ALL PREVIOUS RULES RESCINDED

Registered No. 325 R (S)

RULES OF
SCOTTISH AGRICULTURAL ORGANISATION SOCIETY LIMITED

Registered under the Industrial and Provident Societies Act
on
16th November 1905

Partial amendment registered 20th April 2023

Registered Office:
The Rural Centre, West Mains, Ingliston, EH28 8NZ

RULES OF

Scottish Agricultural Organisation Society Limited
(Registered under Industrial & Provident Societies Acts No 325 R(S))

NAME, SEAL, REGISTERED OFFICE

1 **NAME** The name of the Society shall be "Scottish Agricultural Organisation Society Limited" (hereinafter referred to as "the Society").

2 **USE OF NAME** The name of the Society shall be displayed in a conspicuous position and in letters easily legible on the outside of the registered office and every other office or place in which the business of the Society is carried on and shall be mentioned in legible characters in all business letters, bills, invoices, receipts, letters of credit, notices, advertisements and other official publications of the Society and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society.

3 **SEAL** The Society shall have a seal on which shall be engraved in legible characters the name of the Society. The seal shall be kept in the custody of the Secretary or such other officer as the Board shall direct and shall be used only under the authority of a duly recorded resolution of the Board. The impression of the seal on any document shall be attested by the signatures of two Directors and the Secretary.

4 **REGISTERED OFFICE** The registered office of the Society shall be situated at Rural Centre, West Mains, Ingliston, Newbridge EH28 8NZ

The situation of the registered office may be changed by a resolution of the Board notified within fourteen days to the Mutual Societies Section of the Financial Services Authority in the form for the time being prescribed by law.

OBJECTS AND POWERS

5 **OBJECTS** The objects of the Society shall be:-

(1) to disseminate the principles and methods of co-operation as applicable amongst persons engaged in farming, crofting, horticulture, market gardening, forestry, fisheries and other industries, enterprises and communities in rural Scotland;

(2) to encourage, assist and promote the adoption of co-operative principles and the formation of co-operative societies, companies and associations amongst such persons, for the production, manufacture and supply of requirements; for the sale, marketing, processing and manufacture of produce; and for the provision of services or activities of any kind likely to improve the productive efficiency and economic position of such persons and the industries and communities in which they are engaged;

(3) to provide such arrangements for co-ordinating the work of affiliated organisations and such subscribers to the funds of the Society, as they may desire, and, in particular, to provide common advisory, accounting and other services for their mutual benefit;

(4) to co-operate with other bodies, corporate or otherwise, and agencies concerned with the promotion of agriculture, rural industry, rural life or co-operation within the United Kingdom and where necessary or expedient elsewhere.

6 POWERS

(1) The Society shall have powers to do all or any things which it deems to be necessary or expedient for the furtherance or attainment of one or more of its objects or to be incidental to or consequential upon one or more of its objects, including the powers to enter into and to enforce contracts with members and others, to make its members advances of money for agricultural purposes, and for the making of such advances without security, and to deal in any way, whether by purchase, sale or letting or otherwise, with land or buildings.

(2) Without prejudice to the generality of paragraph (1) of this Rule, the Society may give any guarantee or surety for any debt or liability of a member or of a subsidiary or an associated company of the Society and may give or award pensions, annuities, gratuities, superannuation or other allowances or benefits or charitable aid to any persons who are or have been employed by, or who are serving or have served, the Society and to the wives, widows, children and other relatives and dependants of such persons and may set up, establish, support and maintain superannuation or other funds or schemes (whether contributory or non contributory) for the purpose.

MEMBERSHIP

7 MEMBERS The members of the Society shall be those whose names are entered into the register of members on the date of this complete amendment of rules and other such, bodies corporate, partnerships, firms, the Board may admit to membership from time to time.

8 AFFILIATES In addition to membership the Society may invite individual persons and organisations to become affiliates of the Society. Affiliates shall not have a vote nor be counted as members for purposes of quorums or any part of these rules unless expressly mentioned. The Board shall determine should regulations to apply to Affiliates as they from time to time consider appropriate.

9 ADMISSION A body corporate, partnership or firm intending to become a member shall apply to the Society and the Board shall decide in its absolute discretion whether to accept or refuse the application. On acceptance into membership a member shall be issued with the shares applied for, shall pay to the Society the nominal value of the shares and their details shall be entered in the register of members.

10 CONTRIBUTIONS Every member of the Society shall contribute to the funds of the Society on the following basis:-

(1) All members shall in each year subscribe to the funds of the Society in accordance with the appropriate scale or scales of contributions determined from time to time by members in General Meeting

(2) In addition individual or organisations admitted as affiliates shall in each year subscribe such sum as may from time to time be determined by members in General Meeting.

(3) The contributions payable to members shall become due on admission as a member of the Society and on 1st January in each year during the continuation of membership, but the Board shall be entitled as its discretion to accept a contribution payable and paid on admission after 1st October in any year as covering the succeeding period of fifteen months.

The Board shall have power to accept a smaller contribution or to require payment of a larger contribution in special circumstances and to fix the fees payable in respect of special services rendered by the Society.

(4) The Society may also receive from its members or other persons, special donations in aid of its operations or for services rendered.

11 SHARES Shares shall be of the nominal value of one pound, and shall be neither withdrawable nor transferable.

12 **SHAREHOLDINGS** Each member who is a partnership or firm shall at all times hold at least twenty five shares. Each member who is a body corporate shall hold at least one hundred shares. Individual persons or organisations who are affiliates shall not hold shares in the Society. Nothing in this rule shall require members of the Society who were members at the time of this rule being previously adopted to increase their shareholding.

13 **JOINT SHAREHOLDING** In the case of a partnership being a member its shares shall be held by the partners jointly. All acts done or notices given in respect of a share held jointly shall be taken to be valid if done or given by or to the person designated from time to time for this purpose by the joint holders by written notification to the Secretary or, in the absence of any such notification, the person whose name stands first in the register of members as a joint holder of that share.

14 **CESSATION OF MEMBERSHIP**

(1) The membership of any member shall terminate only on the happening of any of the following events, namely,

(a) they are expelled from membership under Rule 15

(b) being a sole trader they die, or is declared bankrupt

(c) being a body corporate, it is dissolved

(2) Subject to the provisions of Rule 16(2), 16(3) and 16(4), on the termination of membership the shares held by that member shall be cancelled and any sum paid up thereon forfeited.

15 **EXPULSION OF MEMBERS** A member may be expelled for conduct considered prejudicial to the Society by a resolution passed by the Board, but no member shall be expelled without first being given at least fourteen days' notice of the Board meeting at which the resolution is to be proposed specifying the alleged grounds for expulsion, and without being given an opportunity to attend the meeting to answer allegations or to make written representations to the Board which shall be read by the Chairperson to the meeting. On expulsion the member shall forthwith be paid the amount standing to their credit in respect of any shares in the Society held by them at the date of the resolution of expulsion, and such shares shall be cancelled upon such payment being tendered, whether the member accepts the tender or not. No expelled member shall be readmitted except by a resolution passed by the Board in a Board meeting.

16 **DEATH, DISSOLUTION OR BANKRUPTCY OF MEMBER**

(1) Subject to Rule 14(2) and to paragraphs (2), (3) and (4) of this Rule, upon receiving a claim from the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society of the deceased or bankrupt member the Board at its discretion either shall transfer the shares and the property to which the personal representative or trustee in bankruptcy has become entitled or shall pay an equivalent sum in either case to or to the order of the personal representative or trustee in bankruptcy.

(2) If within three months after the date of death of a member who is a sole trader their personal representative makes an application to the Board for the shares held by that member to be transferred to them then the Board shall decide in its absolute discretion whether to accept or refuse the application and if the Board accepts the application then the personal representative shall be entered in the register of members as the holder of those shares and shall be taken to have entered into an identical member's agreement to the one to which that member was a party on that date for the remainder of the term thereof and to have ratified every contract purporting to have been made thereunder by the Society on behalf of that member or their estate prior to the date of acceptance into membership of the personal representative.

(3) If within three months after the date of the dissolution of a member which is a body corporate a person who was a member of that body corporate immediately before its dissolution makes an application to the Board for the shares held by that body corporate to be transferred to them then the Board shall decide in its absolute discretion whether to accept or reject the application and if the Board accepts the application then that person shall be entered in the register of members as the holder of those shares and shall be taken to have

ratified every contract purporting to have been made thereunder by the Society on behalf of that person prior to their acceptance into membership.

(4) In the event of the death of an individual or the dissolution of a body corporate who or which is a partner in a partnership which is a member the remaining partner shall give the Society written notification of that event whereupon the name of the deceased or dissolved partner shall be removed from the register of members and unless the Board decides otherwise the remaining partner shall continue to have all of the rights and obligations of that partnership under these Rules and under the member's agreement to which that partnership was a party immediately before the death or dissolution.

17 **REGISTER** The Society shall keep at its registered office a register of members containing the following particulars:-

(1) the names and addresses of the members;

(2) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member;

(3) the date at which each person was entered on the register as a member and the date on which any person ceased to be a member;

(4) a statement of other property in the Society, whether in loans, deposits or otherwise, held by each member; and

(5) the names and addresses of the officers of the Society, with the offices held by them respectively and the date on which they assumed office.

The Board shall ensure that the Register is kept in such a way permitted by the Act and that the particulars required by the Act to be available for inspection are readily accessible without the need to disclose the other particulars contained in the Register.

18 **INSPECTION OF BOOKS** The Society shall allow a member or person having an interest in the funds of the Society to inspect at any reasonable time their own account and such of the particulars contained in the Register as are required by the Act to be available for inspection by them.

19 **DISPUTE** Any dispute between the Society or any of its officers acting in their capacity as such and

(1) a member or

(2) any person aggrieved who has ceased to be a member not more than six months previously or

(3) any person claiming through a member or any such person aggrieved or

(4) a person claiming under these Rules

shall be referred to a sole arbiter appointed by agreement between the Society and such member or person or, in default of agreement, appointed by the President of the Law Society of Scotland.

GENERAL MEETINGS

20 **ANNUAL GENERAL MEETING**

(1) In every year an annual general meeting shall be held at such time and place as the Board shall decide but so that not more than fifteen months elapse between one annual general meeting and the next.

(2) The business of an annual general meeting shall be the consideration of the accounts and balance sheet and the reports of the Board and, where applicable, the Auditor for the last preceding accounting year,

the election of Directors, the election of Council members, the appointment, where applicable, of the Auditor and such other business as the Board shall decide.

21 SPECIAL GENERAL MEETINGS

(1) All general meetings other than annual general meetings shall be called special general meetings.

(2) The Board may at any time convene a special general meeting and shall do so upon receiving a requisition in writing to that effect signed by not less than 10% of the members and stating the purpose for which the meeting is required to be convened. If within twenty-one days after receipt by the Board of a valid requisition no notices duly convening a special general meeting for the purpose stated in the requisition have been sent to members then the members who signed the requisition may convene a special general meeting for that purpose and shall be reimbursed by the Society for all expenses reasonably incurred thereby.

(3) No business shall be transacted at a special general meeting other than that set out in the notice convening the meeting and any matters arising therefrom.

22 NOTICE

(1) Every general meeting shall be convened by delivering to every member at their address as shown in the Register and to the Auditor of the Society not less than fourteen clear days' notice thereof in writing specifying the day, hour and place of the meeting and the business to be transacted. In the case of an annual general meeting, the notice shall designate it as such and shall be accompanied by a copy of the accounts for the last preceding financial year and any report of the Auditor thereon.

(2) The accidental omission to give any member notice of a general meeting or the non-receipt of a notice by any member shall not invalidate the proceedings at the meeting.

(3) A general meeting not convened in compliance with paragraph (1) shall be deemed to have been properly convened if all the members of the Society are present in person or by proxy and agree that the meeting shall be deemed to have been properly convened.

23 QUORUM

(1) No business shall be transacted at a general meeting unless a quorum is present. Except as provided in paragraph (2) of this Rule, a quorum shall be members present in person numbering 10% of the total membership or such other number of members as shall be determined from time to time by resolution of the Society in general meeting, but in any event not less than two.

(2) If within thirty minutes of the time appointed for a meeting a quorum is not present then the meeting if convened upon the requisition of members shall be dissolved but in any other case shall stand adjourned to a time and place to be decided by the Board, being not more than fourteen days later. Not less than seven days' notice shall be given to every member of the day, hour and place of the adjourned meeting and the business to be transacted and if at that meeting a quorum is not present within thirty minutes of the appointed time then the persons present shall be a quorum.

24 CHAIRPERSON At every general meeting the Chairperson or, in their absence, the Vice-Chairperson of the Board shall preside. If within fifteen minutes of the time appointed for the meeting neither the Chairperson nor the Vice Chairperson is present then the members present in person or by proxy shall choose a Director or, in the absence of all the Directors, one of those present and entitled to vote to preside.

25 ADJOURNMENTS The chairperson of a meeting with the consent of the meeting may and if so directed by the meeting shall adjourn the meeting from time to time and from place to place. No business shall be transacted at an adjourned meeting other than the business left unfinished at the original meeting.

26 VOTING

(1) Subject to any provision in these Rules or in any statute or statutory instrument requiring a vote on any matter to be taken in a special way or requiring a special majority for any matter, a resolution put to the vote at a general meeting shall be decided by a simple majority and on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the Chairperson or by not less than three members present in person or by proxy. The demand for a poll may be withdrawn.

(2) Unless a poll is so demanded and the demand is not withdrawn a declaration by the chairperson of the meeting that on a show of hands a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

(3) No poll shall be demanded on the election of the chairperson of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken in such manner and at such time as the chairperson of the meeting directs and any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(4) On a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes the chairperson of the meeting shall have a second or a casting vote.

(5) No objection shall be raised to the qualification of any person to vote except at the meeting or adjourned meeting at which the vote objected to is cast or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting whose decision shall be final and binding.

27 REPRESENTATION OF BODIES CORPORATE AND PARTNERSHIPS Every member which is a body corporate or a partnership may appoint an individual to act as its representative at general meetings. Every such appointment shall be made by written notification to the Society and may be revoked in the like manner. A duly appointed representative shall be entitled to attend general meetings and to speak and vote in place of the member which appointed them and when present at a general meeting shall be treated for all purposes of these Rules as being that member present in person.

28 PROXIES Any member or duly appointed representative of a member may appoint a proxy to attend a meeting and speak and vote on their behalf. Every such appointment shall be notified to the Society in writing signed by the member or representative making it or under authority conferred to them and deposited 48 hours before the meeting at the registered office of the Society. A proxy need not be a member.

COUNCIL

29 The Society shall have a Council consisting of member businesses and other key stakeholders involved in the work of the Society. The Council shall act as a representative forum and a means of convening the diverse range of interests encompassed by the Society's activities, it shall debate issues and needs and identify action that the Society should take in response.

For the avoidance of doubt, the Council is not the Board of Directors and individual Council members are not directors in law.

30 COUNCIL COMPOSITION The Council shall be made up as follows:-

(1) not more than 16 persons who are directors or managers of member businesses elected by and from the members at the annual general meeting;

(2) not more than 3 persons who are directors or managers of member businesses co-opted by the Council from time to time;

(3) not more than 7 persons co-opted from organisations considered by the Council to be stakeholders. At the time of this amendment of rules such organisations include - NFU Scotland and Scottish Association of

Young Farmers. The Council may from time to time review and consider other organisations to invite into membership of the Council;

(4) The Chief Executive of the Society shall be an ex officio member of the Council plus one other member of staff shall be appointed to membership of the Council.

The Council members in office on the date of registration of this complete amendment of rules shall continue in office as Council members in accordance with the new definition of the Council and subject to the provisions in these Rules.

31 **ROTATION OF COUNCIL MEMBERS** At each annual general meeting 4 Council members elected under rule 30(1) shall retire, those to retire shall be those who have been longest in office since their last appointment or re-appointment but as between Council members who have been in office an equal length of time, unless they agree otherwise, those to retire shall be decided by lot. Retiring Council members shall be eligible for re-election.

Council members co-opted under rule 30(2) shall retire at the annual general meeting following their co-option. Retiring Council members shall be eligible for further co-option at the discretion of the Council.

Organisations who appoint Council members in accordance with rule 31(3) shall be asked to confirm or replace their chosen appointment on an annual basis.

32 **ROLES AND RESPONSIBILITIES** The responsibilities and duties of the Council shall be determined by the Society's Board and Council Charter.

33 **CHAIR** The Council shall appoint a chairperson who shall be the current Chairperson of the Society, or in their absence the Vice Chairperson. In the event of both the Chairperson and Vice Chairperson being absent the Council shall appoint a chairperson from among their own number, whose role shall be to chair that meeting.

34 **SECRETARY** The Council shall have a secretary who shall be the secretary of the Society. The Secretary shall organise meetings and be responsible for ensuring they are minuted.

35 **MEETINGS** The Council shall meet at least twice a year. In addition upon the request of a minimum of 5 Council members the secretary shall convene a meeting.

36 **QUORUM** No business shall be transacted unless a quorum is present, a quorum shall be 8 Council members of which at least 4 must be elected in accordance with rule 31 (1).

37 **VOTING** Matters put to the vote shall be decided by simple majority. Each Council member shall have one vote. In the event of an equality of votes, the chairperson will have a second or casting vote.

38 **REMUNERATION OF COUNCIL MEMBERS** Council members shall be entitled to be reimbursed for all expenses reasonably incurred by them in attending meetings of the Council or incurred in their capacity as Council members in connection with the business of the Society. Subject to those Council members appointed under rule 30(4) Council members shall not receive remuneration for serving on the Council

BOARD OF DIRECTORS

39 **AUTHORITY** The business of the Society shall be conducted by the Board of Directors which shall act in all things for and in the name of the Society and which may exercise all such powers of the Society as are not by statute or by these Rules required to be exercised by the Society in general meeting, including the power to appoint any person to be the agent of the Society for such purposes and on such conditions as they determine.

The role and responsibilities of the Board shall be further determined by the Society's Board and Council Charter.

40 COMPOSITION

The Board shall consist of:-

(1) not more than 6 persons elected by and from the elected members of the Council in accordance with rule 31(1).

(2) not more than 3 persons as non-executive Directors who shall be appointed by the Board who need not be members of the Society, one of whom shall be appointed as a Senior Independent Director.

(3) the Chief Executive of the Society shall be a Board member ex offico .

(4) Not more than 2 persons co-opted by the Board from the elected members of the Council.

41 ROTATION OF DIRECTORS Following this amendment of rules and in every subsequent year one-third of the Directors elected in accordance with rule 41(1) or the number nearest to one-third shall retire from office. The Directors to retire under this Rule shall be those who have been longest in office since their last appointment or re-appointment but as between Directors who have been in office an equal length of time, unless they agree otherwise, those to retire shall be decided by lot. Directors are eligible for reappointment to a maximum of three consecutive terms of office. If a Director is not re-appointed at an annual general meeting, they shall vacate office at the end of the meeting.

Directors appointed in accordance with rule 41(2) shall have their appointment reviewed annually by the Board who subject to the person being willing to stand may re-appoint or not as the Board may determine.

Directors co-opted in accordance with rule 41(4) shall retire at the annual general meeting following their co-option. Retiring directors may be eligible for further co-option at the discretion of the Board.

42 REMOVAL OF DIRECTOR The Society in general meeting may by resolution remove any Director from the Board before the expiration of their period of office and may appoint another person in their stead. The person so appointed shall hold office only for so long as their predecessor would have done but may then stand for re-election without express nomination.

43 DISQUALIFICATION OF DIRECTOR A person shall cease to be a Director if they

(1) are disqualified by law from becoming the director of a company or

(2) are removed from office in accordance with Rule 43 or

(3) becomes subject to a bankruptcy order or makes any composition or scheme of arrangement with their creditors generally or

(4) becomes of unsound mind or a patient for the purpose of any statute relating to mental health or otherwise incapacitated or

(5) resigns their office by giving to the Board notice in writing signed by them and the resignation is accepted by the Board or, not being accepted, is not withdrawn within seven days of receipt by the Board or

(6) are absent from meetings of the Board continuously for a period of six months without leave of absence expressed by a duly recorded resolution of the Board or

(7) in the opinion of a majority of the Board trades in competition with the Society, whether as a sole trader or in partnership, or is a Director or employee of a body corporate which competes in business with the Society or holds a controlling interest in such a body corporate.

44 **DELEGATION OF POWERS** The Board may delegate any of its powers to such committees of Directors as it thinks fit. Any committee so formed shall comply with any directions given by the Board. The proceedings of any committee shall be regulated in accordance with the Rules relating to the regulation of any proceedings of the Board.

45 **MEETINGS** The Board shall meet for the dispatch of business and regulate its meetings as it thinks fit provided that it shall meet at least once in every three months. Any two Directors may and on the requisition of any two Directors the Secretary shall convene a meeting of the Board.

46 **NOTICE** Every Director shall be given not less than seven days' written notice of every meeting of the Board unless the circumstances justify the giving of a shorter period of notice or the giving of notice otherwise than in writing but the accidental omission to give notice to any Director or the non-receipt of notice by a Director shall not invalidate the proceedings at any meeting.

47 **QUORUM** The quorum for a meeting of the Board shall be 50% of the Directors then in office or such other number as the Board shall from time to time decide, but in any event not less than two Directors, provided that one half shall be from Directors elected in accordance with rule 41(1).

48 **VOTING** Subject to any provision in these Rules requiring a special majority for any decision, questions arising at any meeting of the Board shall be decided by a simple majority. In the case of an equality of votes the chairperson of the meeting shall have a second or a casting vote.

49 **CHAIRPERSON** The Chairperson for the time being of the Society or, in their absence the Vice-Chairperson shall preside at meetings of the Board. If neither the Chairperson nor the Vice-Chairperson is present within fifteen minutes of the time appointed for a meeting the Directors present may choose one of their number to preside.

50 **REMUNERATION OF DIRECTORS** The Directors shall be entitled to be reimbursed for all expenses reasonably incurred by them in attending meetings of the Board or incurred in their capacity as Directors in connection with the business of the Society. Subject to rule 54(2), the Directors may be paid such remuneration for their services as the Society in general meeting may approve.

HONORARY PRESIDENT AND HONORARY VICE-PRESIDENTS

51 **HONORARY PRESIDENT AND HONORARY VICE-PRESIDENTS**

An Honorary President and such number of Honorary Vice-Presidents as may be agreed shall be elected at the Annual General Meeting in each year.

OFFICERS

52 **CHAIRPERSON AND VICE-CHAIRPERSON**

The Board shall appoint a Chairperson and Vice Chairperson from among the Directors, who shall be the chairperson and vice chairperson of the Board, Council and Society. The Chairperson and Vice Chairperson roles shall be determined by the Board and Council Charter.

Such Officers shall serve for a term of no longer than three years, upon retirement the Chairperson shall not be eligible for re-election as Chairperson but shall be eligible for election to the Board or Council. The Vice Chairperson shall be eligible for election as Chairperson or election to the Board or Council. In the event of a vacancy the Board shall appoint a replacement.

The Chairperson or Vice Chairperson or both may be removed by from office at any time by a resolution of the Board at a meeting of which every Director has been given not less than seven day's notice in writing stating the intention to propose a resolution to that effect.

53 **CHIEF EXECUTIVE**

(1) The Board may from time to time appoint a person to the office of Chief Executive for such period and on such terms as the Board thinks fit and, subject to any agreement made in any particular case, may revoke such appointment.

(2) The Chief Executive shall receive such remuneration and expenses as the Board may decide.

(3) The Board may entrust to and confer upon a Chief Executive the powers exercisable by the Board upon such conditions and with such restrictions as the Board thinks fit and from time to time may revoke, withdraw, alter or vary all or any of the powers so entrusted or conferred.

(4) The Chief Executive shall, ex officio be a member of the Board of Directors and the Council.

54 **SECRETARY** The Board shall appoint a Secretary for the Society and shall decide their remuneration and the duties to be performed by them in addition to those specified in these Rules. The Board may remove the Secretary and appoint another person to the office. The Board may at any time appoint a person to act temporarily as substitute for the Secretary for the time being of the Society and any person so appointed shall be taken to be the Secretary of the Society for all purposes while so acting.

FINANCE

55 **INVESTMENTS** The funds of the Society may be invested in any one or more of the following ways, namely,

(1) in any way authorised by section 31 of the Act

(2) in any body corporate with limited liability which has objects relating to agricultural co-operation

but not otherwise.

56 **BORROWING** The rate of interest payable by the Society on any sum borrowed other than a sum borrowed from the banker of the Society by way of overdraft or otherwise or from a finance house or other institution licenced under the Banking Act 1987, or borrowed on the security of a mortgage of property held by the Society shall not exceed ten per cent per annum or two per cent per annum above the highest level during any year or part thereof in respect of which interest is paid of the Royal Bank of Scotland plc base lending rate, whichever is the greater.

57 **DEPOSIT** The Society shall not receive moneys on deposit.

58 **ACCOUNTS** The Board shall cause accounting records to be kept showing all sums of money received and expended by the Society and the matters in respect of which the receipt and expenditure takes place, all sales and purchases of goods by the Society and the assets and liabilities of the Society. The accounting records shall be kept in such a way as to explain the Society's transactions and give a true and fair view of its income and expenditure and its state of affairs.

59 **DISTRIBUTION OF SURPLUSES**

The Society shall not distribute any surplus income to members by way of interest or bonus on shares or in any other way.

60 **AUDIT**

(1) The accounts of the Society shall be audited each year if and as required by law or by the members by an auditor duly qualified for that purpose appointed by the Society in general meeting.

(2) The Board may appoint an auditor to fill any casual vacancy occurring between general meetings.

61 ANNUAL RETURN

(1) Every accounting year the Secretary shall furnish to the Mutual Societies Section of the Financial Services Authority in the form and at the time prescribed by them or by law the annual return relating to the affairs of the Society for the last accounting year together with copies of such accounts, balance sheets and reports as are prescribed.

(2) The Society shall supply free of charge to every member or person with an interest in the funds of the Society on their application a copy of the last annual return together with a copy of any report of the Auditor on the accounts and balance sheet contained in the return.

62 BALANCE SHEET The Society shall keep a copy of the latest balance sheet always displayed in a conspicuous place at the registered office.

DISSOLUTION

63 COMMENCEMENT Subject to the provisions of the Act the Society may be dissolved by the consent of three-fourths of the members testified by their signatures to an instrument of dissolution in the form prescribed by law or may be wound up in a manner provided by the Act.

64 SURPLUS ASSETS Upon the dissolution or winding up of the Society any surplus remaining after the satisfaction of all its debts and liabilities and the repayment of the paid up share capital shall not be distributed to members but shall be passed on to another organisation with similar objectives to the Society, in the event of such a body not being in existence or body established for the promotion of co-operative values and principles or for charitable purposes.

MISCELLANEOUS

65 AMENDMENT OF RULES These Rules shall be amended only on the passing of a resolution to that effect with the concurring votes of not less than three-fourths of those voting in person or by proxy at a general meeting of which notice has been given in accordance with Rule 22 specifying the intention to propose that resolution. An amendment of Rules is not valid until it is registered. When submitting rule amendments for registration the secretary may at their sole discretion accept any alterations required or suggested by the Mutual Societies Section of the Financial Services Authority without reference back to a further special meeting of the Society.

66 REGULATIONS The Society in General Meeting or the Board of Directors may from time to time make, adopt and amend such regulations in the form of bye-laws, charters, standing orders, secondary rules or otherwise (provided that such regulations are not inconsistent with the rules, or amounting to such an addition or alteration which could only legally be made by Special Resolution) as they may think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board of Directors and sub-committees. All members of the Society, the Council and the Board of Directors shall be bound by such regulations whether or not they have received a copy of them.

67 INTERPRETATION In these Rules, unless a contrary intention is apparent,

(1) "the Act" means the Industrial and Provident Societies Act 1965 with any statutory amendment thereof

(2) "Member" means, a society, a company, partnership or firm duly admitted to membership of the Society and holding the requisite number of shares

(3) "Member Business" means a body which is constituted as either an Industrial and Provident Society, limited company or limited liability partnership, that has been admitted to membership of the Society and holds the requisite number of shares

(4) "Affiliate" means an individual or organisation who has been invited to become an affiliate of the Society.

(5) "the Board" means the Board of Directors for the time being of the Society

(6) "Director" means a member for the time being of the Board

(7) "Mutual Societies Section of the Financial Services Authority" means Mutual Societies Section of the Financial Services Authority. Any reference Mutual Societies Section of the Financial Services Authority includes reference to the statutory successor carrying on the relevant functions.

(8) words denoting the singular include the plural and the converse applies

(9) "electronic means" shall include video links and secure authenticated web-site transactions;

(10) In these rules the expression Board meeting or meeting of the Board, Council meeting or meeting of the Council, or Society meeting or meeting of the Society, includes except where inconsistent with any legal obligation:

- a physical meeting;
- a meeting held by electronic means;
- a meeting held by telephone where each of the participants can hear each other throughout.

1. ..... Member

2. ..... Member

3. ..... Member

4. ..... Secretary