thirds majority that they should be removed; or
- D8.3 they are not a shareholder (unless they are excepted pursuant to rule D4); or
- D8.4 they have absented themselves from four consecutive meetings of the board without special leave of absence;
- D8.5 they are not a nominee of the Council and they are or become a local authority person leading to a breach of rule D2.2;
- and any board member who at any time ceases to qualify under this rule shall

immediately cease to be a board member.

- D9 A board member may be removed from the board by a special resolution at a general meeting.
- D10 Whenever the number of board members and co-optees is less than permitted by these rules, the board may appoint a further board member in addition to the board's power to co-opt. Any board member so appointed shall retire at the next annual general meeting.

Council Appointments

- D11 The Council shall have the power from time to time and at any time to appoint one board member and to remove from office any such board member. Appointments or removals shall be by written notice signed on behalf of the Council and shall take effect on delivery at the registered office of the association or such later date as may be specified in the notice.

Election to the board

- D12 In every notice for an annual general meeting the board may set out its requirements for the skills, qualities and experience which it needs from its members. The notice shall state the extent to which those requirements are met by those board members continuing in office, and those retiring and intending to re-offer themselves for election.
- D12.1 At every annual general meeting not less than one third of the elected board members shall retire from office.
- D12.2 Elected board members forming the retiring third shall be those who have been longest in office since they were last elected or re-elected to the board. If the choice is between people who became elected board members on the same day those to retire shall be chosen by lot if not agreed.
- D12.3 Anybody appointed to fill a casual vacancy under rule D10 during the year and who retires for that reason shall not count towards the one third to retire.
- D13 D13.1 If at an annual general meeting, the candidates for election as board members do not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected.
- D13.2 If the number of candidates exceeds the number of vacancies the meeting shall elect the board members by ballot in such a manner as the chair directs.

- D14 In an election at a general meeting every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate.
- D15 In casting their votes in an election, shareholders shall endeavour to ensure that the board possesses the quality, skills and experience which the association has from time to time determined that it requires.

Candidates for the board

- D16 D16.1 Any elected board member who is retiring and is seeking re-election at the annual general meeting shall notify the secretary of his/her intention to seek re-election at the annual general meeting by the same date as the board sets for the making of nominations pursuant to rule D16.2.
- D16.2 In addition a candidate who is seeking election as an elected board member, must be proposed by two shareholders. A candidate who is already a shareholder may not propose his or her own candidature.

Quorum for the board

- D17 D17.1 Three board members shall form a quorum. The board may determine a higher number.
- D17.2 If the number of board members falls below the number necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months. At the end of that time the only power that the board may exercise shall be to call a general meeting of the association to bring the number of board members up to that required by these rules.

Board members' interests

- D18 No board member, co-optee or member of a committee shall have any financial interest:
- D18.1 personally; or
- D18.2 as a member of a firm; or
- D18.3 as a director or other officer of a business trading for profit; or
- D18.4 in any other way whatsoever save that there shall be deemed to be no financial interest in relation to shares except in the circumstances referred to in rule D21.4
- in any contract or other transaction with the association, unless it is expressly permitted by these rules.

- D19 The association shall not pay or grant any benefit to anyone who is a board member or

a co-optee or a member of a committee, unless it is expressly permitted by these rules.

- D20 Any board member, co-optee or member of a committee, having an interest in any arrangement between the association and someone else must disclose their interest, before the matter is discussed by the board or any committee. Unless it is expressly permitted by the board in its written policy they shall not remain present while the matter is discussed unless requested to do so by the board or committee, and they shall not have any vote on the matter in question. Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- D21 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:
- D21.1 a director or officer; or
 - D21.2 as a member of a firm; or
 - D21.3 as an official or elected member of any statutory body; or
 - D21.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or
 - D21.5 as the occupier of any property owned or managed by the association; or
 - D21.6 any other significant or material interest.
- D22 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time.
- D23 The association may pay properly authorised expenses to board members, co-optees and members of committees when actually incurred on the association's business and pay insurance premiums for insurances referred to in rule B2.5.
- D24
- D24.1 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D18 to D20 as a board member, director, or officer of any other body whose accounts are or ought to be consolidated with the association's accounts.
 - D24.2 Board members who are tenants of the association shall not have an interest for the purpose of rule D20 in any decision affecting all or a substantial group of tenants.

Meetings of the board

- D25 The board shall meet at least three times every calendar year. At least seven days written notice of the date and place of every board meeting shall be given by the secretary to all board members and co-optees.

- D26 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members and co-optees to the board as soon as possible after receipt of such a request. The secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

Management and delegation

- D27 The board may delegate any of its powers under written terms of reference to the chair of the association, committees or to employees (subject to rule D1). Those powers shall be exercised in accordance with any written instructions given by the board.
- D28 The membership of any committee shall be determined by the board. Every committee shall include at least one board member or co-optee to the board. The board will appoint the chair of any committee and shall specify the quorum.
- D29 All acts and proceedings of any committee shall be reported to the board.
- D30 No committee can incur expenditure on behalf of the association unless the board has previously approved a budget for the relevant expenditure.

Miscellaneous provisions

- D31 All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- D32 A resolution in writing sent to all board members and signed by three quarters of the board members or all the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee.
- D33 Meetings of the board can take place in any manner which permits those attending to hear and comment on the proceedings.
- D34 A board member acting in good faith shall not be liable to the association for any loss.

PART E - CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS

The chair

- E1 The association shall have a chair, who shall also chair board meetings, and shall be elected by the board.

- E2 The chair on election shall hold office until the commencement of the first board meeting after the next annual general meeting of the association (or until the chair resigns as chair). The first item of business for any board meeting when there is no chair or the chair is not present shall be to elect the chair. The chair shall at all times be a shareholder and a board member. In the case of any equality of votes, the chair shall have a casting vote.
- E3 The chair of the association may be removed at a board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the board at the meeting.

The Chair's Responsibilities

- E4 The chair shall seek to ensure that:
- E4.1 the board's business and the association's general meetings are conducted efficiently;
 - E4.2 all board members are given the opportunity to express their views;
 - E4.3 a constructive working relationship is established with, and support provided for the chief executive (if any);
 - E4.4 the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the association to be carried on effectively between board meetings;
 - E4.5 the board receives professional advice when it is needed;
 - E4.6 the association is represented as required; and
 - E4.7 the association's affairs are conducted in accordance with generally accepted codes of performance and propriety.
- E5 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

The Chief Executive

- E6 The association may have a chief executive appointed by the board. The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive

The secretary

- E7 The association shall have a secretary who shall be appointed by the board and who may be an employee. The secretary shall in particular:
- E7.1 summon and attend all meetings of the association and the board and keep the minutes of those meetings; and

- E7.2 keep the registers and other books determined by the board; and
- E7.3 make any returns on behalf of the association to the Registry of Friendly Societies; and
- E7.4 have charge of the seal of the association (if any); and
- E7.5 be responsible for ensuring the compliance of the association with these rules.

Other officers

- E8 The board may designate as officers such other staff of the association on such terms (including pay) as it from time to time decides.

Miscellaneous

- E9 Every officer or employee shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.
- E10 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the association.

PART F - FINANCIAL CONTROL AND AUDIT

Auditor

- F1 The association shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 7 of the Friendly and Industrial & Provident Societies Act 1968 as amended by the Companies Act 1989.
- F2 The following cannot act as auditor:
 - F2.1 an officer or employee of the association;
 - F2.2 a person employed by or employer of, or the partner of, an officer or employee of the association.
- F3 An auditor must be appointed by resolution at a general meeting.
- F4 The association's first auditor shall be appointed at a general meeting within three months of its registration. The board may make the appointment if no meeting is held within three months. The board may appoint an auditor to fill a casual vacancy.
- F5 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:
 - F5.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or

- F5.2 the auditor does not want to act and has told the association so in writing;
or
 - F5.3 the person is not qualified or falls within rule F2 (above); or
 - F5.4 the auditor has become incapable of acting; or
 - F5.5 notice to appoint another auditor has been given.
- F6
- F6.1 Not less than twenty eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
 - F6.2 The association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible.
 - F6.3 If not, the association shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the association which must be notified to its Shareholders under Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

Auditor's duties

- F7 The findings of the auditor shall be reported to the association, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968.
- F8 The board shall produce the revenue account and balance sheet audited by the auditor, and the auditor's report at each annual general meeting. The board shall also produce its report on the affairs of the association which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

- F9 The end of the accounting year must be a date allowed by the Registrar.
- F10 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- F11 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- F12 Every year, within the time specified by legislation, the secretary shall send the association's annual return to the Registrar of Friendly Societies. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the Registrar. The annual return shall be accompanied by the auditor's reports for the period of the

return and the accounts and balance sheets to which it refers.

Borrowing

- F13 The total borrowings of the association at any time shall not exceed £100 million (one hundred million pounds) or such a larger sum as the association determines from time to time in general meeting.
- F14 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.
- F15 F15.1 In respect of any proposed borrowing, for the purposes of rule F13, the amount remaining undischarged of any deferred interest or index-linked monies previously borrowed by the association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and
- F15.2 For the purposes of rule F13 in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing.

Investment

- F16 The funds of the association may with the authority of the board be applied as permitted by the Industrial and Provident Societies Act 1965 or in cash or term deposits, in the purchase or acquisition (either alone or jointly with other persons) of such shares, stock funds, securities, land, buildings, chattels or other property of whatever nature and wherever situate and whether including liabilities or producing income or not or in making such loans, with or without security as the board thinks fit.

PART G - MISCELLANEOUS AND STATUTORY, REGISTERED OFFICE AND NAME

- G1 The association's registered office is: The Meeting Point, North Road, High Bickington, UMBERLEIGH, North Devon, EX37 9BB.
- G2 The association's registered name must:
- G2.1 be placed prominently outside every office or place of business; and
- G2.2 be engraved on its seal; and
- G2.3 be stated on its business letters, notices, adverts, official publications, cheques and invoices.

Disputes

- G3 G3.1 Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:
- the association and an officer; or
 - the association and a shareholder; or
 - the association and a person claiming to be a shareholder; or
 - the association and a person who was a shareholder in the last six months.

Minutes, seal, registers and books

- G4 The minutes of all general meetings, and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.
- G5 The secretary shall keep the seal (if any). It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves.
- G6 The association must keep at its registered office:
- G6.1 the register of shareholders showing:
- the names and addresses of all the shareholders; and
 - a statement of all the shares held by each board member and the amount paid for them; and
 - a statement of other property in the association held by the shareholder; and
 - the date that each shareholder was entered in the register of shareholders.
- G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders.
- G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate.
- G6.4 a register of holders of any loan.
- G6.5 a register of mortgages and charges on land.
- G6.6 a copy of the rules of the association.
- G7 The association must display a copy of its latest balance sheet and auditors report at its

registered office.

- G8 The association shall give to all shareholders on request copies of its last annual return with the auditor's report on the accounts contained in the return, free of charge.
- G9 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

Statutory applications to the Registrar

- G10 Ten shareholders can apply to the Registrar of Friendly Societies to appoint an accountant to inspect the books of the association, provided all ten have been shareholders of the association for a twelve month period immediately before their application.
- G11 The shareholders may apply to the Registrar of Friendly Societies in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

- G12 G12.1 Subject to rule G12.2 the rules of the association may be rescinded or amended, but not so as to stop the association being a charity.
- G12.2 Rules A2, A3, A4, C5.3,C6.3, C15, D2.2, D4, D8.3, D8.5, D11, D18, D19, G12, G14, G15.8, G15.10 and G15.14 shall not be amended without the prior written consent of the Council
- G12.3 Rules A2; A3; A4; B1; B2; C2; C3; D2; D17; D25; G12 and G14 can only be amended or rescinded by three fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two thirds of the votes cast at a general meeting.
- G12.4 Amended rules shall be registered with the Registrar as soon as possible after the amendment has been made. A copy of the amended rules shall be issued to all shareholders immediately after registration. An amended rule is not valid until it is registered.

Dissolution

- G13 The association may be dissolved by a three fourths majority of shareholders who sign an instrument of dissolution in the form prescribed by Treasury Regulations; or by winding-up under the Act.
- G14 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another charitable body with objects similar to that of the association.

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context are inconsistent:-
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;
- G15.3 any reference to an Act shall include any amendment or re-enactment from time to time;
- G15.4 any reference to the Chief Registrar, Registrar, Central Office, Assistant Registrar (for Scotland) or the Registry of Friendly Societies includes reference to the statutory successor carrying on the relevant functions of any of them;
- G15.5 "amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;
- G15.6 "the association" shall mean the association of which these are the registered rules;
- G15.7 "board" shall mean the board appointed in accordance with Part D and "board member" or "member of the board" shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D6;
- G15.8 "Council" means Devon County Council or any successor body thereto;
- G15.9 "elected board member" means a board member other than one appointed by the Council pursuant to rule D11;
- G15.10 "local authority person" means any person:
- who is or has been a member of a relevant local authority in the preceding four years;
 - who is an officer of a relevant local authority; or
 - who is or has been both an employee and either a director, manager, secretary or other similar officer of a company which is under control of a relevant local authority;
- G15.11 "officer" shall include the chair and secretary of the association and any board member for the time being and such other persons as the board may appoint under rule E8;
- G15.12 "property" shall include all real and personal estate (including loan stock certificates, books and papers);

- G15.13 "register of shareholders" means the register kept in accordance with rule G6.1;
- G15.14 "relevant local authority" shall mean a local authority as defined in Section 67 of the Local Government and Housing Act 1989;
- G15.15 "secretary" means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;
- G15.16 "shareholder" shall mean one of the persons referred to in rule C5 and means "member" as defined by the Act;
- G15.17 "special resolution" means a resolution at a general meeting passed by a two thirds majority of all shareholders who vote in person or by proxy;
- G15.18 "tenant" shall mean a person who alone or jointly with others holds a lease, tenancy or licence to occupy the association's premises;
- G15.19 "the Act" shall mean the Industrial and Provident Societies Acts 1965 to 1975;
- G15.20 "these rules" shall mean the registered rules of the association for the time being;
- G15.21 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgement of Registration of Society

Register No.R

..... Limited

is this day registered under the Industrial and Provident Societies Act 1965.

Dated (Seal of Central Office)

Copy kept

Registrar of Friendly Societies

Central Office

1. David Brown..... Shareholder

2. Jane M Gibson..... Shareholder

3. J A Hocking..... Shareholder

David G Venner..... Secretary