

Rules of

The Active Wellbeing Society Limited

A Registered Society under the Cooperative and Community Benefit Societies Act 2014

Registration No. 7595

Anthony Collins Solicitors

1 **Introducing the Society and the rules**

1.1 **Name**

1.1.1 The name of the Society is The Active Wellbeing Society Limited.

1.2 **Registration**

1.2.1 The Society is a charity and registered as a community benefit society with the **Registrar**.

1.3 **Purpose and objects**

1.3.1 The purpose of the Society is to carry on business for the benefit of the community.

1.3.2 The Objects of the Society are to carry on business for the benefit of the community by:

- (a) advancing health and saving lives;
- (b) advancing citizenship and community development; and
- (c) providing relief to those in need because of their youth, age, ill-health, disability, financial hardship or other disadvantage

and the Society will achieve this through:

1.3.3 increasing participation in physical activity and exercise;

1.3.4 providing, or assisting in the provision of, recreation and other leisure time occupations in the interests of social welfare;

1.3.5 reducing health inequalities associated with long-term physical and mental health conditions;

1.3.6 building social cohesion and increasing community capacity, in particular by increasing participation by under-represented groups, such as ethnic minorities and families in poverty;

1.3.7 bringing community assets and open spaces into public use and promoting investment in environmental improvement;

1.3.8 facilitating more active travel through non-motorised means;

1.3.9 carrying out research and strategic policy development for public health and wellbeing; and

1.3.10 engaging in any activities which in the reasonable opinion of the Board are conducive, ancillary or incidental to any of the above.

1.4 **Corporate Status**

The Society is not a subsidiary of another organisation and shall not become a subsidiary of another organisation without first amending these rules to state the name of the new parent entity.

1.5 **Application of Surplus**

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

- (a) the continuation and development of the Society in furtherance of its Objects; or
- (b) to make payments for charitable purposes consistent with the Objects.

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

1.6 **Commitments**

1.6.1 The Society is formed for and will conduct its business for the benefit of the community.

1.6.2 The Society will seek to abide by and operate according to the internationally agreed principles of co-operation (the "Co-op Principles"), so far as is consistent with the charitable nature of the Society and the equitable treatment of members. The Co-op Principles are:

- (a) Voluntary and Open Membership;
- (b) Democratic Member Control;
- (c) Member Economic Participation;
- (d) Autonomy and Independence;
- (e) Education, Training and Information;
- (f) Co-operation among Co-operatives;
- (g) Concern for the Community.

1.6.3 The Society will abide by its adopted values and behaviours (together, "the Values"). The Society shall be:

- (a) innovative (a thought leader, activist, curious, brave, and entrepreneurial);
- (b) grounded (collaborative, committed to justice and equality, sustainable, demonstrating integrity, inclusive, honest, sustainable and empathic); and
- (c) evidenced (focussed on what works, solution orientated, passionate about making a difference, doing the right thing for the right reason at the right time).

1.6.4 The Society shall:

- (a) treat all people with whom it does business fairly and with respect; and
- (b) show proper concern for the natural environment in which it operates.

1.7 **Governing documents**

1.7.1 The documents which govern the Society consist of these rules (which always take precedence), together with any written codes of conduct, standing orders and any other written policies or procedures adopted by the Society to achieve good governance in the running of its affairs.

1.7.2 In these rules:

- (a) words starting with a capital letter (like Society) have a specific meaning which is made clear in the rules, and the Appendix at the end identifies the rule which makes this clear; and
- (b) words and phrases which are also highlighted in italics (like ***Registrar***) have a special meaning and the Appendix lists all of these words and phrases and explains what they mean.

1.7.3 The Board of Directors shall review the operation of these rules and the other governing documents in consultation with the Members Forum at least every three years with the first review in 2022, to ensure that these rules and the associated policies and procedures of the Society remain fit for purpose.

2 **Governance**

2.1 **Overview**

2.1.1 The Society has Members, a Members' Forum, a Board of Directors and a Secretary.

2.2 **Transitional Provisions**

2.2.1 Certain parts of these Rules, in particular in relation to the Members' Forum, its powers and its remit, are subject to the Transitional Provisions. Where there is any conflict between the body of these Rules and the Transitional Provisions, then the Transitional Provisions shall take precedence.

2.3 **Members**

2.3.1 Members have access to information, a voice in the Society, and the opportunity to play a representative role in its governance, as follows:

Information

2.3.2 Members are entitled to receive information about the Society and its affairs, as provided in these rules.

Voice

2.3.3 Members are entitled to have a voice in the Society as provided in these rules, by:

- (a) attending and speaking at certain meetings;
- (b) voting on certain resolutions;
- (c) electing Representatives onto the Members' Forum.

Representation

2.3.4 Members are entitled to stand for election to the Members' Forum as provided in these rules.

2.4 **Members' Forum and functions**

2.4.1 Subject to the Transitional Provisions, the Members' Forum represents Members and wider interests of the community in the governance of the Society's affairs.

2.4.2 The Members' Forum has certain specific functions as follows:

- (a) subject to the Transitional Provisions, to work with the Board in relation to the appointment of Non-executive Directors;
- (b) to consider and comment on the Society's business plan, corporate strategy and policy framework;

- (c) to monitor the performance of the Society and the Board of Directors against the corporate strategy;
- (d) to monitor progress of the Membership Strategy;
- (e) to receive the annual report and accounts;
- (f) to engage with the relevant forums and advisory groups of the Society as requested by the Board of Directors;
- (g) to provide advice, support and guidance to the Board when requested to do so;
- (h) to work with the Board of Directors to secure the good governance of the Society for the benefit of the community; and
- (i) to undertake such other tasks as the Board of Directors may request.

2.4.3 In carrying out their functions, Representatives on the Members' Forum have a duty to:

- (a) act at all times in the best interests of the Society in delivering its purpose and objects;
- (b) uphold the Values.

2.5 **Board of Directors and functions**

2.5.1 The Board of Directors shall

- (a) act as the guardian of the Society's keeping to the Co-op Principles and its Values, in so far as is compatible with the Society's status as a charitable community benefit society;
- (b) be responsible for the management of the affairs of the Society including both the setting of, and the approval of, the Society's business plan, and exercises all the powers of the Society subject to these rules.

2.6 **Secretary**

2.6.1 The Secretary of the Society or a person nominated by the Secretary acts as secretary to the Board of Directors and the Members' Forum.

2.6.2 The Secretary is appointed by the Board of Directors, subject to the approval of the Members' Forum. The Secretary may hold other responsibilities as an employee of the Society, but the Members' Forum must be satisfied that the Secretary is sufficiently independent of the Executive Directors.

2.6.3 The Board of Directors may appoint a deputy secretary (who may also be an employee) to act as secretary in the Secretary's absence.

2.6.4 The Secretary shall in particular:

- (a) call and attend all meetings of the Society, of the Board of Directors and of the Members' Forum, and keep the minutes of those meetings;
- (b) keep the registers and other books required by these rules;
- (c) make any returns on behalf of the Society to the **Registrar**;
- (d) have charge of the seal (if any) of the Society;
- (e) monitor the compliance of the Society with these rules; and
- (f) provide or secure the provision of professional support to the Members' Forum when it is needed.

3 **Members**

3.1 A Member of the Society is a person or an organisation whose name and address are entered in the Register of Members.

3.2 **Representative membership**

3.2.1 The Society shall at all times strive to ensure that taken as a whole its actual membership is representative of those eligible for membership, including by reference to different Member Communities. The Society shall seek to ensure that, as far as possible, a wide range of different Member Communities are equitably represented in the Society's membership.

3.2.2 To this end the Society shall at all times have in place and pursue a strategy for the active recruitment, retention and development of Members from different Member Communities (the Membership Strategy) which shall be established and maintained by the Board and monitored by the Members' Forum, and shall be reviewed by it from time to time, and at least every three years.

3.3 **Constituencies**

3.3.1 There are two constituencies of Members, Community Members and Employee Members, and

- (a) a person can only be a Member of one constituency;
- (b) a person who is eligible under these rules to be both a Community Member and an Employee Member may only be an Employee Member; and
- (c) an Employee Member who ceases to be an employee but is eligible to be a Community Member may then become a Community Member.

3.3.2 The constituency of Community Members may be sub-divided further into such Member Communities as the Board working with the Members' Forum may decide.

3.3.3 The constituency of Employee Members may be sub-divided further if the Members' Forum and the Board decide that this would be in the best interests of the Society and the implementation of the Membership Strategy.

3.3.4 Any such sub-division may be based on geography or such other criteria as seem to be appropriate to the Board .

3.4 **Criteria for membership**

3.4.1 Subject to the rules, membership is open to any person or organisation who is:

- (a) being a natural person, is 16 years of age or older; and
- (b) eligible under these rules to be a Community Member or an Employee Member; and

- (c) completes an application for membership in whatever form the Board specifies.

3.4.2 In the event of any doubt as to whether a person or organisation is eligible to be a Member, the Board of Directors makes the final decision, but may delegate the operation of this to the Secretary. In particular, the Board of Directors may decline an application for membership if in the reasonable opinion of the Board:

- (a) admitting the person or organisation concerned would cause or worsen an imbalance or inequity in the representation of different Member Communities in the Society's membership;
- (b) there are reasonable grounds for doubt that the person or organisation making the application will support the Values and / or the Co-op Principles (in so far as they are applicable to the Society, given its status as a charitable community benefit society).

3.5 Community Members

3.5.1 Subject to these rules, any person or organisation who supports the aims of the Society or who uses the services provided by the Society is eligible to be a Community Member provided that:

- (a) he, she or the organisation confirms in writing (which includes by email or by completing a form electronically) that he or she will abide by these Rules and by the Values; and
- (b) he, she or the organisation agrees to abide by any code of conduct for Members as may be adopted by the Board.

3.5.2 An organisation which is a Community Member shall by resolution of its governing body appoint an individual person who may during the continuance of her/his appointment be entitled to exercise all such rights and powers of membership as the corporate body would exercise if it were an individual person. Each such Community Member shall supply notification in writing to the Society of its choice of appointee.

3.6 Employee Members

3.6.1 Subject to these rules, a person employed by the Society, or any part of the **TAWS Group**, whether in full or part time employment (Employees) is eligible to be an Employee Member, provided that:

- (a) he or she confirms in writing (which includes by email or by completing a form electronically) that he or she will abide by these Rules and by the Values; and
- (b) he or she agrees to abide by any code of conduct for Members as may be adopted by the Board.

3.6.2 For the avoidance of doubt, Employees include those who are employed on a probationary period, apprentices, trainees and graduate trainees.

3.7 **Rules binding on Members**

3.7.1 All Members agree to be bound by these rules, and to support the purpose, objects and Values of the Society.

3.8 **Cessation of membership**

3.8.1 A Member shall cease to be a Member if:

- (a) they die or, being an organisation, cease to exist, are insolvent, or enter into a formal arrangement with creditors; or
- (b) they cease to be eligible to be a Community Member or Employee Member under these rules; or
- (c) they are expelled under these rules; or
- (d) being a Community Member, they cease in the reasonable opinion of the Secretary to be a user of services provided by the Society and have had no active involvement as a Member in the preceding 2 years; or
- (e) they cease to be a Member under Rule 3.9 (untraced Members); or
- (f) they withdraw from membership by giving notice to the Secretary, which shall be effective on receipt by the Secretary.

3.9 **Untraced Members**

3.9.1 Where the Society has evidence that a Member no longer lives at the address shown in its register of Members (the “registered address”), then subject to carrying out the following procedures, the Secretary may remove the name of such Member from the register of Members, and the Society may then cancel that Member’s shares and forfeit to the Society the amount standing to the credit of such Member in the share register of the Society, together with any sum of money representing interest credited to the Member in the books of the Society in respect of their shares (together referred to as “credit accounts”).

3.9.2 The procedures are as set out in the remainder of this Rule 3.9.

3.9.3 The Secretary shall take all reasonable steps to establish whether there is a forwarding address, and if there is one, to contact the Member at the forwarding address with the information set out below.

3.9.4 The Secretary shall cause advertisements to be posted conspicuously on parts of the Society’s website to which Members have access, giving the following information:

- (a) advising that the Society intends to, after a notice period of not less than two calendar months, revise its register of Members removing those Members no longer living at their registered address;

- (b) providing contact details, including via Electronic Means for any Person wishing to update their registered address, or to withdraw from membership of the Society.

3.9.5 At the end of the notice period, the Secretary shall update the register of Members by removing those Members no longer residing at their registered address, cancelling their shares.

3.10 **Expulsion from membership**

3.10.1 A Member must be expelled if, in the opinion of the Board, their conduct amounts to a breach of these rules, the Values, or is detrimental to the interests of the Society, and it would be in the best interests of the Society that they should be expelled from membership.

3.10.2 A Member may only be expelled by a resolution approved at a meeting of the Board.

3.10.3 The Board must give the Member concerned at least one month's notice in writing of the meeting. The notice for the meeting must set out the particulars of the complaint of conduct detrimental to the Society and must request the Member to attend the meeting to answer the complaint.

3.10.4 At the meeting the Board shall consider the evidence presented by the Society and by the Member (if any). The meeting may take place without the attendance of the Member.

3.10.5 If the resolution to expel the Member is passed in accordance with this rule 3.10, the Member shall immediately cease to be a Member.

3.10.6 A person expelled from membership may not become a Member again unless their application is approved by a resolution of the Board.

3.10.7 The Members' Forum may publish guidance permitting a Member to be accompanied by a third party at any meeting to consider their expulsion.

3.11 **Associates**

3.11.1 In addition to Members, the Society also has Associates.

3.11.2 The following people or organisations are eligible to be Associates (being a natural person, if they are over 16 years of age):

- (a) those not employed by any part of the **TAWS Group** but seconded to the Society or any part of the **TAWS Group** for a period exceeding 6 months; and
- (b) organisations which operate in the area served by the Society, and that wish to support the Society's aims, but that are not able or do not wish to become Community Members of the Society.

3.11.3 Associates are not Members, but are entitled to play a part in the Society as provided in these rules.

- 3.11.4 Associates may attend and speak at Members Meetings but shall have no right to vote at meetings or to take part in elections.

4 **Members Meetings**

4.1 **Members Meetings**

4.1.1 Members Meetings are either ordinary Members Meetings or special Members Meetings.

4.2 **Ordinary Members Meetings**

4.2.1 The Society shall hold an ordinary Members Meeting called the Annual Members Meeting within six calendar months after the close of each financial year or such later date as may be allowed by law.

4.2.2 The functions of the Annual Members Meeting are:

- (a) to receive from the Board of Directors the Annual Report and Accounts;
- (b) to receive from the Members' Forum a report of its activities for the last year;
- (c) to receive from the Members' Forum its report on the Membership Strategy;
- (d) to conclude elections to the Members' Forum; and
- (e) to transact any other general business of the Society set out in the notice convening the meeting including any business that requires a special resolution.

4.3 **Special Members Meetings**

4.3.1 All Members Meetings other than Annual Members Meetings shall be Special Members Meetings and shall be called either:

- (a) on an order of the Board of Directors; or
- (b) on a written requisition signed by the greater of three Members or one-tenth of the Members (to a maximum of twenty-five) stating the proposed resolutions for which the meeting is to be called.

4.3.2 If within twenty-eight days after delivery of a requisition to the Secretary a meeting is not called, the Members who have signed the requisition may call a meeting.

4.3.3 A Special Members Meeting shall not transact any business that is not set out in the notice convening the meeting.

4.4 **Notice of Members Meetings**

4.4.1 All Members Meetings shall be called by at least fourteen clear days' written notice to every Member, Representative and Director, and to the Auditor. The notice shall state whether the meeting is an Annual or Special Members Meeting, the time, date and place of the meeting, and the business for which it is called. Notice of meetings may be given to Members electronically and by reference to matters posted on the Society's website.

4.5 **Quorum for Members Meetings**

- 4.5.1 Before any Members Meeting can start its business, there must be a minimum number of Members (quorum) present. This includes Members who are able to participate in the meeting by attending by telephone, Skype, or other electronic means provided that such Members can hear or observe those speaking at the meeting, make comment to the meeting, and have a means of recording their vote.
- 4.5.2 A quorum is the lesser of 20 Members or 3% of all Members.
- 4.5.3 As part of the quorum at least two Members must be Community Members, and at least two Members must be Employee Members. All Members forming the quorum must have been in membership of the Society for at least 6 months.

4.6 **Procedure at Members Meetings**

- 4.6.1 Members Meetings are open to all Members, Associates, Representatives and Directors, and the Auditor, all of whom have the right to speak.
- 4.6.2 A Members Meeting held as a result of a Member's requisition will be dissolved if too few Members are present half an hour after the meeting should begin.
- 4.6.3 All other general meetings with too few Members will be adjourned to the same day, at the same time and place in the following week. If too few Members are present within half an hour of the time the adjourned meeting should have started, those Members present shall be a quorum and carry out the business of the meeting.
- 4.6.4 The chair of any Members Meeting can:
- (a) take the business of the meeting in any order that they may decide; and
 - (b) adjourn the meeting if the majority of the Members present 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; and
 - (c) with or without the agreement of the Members present, adjourn the meeting where in the chair's opinion the conduct of those present has become too unruly to permit an orderly meeting to continue.
- 4.6.5 At all Members Meetings the Chair of the Board of Directors shall preside. If there is no such Chair or if the Chair is not present or is unwilling to act, the Deputy Chair of the Board of Directors (if any) shall preside, failing which the Members present shall elect a Member to chair the meeting. The person elected shall be a Representative if one is present and willing to act.
- 4.6.6 The Society in Members Meetings can only exercise the powers of the Society expressly reserved to it by these rules or by statute.

4.7 **Voting at Members Meetings**

- 4.7.1 A resolution put to the vote at a Members Meeting shall be decided by votes cast upon a show of hands unless a poll is required under these rules.
- 4.7.2 The Board of Directors may make arrangements for Members to vote by post or electronically. Proxies are not permitted.
- 4.7.3 On a show of hands and on a poll, every Member who has been in membership of the Society for more than six months has one vote whether voting in person, by post or electronically.
- 4.7.4 No resolution shall be passed at a Members Meeting unless a majority of both Employee Members and Community Members vote in favour of the resolution.
- 4.7.5 In the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- 4.7.6 The decision of the Secretary that a resolution has been carried or lost, and whether by a particular majority if required, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of that fact.
- 4.7.7 Any question as to the acceptability of any vote shall be determined by the chair of the meeting after consulting the Secretary, whose decision shall be final.
- 4.7.8 A vote shall be taken at the meeting at such time and in such manner as the chair of the meeting directs. The result of such a vote shall be treated as the resolution of the Society in general meeting.

5 **Members' Forum**

5.1 **Composition of the Members' Forum**

5.1.1 The Society has a Members' Forum comprising:

- (a) 12 Community Representatives with no more than two Representatives from any individual Member Community elected by Community Members;
- (b) 4 Employee Representatives elected by Employee Members;
- (c) 2 Directors, appointed by the Board; and
- (d) up to 4 Appointed Representatives appointed by the Members' Forum itself.

5.1.2 The Members' Forum, working with the Board, shall decide from time to time who to approach in relation to the appointment of Appointed Representatives.

5.1.3 The Members' Forum shall try to ensure that:

- (a) so far as reasonably possible, through its composition the interests of the community served by the Society are appropriately represented; and
- (b) the level of representation of Community Members, different Member Communities, and Employees strikes an appropriate balance having regard to their respective interests in the Society's affairs.

5.1.4 To this end, the Members' Forum shall from time to time, and not less than every three years, review its composition, and recommend to the Board of Directors any changes (including any changes to these rules) which it considers to be appropriate.

5.1.5 The Members' Forum shall adopt a Code of Conduct. Every candidate for election and every person nominated for appointment shall sign a statement confirming their agreement to follow the Code of Conduct if elected or appointed.

5.2 **Elected Representatives**

5.2.1 The Community Representatives shall be elected by Community Members from the designated Member Communities using election procedures determined by the Board, which shall strive to ensure equality of representation and access.

5.2.2 The Employee Representatives shall be elected by Employee Members using election procedures determined by the Board, which shall strive to ensure equality of representation and access.

5.3 **Appointed Representatives**

5.3.1 The process for the consideration and appointment of Appointed Representatives shall be agreed by the Members' Forum and the Board together.

5.4 **Terms of office**

5.4.1 Community Representatives and Employee Representatives are elected for a period of three years, commencing immediately after the Annual Members Meeting at which their election is announced, and concluding at the end of the Annual Members Meeting three years later (which is treated for these purposes as three years). After that:

- (a) they are eligible for re-election at the end of the period;
- (b) but may not hold office for more than three consecutive three year terms, and are not eligible for re-election if they have already held office for more than six years.

5.4.2 For the avoidance of doubt, a Community Member or an Employee Member, who has served three consecutive three-year terms of office, or is ineligible for re-election under the provisions of clause 5.4.1. becomes eligible for election again at the conclusion of the next Annual Members Meeting four years after their previous term of office ended.

5.4.3 Appointed Representatives are appointed for a one-year term of office, at the end of which their appointment may be renewed, without any limit on the maximum period that may be served.

5.5 **Eligibility to be a Representative**

5.5.1 A person may not become a Representative if:

- (a) they are a Director, or they are the spouse or partner of a Director; or
- (b) they are the spouse or partner of another Representative; or
- (c) they are unable to provide a declaration of good character as required by the Sport England Code for Sports Governance or such other code as replaces it;
- (d) they have been removed from office as either a Representative or a Director under these rules; or
- (e) they have been dismissed from employment by the Society or any part of the **TAWS Group** for any reason other than a voluntary redundancy (which for the purposes of these rules means leaving that employment on good terms and without a formal dispute process) which occurred more than one year previously; or
- (f) by doing so they would in the opinion of the Secretary bring the Society into disrepute.

5.6 Termination of office and removal

- 5.6.1 A person holding office as a Representative shall immediately cease to do so if they become ineligible to be a Representative under these rules or if:
- (a) they resign by notice in writing to the Secretary;
 - (b) in the case of an elected Representative, they cease to be a member of the constituency by which they were elected;
 - (c) in the case of an Appointed Representative, the Board terminates the appointment;
 - (d) having been appointed in the capacity of Director, they cease to be a Director or their appointment is terminated by the Board;
 - (e) they are removed from the Members' Forum for breach of the Code of Conduct under rule 5.7.

5.7 Removal from office

- 5.7.1 A Representative may be removed from the Members' Forum by a resolution approved by not less than two-thirds of the Board present and voting at a Board meeting on the grounds that in the opinion of the Board of Directors:

- (a) they have committed a serious breach of the Code of Conduct; or
- (b) they have acted in a manner detrimental to the interests of the Society; and

the Board considers that it is not in the best interests of the Society for them to continue as a Representative.

- 5.7.2 Any Representative or the Board of Directors may complain in writing to the Secretary that a Representative has committed a serious breach of the Code of Conduct or acted in a way detrimental to the interests of the Society.

- 5.7.3 If a complaint is made, the Secretary must ensure that an appropriate process of investigation is carried out in consultation with the Chair of the Members' Forum and the Chair of the Board. The designated investigating body may either:

- (a) dismiss the complaint and take no further action, in which case the complaint shall be regarded as concluded
- (b) recommend to the Board that the complaint be upheld with a recommendation for an appropriate warning or sanction; or
- (c) arrange for a resolution to remove the Representative complained of to be considered at the next meeting of the Board.

- 5.7.4 If a resolution to remove a Representative is to be considered at a meeting of the Board details of the complaint must be sent to the Representative complained of not less than one calendar month before the meeting with an invitation to answer the complaint.

- 5.7.5 At the meeting the Board will consider evidence in support of the complaint and such evidence as the Representative complained of may wish to place before it.
- 5.7.6 If the Representative complained of fails to attend the meeting without due cause the meeting may proceed in their absence.
- 5.7.7 The Representative concerned may be removed from office if the Board resolve by a two-thirds majority that the Representative complained of has committed a serious breach of the Code of Conduct or acted in a way detrimental to the interests of the Society, and that it is in the best interests of the Society that they should be removed from office.
- 5.7.8 The following shall automatically be treated as a serious breach of the Code of Conduct:
- (a) failure to attend meetings as required by the Code of Conduct without valid reason approved by the Members' Forum; or
 - (b) refusal or persistent failure to undergo any training prescribed by the Society.
- 5.7.9 A Representative removed from office will cease to be a Representative upon the declaration by the Chair of the Board meeting that the resolution to remove them is carried.
- 5.7.10 No person who has been removed from office as a Representative and not reinstated on appeal may be elected or appointed as a Representative unless a resolution to permit this has been approved by the Board.

5.8 **Vacancies**

- 5.8.1 Where a vacancy arises amongst the elected Representatives for any reason other than expiry of term of office, the following provisions will apply:
- 5.8.2 The seat will be offered to the next highest polling candidate for that seat at the most recent election (if it was contested), who is willing to take office, and who will, as a result, be entitled to fill the seat for the remainder of the term of office.
- 5.8.3 If there is no such willing candidate, an election will be held before the next Annual Members Meeting to fill the seat for the remainder of the term of office.

5.9 **Training and development**

- 5.9.1 Training and development will be made available to Community Members and Employee Members who are interested in standing for election. The Board will specify any core training which any candidates for election or elected or Appointed Representatives are obliged to undertake. Training in the chairing of meetings is to be made available to Representatives.

5.10 **Expenses**

- 5.10.1 Serving as a Representative is a voluntary unpaid role. However, Representatives are entitled to be reimbursed out of pocket expenses incurred

in serving as a Representative, on proof of expenditure in accordance with the Society's policies and practice.

5.10.2 Out of pocket expenses can include the costs of providing care to another person, subject to prior approval by the Society.

5.10.3 Where Members' Forum meetings are held during the working day, Employee Representatives are entitled to attend such meetings without deduction of remuneration. Community Representatives who can prove loss of income caused by attending such Members' Forum meetings shall be entitled to claim a modest attendance allowance to be determined by the Board of Directors.

5.11 **Meetings, including calling, chairing, quorum and other procedures**

5.11.1 Members' Forum meetings will be held as frequently as needed, subject to a minimum of four meetings each year (from one Annual Members Meeting to the next).

5.11.2 Meetings of the Members' Forum are called by the Secretary, or by the Chair of the Members' Forum, or by four Representatives (including at least two Community Representatives and at least two Employee Representatives) who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Representatives as soon as possible after receipt of such a request. The Secretary shall call a meeting on at least fourteen but not more than twenty-eight days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair or the four Representatives, shall call such a meeting.

5.11.3 Save in the case of emergencies or the need to conduct urgent business (to be decided by the Secretary in discussion with the Chair of the Members' Forum), the Secretary shall give at least fourteen days' written notice of the date and place of every meeting of the Members' Forum to all Representatives, the Chief Executive and the Chair of the Board of Directors.

5.11.4 The Board shall appoint a chair for the Members' Forum from amongst the members of the Members' Forum. The Members' Forum may appoint any of its number to act as vice chair.

5.11.5 Ten Representatives or one half of the number of current members of the Members' Forum, whichever is lower, shall form a quorum.

5.11.6 Every meeting of the Members' Forum is to be attended as observers by the Chief Executive or the Deputy Chief Executive. Other Executive Directors are to attend meetings as requested to do so (with reasonable notice) by the Members' Forum.

5.11.7 Subject to these rules, any question arising at a meeting of the Members' Forum shall be decided by a majority vote. On any resolution put to the Members' Forum, each Representative present shall have one vote. In the event of a tie, the Chair of the meeting shall have a second or casting vote.

- 5.11.8 The Members' Forum may agree that Representatives can participate in its meetings by telephone, video or computer link. Participation in a meeting in this way shall be treated for the purposes of these rules as attending in person.
- 5.11.9 The Members' Forum may establish committees, sub-committees or working groups comprising Representatives, Directors, and any other persons to assist the Members' Forum in carrying out its functions, but it may not delegate any of the functions set out in these rules. The Members' Forum may, through the Secretary, request that advisors assist it or any committee, sub-committee or working group it appoints.
- 5.11.10 All decisions taken in good faith at a meeting of the Members' Forum or of any committee, sub-committee or working group 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 persons attending the meeting.
- 5.11.11 The Members' Forum is to adopt its own written standing orders for its practice and procedure, to be approved by the Board.
- 5.11.12 The Members' Forum shall appoint a Representative to attend meetings of the Board of Directors with the Chair of the Members' Forum.
- 5.11.13 If any Community Representative or Employee Representative is, in the opinion of the Board of Directors or a majority of the remaining Representatives, at any time in material dispute with the Society the remaining Representatives may suspend that Representative from attending any meeting of the Members' Forum or participating in its activities until such dispute is resolved to the satisfaction of the Board of Directors and a majority of the remaining Representatives.
- 5.11.14 If any Employee Representative is subject to a formal disciplinary process, the Secretary may suspend that Employee Representative until such time as such disciplinary process has concluded and shall, in the case of a finding of gross misconduct against such Employee Representative, permanently remove that person as an Employee Representative (unless the finding of gross misconduct is overturned on appeal).
- 5.11.15 If at any time all Employee Representatives are, in the opinion of the Board of Directors, in a material dispute with the Society and, accordingly, have been suspended pursuant to rule 5.11.14, then all provisions of these rules relating to the rights, obligations or conduct of the Members' Forum shall be deemed to be automatically varied such that the Members' Forum can continue to fulfil its functions and take decisions which are quorate without the involvement of Employee Representatives in such decisions, during such period of suspension.

5.12 Declaration or notification of interest

- 5.12.1 No Representative or member of a committee formed by the Members' Forum (or connected person) may have any financial interest in any contract or other transaction with the Society or with any other part of the **TAWS Group**, or be granted a benefit by the Society, unless such interest or benefit would not be in

breach of, and would not be inconsistent with, any code of conduct and/or governance adopted by the Board of Directors.

- 5.12.2 Any Representative or member of a committee formed by the Members' Forum, having an interest in any arrangement between the Society and someone else shall disclose their interest before the matter is discussed by the Members' Forum or any committee. Such disclosure must comply with any code of conduct and/or governance adopted by the Members' Forum from time to time. Unless it is expressly permitted by these rules they shall not remain present (unless requested to do so by the Members' Forum or committee) and they shall not have any vote on the matter in question.
- 5.12.3 If a question arises at a Members' Forum meeting or of a committee as to the right of a Representative to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair of that meeting, whose ruling in relation to any Representative or member of a committee other than the chair is to be final and conclusive.
- 5.12.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair of the meeting, the question is to be decided by a decision of the Representatives at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 5.12.5 Any decision of the Members' Forum or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 5.12.6 Every Representative 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:
- (a) a director or officer; or
 - (b) a member of a firm; or
 - (c) an official or elected member of any statutory body; or
 - (d) the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company; or
 - (e) the occupier of any property owned or managed by the Society which they occupy; or
 - (f) the holder of any other significant or material interest.
- 5.12.7 If requested by a majority of the Members' Forum or members of a committee at a meeting called specially for the purpose, a Representative 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 as the Board of Directors directs.

- 5.12.8 A member of the Members' Forum or member of a committee shall not have an interest for the purpose of these rules as a board member, director or officer of any part of the **TAWS Group**.
- 5.12.9 A person who receives services from the Society or any other part of the **TAWS Group** or an Employee shall not by virtue of that relationship alone have an interest for the purposes of these rules.

6 Board of Directors

6.1 Composition of the Board of Directors

6.1.1 The Board of Directors comprises Executive Directors and Non-executive Directors. There shall always be a majority of Non-executive Directors.

6.1.2 The Board of Directors comprises:

- (a) four Non-executive Directors all appointed by the Selection Panel pursuant to Rule 6.2.1;
- (b) 3 Independent Directors appointed for their skills or experience by the Board;
- (c) two Executive Directors, being the Chief Executive and the Deputy Chief Executive at that time.

6.1.3 The Non-executive Directors may decide to increase the number of Executive Directors on the Board of Directors, provided that the Executive Directors always remain a minority.

6.1.4 In addition to the above, the Board may appoint up to a further two Directors as co-optees, for such period as the Board may decide at its reasonable discretion.

6.1.5 In the event that the number of Directors at any time does not comply with these rules, the remaining Directors continue to have authority to act but shall use reasonable endeavours to secure the appointment of further Directors to ensure compliance with these rules.

6.2 Appointment of Directors

6.2.1 The Non-executive Directors are appointed by the Selection Panel, following such open selection process as the Board may determine. The Board shall, as a minimum, set and publish selection criteria in relation to candidates wishing to be considered for appointment as Non-executive Directors, which will include a requirement as to independence, and being suitably qualified in terms of skills, qualities and experience. The selection process must give the opportunity to any Member who wishes to put themselves forward for appointment to do so.

6.2.2 The Non-Executive Directors appoint the Independent Directors.

6.2.3 The Board appoints the Chief Executive.

6.2.4 A Committee comprising the Non-executive Directors and the Chief Executive appoints any other Executive Directors.

6.2.5 The Chief Executive may nominate one of the executive Directors to be Deputy Chief Executive. If the Chief Executive is unable to discharge their office as Chief Executive, the Deputy Chief Executive or, if no such appointment has been made, one of the Executive Directors nominated by the Chair of the Board of Directors and the Non-executive Directors, shall act as acting Chief Executive.

6.3 Removal of Directors

- 6.3.1 The Board may remove the Chief Executive. A committee of the Non-executive Directors and the Chief Executive may remove any other Executive Director.
- 6.3.2 The Non-executive Directors may remove Independent Directors or co-optees at any time, provided that the removal is considered at a Board meeting called for that purpose.
- 6.3.3 The Selection Panel may remove any of the Non-executive Directors in accordance with these rules.
- 6.3.4 The removal of a Non-executive Director shall be in accordance with the following procedures:
- 6.3.5 Any proposal for removal may be proposed:
- (a) by a Representative and if so proposed must be seconded by not less than five other Representatives; or
 - (b) by at least three Directors.
- 6.3.6 Written reasons for the proposal shall be provided to the Non-executive Director in question, who shall be given the opportunity to respond to such reasons.
- 6.3.7 In making any decision to remove a Non-executive Director the Selection Panel shall;
- (a) take into account the annual appraisal carried out by the Chair of the Board of Directors;
 - (b) take into account the terms of any relevant contractual obligations binding on the Society which prescribe restrictions on the Society in relation to Directors.
- 6.3.8 The Selection Panel may only remove a Non-executive Director with the approval of a two-thirds majority of those Selection Panel members present and voting at a meeting of the Selection Panel.
- 6.3.9 If any proposal to remove a Non-executive Director is not approved at a meeting of the Selection Panel, no further proposal can be put forward to remove such Non-executive Director based upon the same reasons within twelve months of the meeting decision.

6.4 Terms of office

- 6.4.1 Executive Directors and co-optees are appointed for such term of office as is decided by the Board.

6.4.2 Non-executive Directors and Independent Directors are appointed for a fixed term of office expiring at the conclusion of the third annual general meeting after their appointment becomes effective.

6.4.3 Non-executive Directors may be re-appointed for subsequent terms of office in accordance with these rules, subject to the Selection Panel being satisfied as to their continued independence, up to a maximum of nine years in total.

6.4.4 Independent Directors may be re-appointed by the Board for subsequent terms of office in accordance with these rules, up to a maximum of nine years in total.

6.5 Eligibility

6.5.1 No one can become or remain a Director at any time if:

- (a) they are under 18 years of age;
- (b) they are disqualified from acting as a director of a company for any reason; or
- (c) they have been convicted of an indictable offence which is not, or cannot, become spent; or
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts, or
- (e) they are an undischarged bankrupt; or
- (f) they are not an Executive Director, have served for a continuous term of nine years as a Director, and the proposed appointment is less than four years after the end of that term; or
- (g) they are a Representative, or they are a family member, spouse or partner of a Representative or of a Director; or
- (h) they are an Employee (save in the case of Executive Directors), a family member, spouse or partner of an Employee of the Society or of any part of the **TAWS Group**; or
- (i) they have been removed from any office under these rules for breach of the relevant Code of Conduct.

6.5.2 Any Director who at any time ceases to qualify under this rule 6.5 shall immediately cease to be a Director.

6.6 Vacancies

6.6.1 When a vacancy for a Director arises, it shall be filled as soon as possible.

6.7 Remuneration and expenses

6.7.1 The Board shall decide on the remuneration (if any) and policy for the reimbursement of expenditure of Directors, both Non-executive Directors and Executive Directors.

6.8 **Quorum for meetings of the Board of Directors**

- 6.8.1 Except as provided below, three Directors, including at least one Executive Director and at least one Non-executive Director shall form a quorum.
- 6.8.2 If the subject of the Board meeting (or for that part of the Board meeting) is an Executive Director, there shall not be a requirement for another Executive Director to be present.
- 6.8.3 The Board of Directors may determine a higher number or impose additional requirements.
- 6.8.4 If the number and make up of Directors falls below the number and composition necessary for a quorum, the remaining Directors may continue to act as the Board of Directors for a maximum period of six months and the quorum provisions for Board meetings shall be suspended for that time. At the end of that time the only power the Board of Directors may exercise shall be to address the number and composition of the Board of Directors required by these rules.

6.9 **Board meetings, including calling, chairing, quorum and other procedures**

- 6.9.1 The Board of Directors shall meet at least four times every calendar year.
- 6.9.2 The Chair of the Members' Forum shall at all times be entitled to attend meetings of the Board of Directors as an observer. If the Chair of the Members' Forum is unable to attend any particular meeting of the Board of Directors, then the Members' Forum may nominate an additional Representative to attend the relevant meeting. The Representative attending any such meeting (whether it is the Chair of the Members' Forum or otherwise) shall have no right to speak but may be invited to do so by the Chair of the Board of Directors.
- 6.9.3 At least seven days written notice of the date and place of every Board meeting shall be given by the Secretary to all Directors, the Chair of the Members' Forum and the nominated Representative. The Board of Directors may meet on shorter notice where not less than fifty percent of the Directors so agree.
- 6.9.4 Meetings of the Board of Directors may be called by the Secretary, or by the Chair, or by three Directors who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Directors as soon as possible after receipt of such a request. Pursuant to the 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 of the Board of Directors or two Directors, whichever is the case, shall call such a meeting.
- 6.9.5 Except where these rules say otherwise, a resolution is passed if a majority of those voting are in favour. Every Director has one vote. In the case of an equality of votes, the chair of the meeting shall have a second and casting vote.
- 6.9.6 All decisions taken in good faith at a meeting of the Board of Directors or any committee meeting shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of any of the Directors at a meeting.

- 6.9.7 A resolution in writing sent to all Directors (and to the Chair of the Members' Forum and the nominated Representative for information) or all members of a committee and signed, or confirmed electronically, by a majority of the Directors or the required majority of the members of a committee who are not abroad shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the Board of Directors or committee.
- 6.9.8 Meetings of the Board of Directors or a committee can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting and whether or not all are assembled in one place.
- 6.9.9 Notice may be given to Directors by post or fax or electronic communication at the last address or number for such communication given to the Secretary. The accidental failure to give notice to a Director, the Chair of the Members' Forum and the nominated Representative, or the failure of any of them to receive such notice shall not invalidate the proceedings of the Board of Directors.

6.10 **Chair and Deputy Chair**

- 6.10.1 The Board of Directors shall elect one of the Non-executive Directors (including for these purposes the Independent Directors) to be the Chair of the Board of Directors, for such period as the Board of Directors may decide. The Chair may only be removed at a meeting of the Board of Directors which has been called (solely or in part) for that purpose.
- 6.10.2 The Chair of the Board of Directors shall be Chair of the Society and shall chair meetings of the Board of Directors.
- 6.10.3 The Board of Directors shall also elect one of the Non-executive Directors to be Deputy Chair of the Board of Directors, for such period as the Board of Directors may decide. If the Chair is unable to discharge their office as Chair of the Society, the Deputy Chair of the Board of Directors shall be acting Chair of the Society.
- 6.10.4 The first item of business for any meeting of the Board of Directors when the Chair (or Deputy Chair) is not present shall be to elect a chair for the purpose of the meeting. The chair shall at all times be a Non-executive Director.

6.11 **Committees of the Board**

- 6.11.1 The Board of Directors may delegate the exercise of any of its powers under written terms of reference to a committee of the Board of Directors or to officers or Employees. Those powers shall be exercised in accordance with any written instructions given by the Board of Directors.
- 6.11.2 The Board of Directors may reserve to itself any matters which it does not wish to be delegated to committees or Employees.
- 6.11.3 The membership of any committee shall be determined by the Board of Directors. Every committee shall include at least one Director. The Board of Directors will appoint the chair of any committee and shall specify the quorum.

- 6.11.4 All acts and proceedings of any committee shall be reported to the Board of Directors.
- 6.11.5 No committee can incur expenditure on behalf of the Society unless at least one Director on the committee has voted in favour of the resolution and the Board of Directors has previously approved a budget for the relevant expenditure.
- 6.11.6 The Board of Directors may designate as officers such other executives, internal auditor and staff of the Society on such terms (including pay) as it from time to time decides.

6.12 Declaration or notification of interest

- 6.12.1 No Director or member of a committee (or connected person) may have any financial interest in any contract or other transaction with the Society or with any part of the **TAWS Group**, or be granted a benefit by the Society, unless such interest or benefit would not be in breach of, and would not be inconsistent with, any code of conduct and/or governance adopted by the Board of Directors.
- 6.12.2 Any Director or member of a committee, having an interest in any arrangement between the Society and someone else, shall disclose their interest before the matter is discussed by the Board of Directors or the relevant committee. Such disclosure must comply with any Code of Conduct adopted by the Board of Directors from time to time. Unless it is expressly permitted by these rules they shall not remain present (unless requested to do so by the Board of Directors or committee), and they shall not have any vote on the matter in question.
- 6.12.3 If a question arises at a meeting of the Board of Directors or of a committee as to the right of a Director or a member of a committee to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair of that meeting, whose ruling in relation to any Director or committee member other than the chair is to be final and conclusive.
- 6.12.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 6.12.5 Any decision of the Board of Directors or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 6.12.6 Every Director 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:
 - (a) a director or officer; or
 - (b) a member of a firm; or
 - (c) an official or elected member of any statutory body; or

- (d) the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company; or
 - (e) the occupier of any property owned or managed by the Society which they occupy; or
 - (f) the holder of any other significant or material interest.
- 6.12.7 If requested by a majority of the Board of Directors or members of a committee at a meeting called specially for the purpose, a Director 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 as the Board of Directors directs.
- 6.12.8 A Director or member of a committee shall not have an interest for the purpose of these rules by virtue of being a Director or officer of any part of the **TAWS Group**.
- 6.12.9 A person who receives services from the Society or any other part of the **TAWS Group** or an Employee shall not by virtue of that relationship alone have an interest for the purposes of these rules.

7 Reporting to Members

Auditor

7.1 The Society, if required by law to do so, shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 91 of the Act.

7.2 The following cannot act as an auditor:

7.2.1 an Officer or employee of the Society;

7.2.2 a person employed by or employer of, or the partner of an Officer or employee of the Society.

7.3 The Society's auditor may be re-appointed by the Members' Forum as set out in these rules or appointed by a resolution of Members.

7.4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's accounts as well unless

7.4.1 an annual or special general meeting has appointed someone else to act or has resolved that the auditor cannot act; or

7.4.2 the auditor does not want to act and has told the Society in writing; or

7.4.3 the person is not qualified or falls within Clause 7.2 (above); or

7.4.4 the auditor has become incapable of acting; or

7.4.5 notice to appoint another auditor has been given.

7.5 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.

7.6 The Society shall send a copy of the resolution to the retiring auditor and also give notice to the Members (which notice may be given electronically), the Members' Forum, the Directors and Secretary at the same time and in the same manner, if possible.

7.7 If this is not possible, the Society shall give notice by advertising on its website at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to Members under Section 95 of the Act.

Auditor's duties

7.8 The findings of the auditor shall be reported to the Society, in accordance with Section 87 of the Act.

7.9 The Board of Directors shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, to the Members' Forum and electronically for Members in advance of the Annual Members Meeting. The Board of Directors shall also produce its report on the affairs of the Society which shall be signed by the person chairing the meeting which adopts the report.

Accounting Requirement

- 7.10 The end of the accounting year must be a date allowed by the Registrar.
- 7.11 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with sections 75 and 76 of the Act.
- 7.12 The Society shall establish and maintain satisfactory systems of control of its books of accounts, its cash and all its receipts and payments

Annual Returns and Balance Sheets

- 7.13 Every year, within the time period specified by legislation, the Secretary shall send the Society's annual return to the Registrar. The return shall be prepared in accordance with the period specified in the Act, or such other date allowed by the Registrar and shall be lodged within the period required by law. The annual return shall be accompanied by the auditor's report, if required, for the period of the return and accounts and balance sheets to which it refers

Publication of Accounts and Balance Sheet

- 7.14 The Society shall give to all Members on request copies of its last Annual Report and Accounts, free of charge.
- 7.15 The Society must display a copy of its latest Balance Sheet and Auditor's report (if one is required by law) at its registered office.

Members' Forum report

- 7.16 The Members' Forum shall present to each Annual Members Meeting a report of its activities for the last year, including a report on progress implementing the adopted Membership Strategy for the Society.

8 Change

8.1 Amendments to Rules

8.1.1 Any of these Rules other than this Rule, Rule 1.3, Rule 1.5 and Rule 8.4 may be rescinded or amended or a new Rule made by a vote of at least 75% (seventy five percent) of the members of the Society voting at a General Meeting of which 14 clear days' notice has been given, such notice to include details of the changes to be proposed at the meeting PROVIDED THAT if the Society qualifies as charitable, no amendment shall be permitted which would have the effect of making the Society cease to be a charity at law.

8.2 Amendment procedure

8.2.1 The rules may only be amended by a resolution put before the Members by the Board of Directors which has been approved by at least two thirds of the Board of Directors prior to the approval by the Members.

8.2.2 A resolution to amend any provision of these rules affecting the rights of Community Members or Employee Members shall only be passed if it is also passed by a majority of Community Members or Employee Members as the case may be.

8.2.3 Amended rules shall be registered with the **Registrar** as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

8.3 Transfer of engagements

8.3.1 The Society may, by special resolution passed by the Members in accordance with the law, amalgamate with or transfer its engagements to another society.

8.3.2 The Society may accept a transfer of engagements and assets from another society by resolution of a Members Meeting.

8.4 Dissolution

8.4.1 The Society may be dissolved by the consent of at least 75% (seventy-five per cent) of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act or the Insolvency Act 1986.

8.4.2 Upon the winding up or on dissolution of the Society, if any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members but shall instead be transferred to some other charitable body or bodies or trust(s) with objects similar to or compatible with the Objects and subject to at least the same degree of restriction on distribution of profits and assets as the Society has (the identity of which may be decided by the members at the time of or prior to the dissolution and such a body may include a public authority or body holding the assets on trust for such purposes).

9 Share capital

- 9.1 The Society shall have shares of £1 each.
- 9.2 Every Member holds one share in respect of their membership (“a Membership Share”), which is allotted on admission to membership.
- 9.3 No payment is due for a Membership Share unless the Society requests it.
- 9.4 No Member may hold more than one Membership Share.
- 9.5 When a Member ceases to be a Member, their Membership Share is cancelled. The amount paid up (if any) shall become the property of the Society.
- 9.6 Application for further shares shall be made to the Secretary, and is subject to any maximum specified by law.
- 9.7 The Society may from time to time make a Community Share Offer, and any such offer may specify a minimum number of shares to be purchased. Shares purchased through a Community Share Offer shall be paid for in full on allotment.
- 9.8 Shares shall not be transferable except on death, bankruptcy or a change of nominee by an unincorporated body and shall be withdrawable at the sole discretion of the Board in accordance with the Rules as follows:
- 9.8.1 shares may be withdrawn by members who have held them for a minimum period of 3 years or such other period as the Board may decide from time to time;
- 9.8.2 application for withdrawal shall be made on not less than three months' notice, on a form approved by the Board;
- 9.8.3 the Board may specify a maximum total withdrawal for each financial year;
- 9.8.4 all withdrawals shall be funded from trading surpluses, reserves or new share capital raised from members, and shall be at the absolute discretion of the Board having regard to the long-term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit. If any withdrawal is to be funded from reserves, the Board must be satisfied that:
- (a) as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and
- (b) the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal;
- 9.8.5 all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made;
- 9.8.6 except where a member intends to terminate their membership, they shall not be permitted to withdraw shares leaving them with less than the minimum required by these Rules;

- 9.8.7 the Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers appropriate;
 - 9.8.8 the Board may by a written announcement published on its website suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall apply to all notices of withdrawal which have been received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Board;
 - 9.8.9 during any period when the right of withdrawal has been suspended, the shares of a deceased member may, if the Board agrees, be withdrawn by their personal representatives on giving such notice as the Board requires;
 - 9.8.10 the Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a member on the withdrawal of shares; and
 - 9.8.11 any Shares withdrawn shall be cancelled.
- 9.9 The Society may (but is under no obligation to) pay interest to holders of shares, as compensation for the use of such funds, subject to the following:
- 9.9.1 any payment of interest must be from trading surpluses and is at the discretion of the Board having regard to the long-term interests of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit;
 - 9.9.2 the rate of interest to be paid from time to time shall be determined by the Board, provided that the rate of interest shall: (a) always be declared in advance of the period for which it is intended to be paid and (b) not exceed the lowest rate sufficient to obtain the necessary funds from members who are committed to furthering the Society's Objects.
- 9.10 On the solvent winding-up of the Society, holders of shares will have no financial entitlement beyond the payment of outstanding interest and repayment of their paid-up share capital.
- 9.11 In the event that a member resigns from membership, dies (or in the case of a corporate body ceases to exist), or is expelled in accordance with the Rules, the shares held by them at the date of resignation, removal or expulsion shall thereupon become a loan, repayable to the former member (or where applicable, to their personal representative(s)) by the Society. The terms of repayment shall be those applying to the withdrawal of share capital set out in these Rules, and notice of withdrawal shall be treated as having been given at the point of resignation, removal or expulsion.
- 9.12 If the Society's Auditor or reporting accountant certifies at any time that the Society's liabilities when added to the value shares in issue are greater than its assets, then the Board may resolve that this excess shall be apportioned among the members in proportion to the amount of the nominal value of shares held by each member (but not beyond that amount). The apportionment shall be based on the value of paid up shares held by members at the time of the resolution. The value of each member's shares shall then be reduced for the purpose of allowing any withdrawals, except that the value may not be reduced below the minimum shareholding required by these Rules.

- 9.13 The Society shall have a lien over the shares of any member for any debt or liability due to it and may set off any sum standing the that member's credit against such liability or debt
- 9.14 In accordance with section 37 of the Act, a Member may nominate one or more persons to whom property which that Member holds in the Society may be transferred on death. On receiving a satisfactory proof of death of a Member who has made a nomination the Society shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the individual or individuals entitled thereunder. Any property held by a Member who dies or becomes bankrupt which is not dealt with by nomination under this Rule shall be dealt with as follows:
- 9.15 The Society shall transfer or pay property to which an Officer Holder has become entitled as the Office Holder may direct the Society but only upon a claim being made by:
- 9.15.1 the personal representative of a deceased Member; or
 - 9.15.2 the trustee in bankruptcy of a Member who is bankrupt; or
 - 9.15.3 the Office Holder to any property in the Society belonging to such a Member.
- 9.16

10 **Administrative**

10.1 **Powers**

10.1.1 The Society shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its purpose and objects, except as expressly prohibited in these rules.

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

- (a) purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, including without limitation construct or carry out works to buildings;
- (b) help any charity or other body not trading for profit in relation to leisure and related services;
- (c) subject to these rules borrow money or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing;
- (d) enter into and perform any derivative transaction on such terms as the Society thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of the Society;
- (e) invest the funds of the Society in such manner as it decides; and
- (f) lend money on such terms as the Society shall think fit.

10.1.3 The Society shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000 or any other authority required by statute unless it has such authorisation.

10.1.4 The certificate of an officer of the Society that a power has been properly exercised shall be conclusive as between the Society and any third party acting in good faith.

10.1.5 A person acting in good faith who does not have actual notice of these rules or the Society's regulations shall not be concerned to see or enquire if the Board of Directors' powers are restricted by such rules or regulations.

10.2 **Borrowing and financial management**

10.2.1 The total borrowings of the Society at any time shall not exceed £50 million (fifty million pounds) or such a larger sum as the Society determines from time to time in a Members Meeting. For the purposes of this rule 10.2 any amount of the Society's borrowings in any currency other than pounds sterling shall be converted to sterling at the exchange rate or rates applicable under the related derivative transaction or transactions by which the Society has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowings.

10.2.2 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 of Directors, is reasonable having regard to the terms of the loan. The Board of Directors may delegate the determination of the said interest rate within specified limits to an officer, Director or a committee.

10.2.3 In respect of any proposed borrowing, for the purposes of these rules;

(a) the amount remaining un-discharged of any deferred interest or index-linked monies previously borrowed by the Society 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

(b) 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 Society at the time of the proposed borrowing.

10.2.4 The funds or monies borrowed by the Society may be invested by the Board of Directors in such manner as it determines.

10.3 **Settlement of disputes**

10.3.1 Any dispute on a matter covered by these rules shall be referred by either party to a suitably qualified independent mediator for settlement. The mediator shall be appointed by agreement between the parties or, in default of agreement, by the Centre for Effective Dispute Resolution whether the disagreement be as to the qualifications, the identity of the mediator or otherwise. The mediation will be conducted in accordance with the requirements of the mediator. Both parties will be obliged to comply and co-operate with this procedure at each stage and to share equally the costs of appointment of the relevant mediator as referred to above. Costs thereafter will be borne as the mediator will determine. Where the dispute is not resolved by mediation, any claim shall be dealt with in the county court which shall have sole jurisdiction over any dispute arising under these rules.

10.4 **Statutory applications to the Registrar**

10.4.1 Ten Members can apply to the **Registrar** to appoint an accountant to inspect the books of the Society, provided all ten have been Members of the Society for a twelve-month period immediately before their application.

10.4.2 The Members may apply to the **Registrar** in order to get the affairs of the Society inspected or to call a special Members Meeting. One hundred Members, or one-tenth of the Members, whichever is the lesser, must make the application.

10.5 **Register of Members and Officers**

10.5.1 The Society shall keep at its registered office or in a secure location electronically:

(a) the register of Members showing:

i the names and addresses of all the Members; and

- ii a statement of all the shares held by each Member and the amount paid for them; and
- iii a statement of other property in the Society held by the Member; and
- iv the date that each Member was entered in the register of Members;
- (b) a duplicate register of Members showing the names and addresses of Members and the date they became Members;
- (c) a register of the names and addresses of the officers of the Society, their offices and the dates on which they assumed those offices as well as a duplicate;
- (d) a register of holders of any loan;
- (e) a register of mortgages and charges on land;
- (f) a copy of the rules of the Society.

10.6 Notices

10.6.1 Any notice required to be given by these rules may be posted or delivered electronically to an address provided by the intended recipient for that purpose.

10.6.2 Any accidental failure to deliver any notice to any person as required by these rules shall not invalidate the proceedings at that meeting. A notice or communication sent to a Member at their address shown in the register of Members shall be treated as having arrived two days after being posted and any sent by fax or electronic communication shall be treated as having been served when received provided that in respect of a fax it is legible and in respect of an electronic communication, it is in a readable form.

10.7 Minutes and books

10.7.1 The minutes of all Members Meetings and all meetings of the Board of Directors, the Members' Forum and committee meetings shall be recorded, agreed by the relevant subsequent meeting and retained in secure electronic or physical storage by the Society.

10.8 The seal

10.8.1 The Secretary shall keep the seal (if any). It shall not be used except under the authority of the Board of Directors. It must be affixed by one Director signing and a second Director or the Secretary countersigning or in such other way as the Board of Directors resolves. The Board of Directors may in the alternative authorise the execution of deeds in any other way permitted by law.

10.9 **Copies of rules and regulations**

10.9.1 The Secretary shall give a copy of the rules of the Society to any person on demand who pays such sum as is permitted by law.

10.10 **Directors' and Officers' indemnity and insurance**

10.10.1 Every officer or Employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of their duty.

10.10.2 Except for the consequences of their own dishonesty or gross negligence no officer or Employee shall be liable for any losses suffered by the Society or any part of the **TAWS Group**.

10.10.3 The Society shall pay insurance premiums in respect of insurance taken out to insure Directors, officers and Employees.

10.11 **Registered office**

10.11.1 The Society's registered office is at Hay Hall Manor House, Hay Hall Business Park, Redfern Road, Tyseley, Birmingham, B11 2BE

10.11.2 The Society's registered name must be:

- (a) placed prominently outside every office or place of business; and
- (b) engraved on its seal (if any); and
- (c) stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

11 **Transitional Provisions**

Members' Forum

- 11.1 Prior to the Society Members' Meeting in the autumn of 2020 or the number of Members of the Society reaching 1500 (whichever is the later), the Members' Forum will operate in shadow form only, and all decisions to be taken by that body under these rules may be taken by the Board. Any Members' Forum or similar body formed prior to that date will operate in a purely advisory capacity.

Appointment of Directors

- 11.2 Prior to the Society Members' Meeting in the autumn of 2021, all powers of appointment in the Board which are granted to the Members' Forum shall vest in the Board.

APPENDIX

1. These rules should be read and understood on the basis of what is set out below.
2. Words in the singular include the plural, and words in the plural include the singular.
3. Any reference to legislation includes any subsequent enactments, amendments and modification, or any subordinate legislation.
4. The section, rule and paragraph headings are inserted for convenience only and shall not affect the interpretation of the rules.
5. The following words and phrases have the special meaning set out below.

Act	The Cooperative and Community Benefit Societies Act 2014
Connected Person	In relation to an individual who is a Director, co-optee or committee member (the fiduciary), a person or body with whom the fiduciary shares a common interest such that the fiduciary may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person or body, being either a member of the fiduciary's family or household, or a person or body who is a business associate of the fiduciary, but (for the avoidance of doubt) this does not include a company with which the fiduciary's only connection is as the owner or controller of less than 2% of a company the shares in which are publicly quoted or less than 10% of any other company
Officer	Shall include the Chair and Secretary of the Society and any Director for the time being
Registrar	The Financial Conduct Authority or any replacement body
TAWS Group	The Society and any other corporate body which the Society designates in writing as being within the TAWS Group for the purposes of these rules

6. The specific meaning of the following words and phrases is as follows:

Associate	A member of staff seconded to the Society OR an organisation which has a presence in the area served by the Society which, for whatever reason, is not eligible to become a Member that, in either case, becomes an Associate of the Society under rule 3.11
Board of Directors	The board of the directors of the Society for the time being
Chair	Depending on the context, the chair of the meeting which is the subject of the Rule concerned, or the Chair of the Board of Directors
Chief Executive	The senior officer of the Society
Community Members	Members of the Society who are served by the Society and who are not Employees

Community Representative	A member of the Members' Forum who is a Community Member
Community Share Offer	An offer to Members to purchase withdrawable shares in the Society over and above their Membership Share
Director	A director of the Society for the time being
Employee	A person who is employed by the Society as further defined by Rule 3.6
Employee Members	Members of the Society who are employees of the Society
Employee Representative	A member of the Members' Forum who is an Employee Member
Members	The members for the time being of the Society
Member Community and Member Communities	A specific grouping of Members by geographical areas as the Board may agree
Members' Forum	The body constituted by these Rules to represent Members in the governance of the Society
Membership Strategy	Any strategy adopted by the Board of Directors for the Society's involvement with its Members
Office Holder	means a receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member's assets
Representative	A member of the Members' Forum
Secretary	The person designated as such by the Board of Directors under these Rules
Selection Panel	A committee comprising Representatives who must always form a majority on the committee, and the members of the Board of Directors, appointed by the Board to carry out the selection process for Non-executive Directors
Transitional Provisions	The provisions in Rule 11 altering the governance of the Society in the period prior to the end of 2021

SIGNED BY THREE MEMBERS:

(SIGNATURE)

FULL NAME.....

DATE.....

(SIGNATURE)

FULL NAME.....

DATE.....

(SIGNATURE)

FULL NAME.....

DATE.....

SIGNED BY THE SECRETARY:

(SIGNATURE)

FULL NAME.....

DATE.....