

Resolution 3 (Changes to the Society's Published Rule Book)

Table of Key Changes

<u>Rule Book Reference</u>	<u>Current Position</u>	<u>Proposal under the Resolution</u>	<u>Why are we proposing a change?</u>
7	<i>The net profits of the Society's business shall be used in accordance with the Co-operative Principles</i>	<p><i>The net profits of the Society's business shall be used <u>to further the Society's purpose and applied</u> in accordance with the Co-operative Principles, <u>including without limitation:</u></i></p> <ul style="list-style-type: none"> <i><u>(a) providing dividends or benefits to Members, including as a result of their transactions with the Society and in proportion to their transactions with the Society;</u></i> <i><u>(b) promoting and supporting charitable or community based activity;</u></i> <i><u>(c) paying amounts under the terms of any Employee share or similar schemes;</u></i> <i><u>(d) setting aside amounts not otherwise used for the purposes above for reinvestment in the continuation and development of the Society, or as reserves,</u></i> <p><i><u>all in such amounts and in such manner as the Board shall determine from time to time in accordance with its duties and responsibilities stipulated under these Rules.</u></i></p>	These changes reflect the positive steps the Society is taking to develop a stronger member proposition, and provide flexibility in how we deliver member return. The expansion of Rule 7 (and removal of Rule 147) allow us to utilise cashback but also price and other initiatives across the goods and services enjoyed by members. To ensure that members receive the appropriate level of transparency and assurance, the Board of Directors will retain accountability at each annual members meeting to explain how member benefits have been structured and delivered, and how any surplus has been distributed at the end of each financial year.
13	<i>"All those wishing to become a member must support the objectives of the Society."</i>	<i>"All those wishing to become a member must support the objectives<u>stated purpose</u> of the Society."</i>	'Objectives' is not a well-defined concept and 'purpose' is more aligned to the overarching values the Society would expect members to support.
14	<i>The terms of membership (including the age at which Members may receive benefits and entitlements such as the accrual and redemption of dividend) shall be set out</i>	<i>The terms of membership (including the age at which Members may receive benefits and entitlements such as the accrual and redemption of dividend) shall be set out</i>	This changes aligns with the broader changes explained under Rule 7.

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	<i>separately in any regulations that the Society may adopt, subject always to the following:</i> ...	<i>separately in any regulations that the Society may adopt, subject always to the following:</i> ...	
24	<i>Every Member shall agree to pay the nominal amount of the share by permitting the Society to deduct and retain some or all of the amount from any dividends payable under the Rules. The share shall be treated as fully paid for the purposes of these Rules (whether or not it is) save in relation to repayment of share capital.</i>	<i>Every Member shall agree to pay the nominal amount of the share by permitting the Society to deduct and retain some or all of the amount from any dividend amounts payable <u>to the Member</u> under these Rules <u>or otherwise pursuant to any terms of membership that the Society may adopt</u>. The share shall be treated as fully paid for the purposes of these Rules (whether or not it is) save in relation to repayment of share capital.</i>	We're clarifying how the nominal £1 share requirement is deducted when an individual becomes a member. This change allows flexibility in how this recovered other than through dividend.
34	<i>Not currently a provision within the current Society Rule Book.</i>	<i>... <u>(e) oversee and approve the development of the Society's overall membership proposition, including the structure of member benefits, rights and entitlements.</u></i>	This proposed amendment strengthens the expected Board oversight and approval of member benefits and entitlements.
44	<i>(b) <u>the application of the profits;</u></i>	<i><u>(b) the application of the Society's profits, including how such profits have been utilised in a manner that complies with the relevant provisions of these Rules;</u></i>	This outlines the Board's commitment to explain how profits have been distributed as a standing item of business at the annual members meeting.
52	<i>Every Member who has a vote under these Rules (including the deputy of a corporate body) shall be entitled to attend any Members' meeting on the production of such evidence as the Board may from time to time determine.</i>	<i>Every Member who has a vote under these Rules (including the deputy of a corporate body) shall be entitled to attend any Members' meeting on the production of such evidence as the Board may from time to time determine. <u>The foregoing entitlement shall be subject always to any physical, electronic or other constraints affecting attendance at a particular Members' meeting, including as to venue capacity.</u></i>	This rule has been revised with the need to recognise the constraints that may be associated with a particular venue.

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55	<p>A Member is able to exercise the right to speak at any Members' meeting and is deemed to be in attendance when that Person is in a position to communicate with all those attending the meeting. The Board may make whatever arrangements it considers appropriate to enable those attending any Members' meeting to exercise their rights to speak or vote at it including Electronic Means. In determining attendance at any Members' meeting it is immaterial whether any two or more Members attending are in the same place as each other provided that they are able to communicate with one another.</p>	<p>A Member is able to exercise the right to speak at any Members' meeting and is deemed to be in attendance when that Person is in a position to communicate with all those attending the meeting. <u>Any Member that has not been able to secure attendance at a Members meeting owing to a constraint contemplated under Rule 52, and nonetheless wishes to exercise their right to speak must provide the Secretary with written notice no less than five (5) days prior to the date of the relevant Members' meeting. The notice shall include a summary of the matter that the Member wishes to raise. If the Secretary, acting reasonably, believes that the proposed matter is, or could be construed as, offensive, defamatory, unlawful, frivolous, vexatious or otherwise inappropriate, then the relevant Member shall be notified that their right to speak at the meeting will not be granted. Subject to the foregoing, the Board may shall make whatever appropriate arrangements it considers appropriate to enable any such Member to speak at those attending any the Members' meeting to exercise their rights to speak or vote at it, including by Electronic Means. In determining attendance at any Members' meeting it is immaterial whether any two or more Members attending are in the same place as each other provided that they are able to communicate with one another. For the avoidance of doubt, nothing in this Rule 55 shall prejudice the right of the chair of the relevant Members meeting to exercise the right to adjourn under Rule 60.</u></p>	<p>The changes to this Rule are again driven by practical constraints at particular meeting venues. However, the Rule explicitly preserves the democratic principle that a member retains the right to be heard at a meeting.</p> <p>The Chair retains an existing right to adjourn the meeting, or make other arrangements in appropriate circumstances.</p>
57	<p>The Chair of the Board, or in their absence any Vice Chair or another Director, shall chair Members' meetings. If no Director is present, such Member as the meeting may determine shall chair the meeting.</p>	<p>The Chair of the Board, <u>or the President of the Society (as the Board shall determine) in their absence any Vice Chair or another Director, shall ordinarily chair Members' meetings. In the absence of the Chair of the Board or the President of the Society, another Director shall chair the</u></p>	<p>Rule amended to provide more flexibility on who may chair a members meeting. The default position would be either the Chair of the Board or Society President.</p>

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		<i>meeting (to be determined by a majority of those Directors present at the meeting). If no Director is present, such Member as the meeting may determine shall chair the meeting.</i>	
64(a)	<i>Nine (9) Directors shall be elected by the Members in accordance with such arrangements as shall be determined by the Board of Directors ("Elected Directors"). There shall be no more than two (2) Elected Directors who are either Employees or who have been employees within the five (5) years preceding the relevant date of nomination.</i>	<i>Nine (9) Directors shall be elected by the Members in accordance with such arrangements as shall be determined by the Board of Directors ("Elected Directors"). <u>Elected Directors shall ordinarily serve a three (3) year term of office (subject to earlier termination in accordance with an express provision of these Rules) before being required to stand for re-election (and further three (3) year terms of office shall ordinarily apply, subject to the overall maximum term set out in Rule 67).</u> There shall be no more than two (2) Elected Directors who are either Employees or who have been employees within the five (5) years preceding the relevant date of nomination.</i>	The changes to this Rule clarify the requirement to stand for re-election every three years and allow a suite of historic transitional provisions to be removed.
64(b)	<i>The Board may co-opt up to four (4) Directors ("Appointed Directors") provided that at all times the number of Appointed Directors shall be in the minority. An Appointed Director must be eligible to serve on the Board in accordance with these Rules, shall serve for a fixed period determined by the Board at the time of co-option, subject to a review at least every 12 months, may be removed from office at any time by a resolution passed by a majority of the members of the Board, and shall be remunerated an amount (to be disclosed in the published accounts) from time to time fixed by the Board. Appointed Directors shall serve for a maximum of nine years. The appointment of any such Director shall be subject to ratification by the Members at the Member's Meeting which is on, or immediately following the</i>	<i>The Board may co-opt up to four (4) Directors ("Appointed Directors") provided that at all times the number of Appointed Directors shall be in the minority. An Appointed Director must be eligible to serve on the Board in accordance with these Rules, shall serve for a fixed period determined by the Board at the time of co-option, subject to a review at least every 12 months. <u>Appointed Directors</u> may be removed from office at any time by a resolution passed by a majority of the members of the Board, and shall be remunerated an amount (to be disclosed in the published accounts) from time to time fixed by the Board. Appointed Directors shall serve for a maximum of nine years. The appointment of any such Director shall be subject to ratification by the Members at the Member's Meeting which is on, or immediately following the relevant date of</i>	These minor changes are to ensure consistency with the further changes below concerning a Director's maximum term of office.

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	<p>relevant date of appointment, and then at the Member's Meeting which is on, or immediately following the third anniversary of the date of Member ratification (and each subsequent third anniversary subject to the further provisions contained in Rule 70). Any person who is an Employee or who has ceased to be an Employee in the five (5) years prior to any proposed appointment shall not be an Appointed Director.</p>	<p>appointment, and then at the Member's Meeting which is on, or immediately following the third anniversary of the date of Member ratification (and each subsequent third anniversary subject to the further provisions contained in Rule 67). Any person who is an Employee or who has ceased to be an Employee in the five (5) years prior to any proposed appointment shall not be an Appointed Director.</p>	
67 – 70	<p>Existing Directors</p> <p>67. An Existing Director, in office prior to 6 June 2015, may, when their term of office comes to an end after this date, stand for re-election as a Newly Appointed Director should they be eligible to do so under rule 74.</p> <p>68. An Existing Director shall, (if they attain 68 before the date of the half yearly meeting in 2024), stand down for a period of at least one year at the half yearly meeting commencing next after they attain the age of 68, before standing for re-election as a Newly Appointed Director should they be eligible to do so under rule 73. The Secretary may require any candidate to produce their birth certificate, in which case failure to comply with such request shall result in the Director's retirement as if they had attained the age of 68.</p> <p>69. For the purposes of rules 67 and 68, an Existing Director is a Person who assumed office as a Director of the Society under those rules governing the Society immediately prior to 31 July 2015.</p> <p>Newly Appointed Directors</p>	<p><u>Directors Maximum Term of Office</u></p> <p>67. A Newly Appointed Director shall, subject <u>always</u> to <u>meeting the criteria contained in Rule 70</u>, serve no more than three consecutive three-year terms of a total of nine (9) years in office, and shall stand down for a period of at least one year before becoming eligible for re-election. For the purpose of rules 67-68 a Newly Appointed Director is a Director who is not an Existing Director.</p>	<p>A suite of existing transitional provisions have been replaced with a clean statement referring to the maximum term of office for a Director. The change also removes the possibility of standing for periods beyond nine years if there has been a break of one year. This aligns with governance best practice and the provisions contained in the Corporate Governance Code.</p>

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	70. A Newly Appointed Director shall, subject to rule 73, serve no more than three consecutive three-year terms of office from the date of their appointment and shall stand down for a period of at least one year before becoming eligible for re-election. For the purpose of rules 67-68 a Newly Appointed Director is a Director who is not an Existing Director.		
73	(c) must provide to the satisfaction of the Secretary proof of purchases made by them in each of at least two of the three preceding years to a value of £500 per year with total expenditure in the three years of £1,500 (though this provision shall not apply to any Appointed Director);	(c) must provide to the satisfaction of the Secretary proof of: <u>(i) purchases made by them with the Society to a value of £500 in the twelve months immediately prior to the date of their nomination; or (ii) in the absence of having made such purchases, a significant contribution (financial or otherwise) to organisations, initiatives, schemes or activities in such a manner that demonstrates the Member's commitment to the Society's purpose (and the Board shall approve regulations that ensure a fair determination by the Secretary of any such commitment).</u> <u>For the avoidance of doubt, provisions (c)(i) and (ii) shall not apply when determining the eligibility for appointment of any Appointed Director;</u>	The Society has listened to feedback from members wishing to stand for election as a Director. The proposed changes reduce the level of spend required with the Society to £500 over a single 12 month period. We're also keen to expand the eligibility criteria, so that activity that is outside of spend can be considered, where prospective applicants can demonstrate commitment to our purpose and values. By introducing these changes, we make our Board more accessible, inclusive and reflective of the communities it serves.
84	Chair of the Society The Society shall have a Chair and may have one or more Vice Chairs, each to be appointed by the Board from within the current Directors. The Chair shall be appointed on an annual basis but may serve for up to six years consecutively. Once a Director has served for six consecutive years as Chair, that Director may not be	Chair of the Society Board The Society Board shall have a Chair and may have one or more Vice Chairs, each to be appointed by the Board from within the current Directors. The Chair's <u>performance and continuation in office</u> shall be <u>subject to an annual review by the Board, facilitated by the Secretary appointed on an annual basis but may serve for up to six years consecutively.</u> Once a Director has served for six consecutive years as	The changes here remove the current six year cap on the term of office for the Chair of the Board, and ensure there is a more rigorous annual review of the Chair's performance in line with governance best practice.

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	reappointed to the role for a period of two years. No person may serve more than nine years in total as Chair.	Chair, that Director may not be reappointed to the role for a period of two years. No person may serve more than nine years in total as Chair <u>(subject always to the overall maximum term of office for a Director set out in Rule-67).</u>	
89	<p>President</p> <p>Any Director may serve in the role of president of the Society. The president shall act in a ceremonial role as an ambassador for the Society, including representing the Society at public events and with Members. The president shall be elected annually by the Board from amongst their own number for a term of one year. No Director shall be eligible for president who has not been a Director for at least four years immediately preceding his appointment. The retiring president shall not be eligible for re-election as president in the year immediately following his retirement.</p>	<p>President <u>of the Society</u></p> <p>Any Director may serve in the role of President of the Society. The President shall act in a ceremonial role as an ambassador for the Society, including representing the Society at public events and with Members. The President shall be elected annually by the Board from amongst their own number for a term of one year. <u>The President must have appropriate experience in order to discharge the relevant responsibilities of the role, and</u> No Director shall be eligible for President who has not been a Director for at least <u>one</u> four years immediately preceding his <u>their</u> appointment. The retiring pPresident shall not be eligible for re-election as President in the year immediately following their <u>his</u> retirement.</p> <p><u>The positions of Chair of the Board and the President of the Society must not be held by the same individual.</u></p>	<p>These changes reduce the service requirement from four (4) years' to one (1) year in order for a Director to be eligible for the role of Society President, creating a more inclusive provision.</p> <p>Clarification has been provided that the Chair and President cannot be the same person. This ensures a better separation of duties and helps maintain proper governance practices.</p>
103	Interests relating to a financial benefit a Director may receive which is available to Employees and/or members generally such as dividend, share account interest, and Employee bonus shall not be deemed to be a personal material or financial interest for the purpose of the Disclosure of Interest provisions in these Rules.	Interests relating to a financial benefit a Director may receive which is available to Employees and/or members generally such as <u>any distribution of surplus</u> dividend , share account interest, and Employee bonus shall not be deemed to be a personal material or financial interest for the purpose of the Disclosure of Interest provisions in these Rules.	This change is a further consequential amendment following revision of member benefit/distribution provisions described in Rule 7.



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147	There are currently provisions 147 (a) – (g) which outline explicit provisions for the application of profits.	To remove this Rule in its entirety.	This has been replaced with a more general suite of provisions, as detailed under Rule 7.

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