

All previous rules rescinded

X

Rules of

Plane Saver

Credit Union Limited

**(Registered as a Credit Union pursuant to section 1 of the Credit Unions Act
1979 and the Co-operative and Community Benefit Societies Act 2014.)**

Contents

NAME, REGISTERED OFFICE, OBJECTS, PERMISSIONS, POWERS AND SOCIAL GOALS	5
Name	5
Registered office.....	5
Objects.....	5
Permissions.....	5
Powers	5
Social goals	5
MEMBERSHIP.....	6
Common bond qualifications for membership	6
Limitations on membership	11
Joint Accounts	11
Non-qualifying Members.....	11
Junior savers	11
Applications for membership	12
Register of Members	12
Cessation of Membership.....	13
Withdrawing from membership.....	13
Expulsion from Membership	14
Notice of expulsion.....	14
Appeal against expulsion.....	15
Liability of withdrawn and expelled Members.....	15
Availability of Rules	15
Dormant accounts	15
SHARES	16
Non-Deferred Shares.....	16
Deferred Shares.....	17
Minimum Shareholding	17
Maximum shareholding.....	17
Withdrawing Shares	18
Financial Services Compensation Scheme.....	18
LOANS.....	18
Loans to Members.....	18

Guarantors.....	19
Loans to Officers and employees of the Credit Union	19
Recovering loans from Members	19
APPLICATION OF SURPLUS.....	20
Calculation of surplus	20
Building institutional capital.....	20
Distribution of surplus.....	20
Dividend on Shares.....	20
Rebate of interest on loans	21
Payment of dividends and interest rebates	21
MEMBERS' MEETINGS	21
Attendance at Members' meetings.....	21
Annual General Meeting	21
Notification of Members' meetings	22
Special general meetings called by the Credit Union.....	22
Special general meeting at Members' request	22
Business at a special general meeting.....	23
Voting	23
Chairperson	23
Quorum	23
Adjournment	24
NOMINATING AND ELECTING OFFICERS.....	24
Nomination for election	24
Nomination and Succession Committee	25
Election of Officers	25
Prohibition of certain persons as Officers.....	25
Rotation of officers.....	26
Board of Directors	26
Election of office holders.....	26
Casual vacancies	26
Timing and notification of Board meetings.....	26
Quorum	27
Voting at Board meetings and Written Resolutions.....	27
Attendance at Board meetings.....	27
Chairing Board meetings	27

Failure to attend meetings	28
Delegation of powers	28
Validity of actions	28
Responsibilities of Directors	28
Vacation of office	29
Payment of expenses	29
BOARD COMMITTEES	29
OFFICERS AND EMPLOYEES	30
Conflict of interest	30
Confidentiality	30
Indemnity	31
ACCOUNTS, AUDIT, ANNUAL RETURNS AND RULES	31
Appointment of auditor	31
Availability of accounts	31
Filing of accounts with the Relevant Authority	31
Auditor's entitlement to attend meetings	31
MAINTENANCE OF MEMBERS' ACCOUNTS	32
Inspection of accounts	32
Record of account	32
Conducting transactions	32
Nominations	32
Claims on accounts of deceased, bankrupt or insolvent Member	32
Incapacity	33
SEAL	33
AMENDMENTS TO RULES	33
Amendments to Rules	33
COMPLAINTS AND DISPUTES	33
Internal complaints procedure	33
DISSOLUTION	34
Distribution of funds on dissolution	34
INTERPRETATIONS	34

NAME, REGISTERED OFFICE, OBJECTS, PERMISSIONS, POWERS AND SOCIAL GOALS

Name

1. The name of the credit union shall be:

Plane Saver Credit Union Limited (hereinafter referred to as 'the Credit Union'.)

Registered office

2. The registered office of the Credit Union shall be at:

Profile West, 3rd Floor, 950 Great West Road, Brentford, TW8 9ES

or at such other place as may from time to time be determined by the Board of Directors and registered with the Relevant Authority.

Objects

3. The objects of the Credit Union are:

- a. The promotion of thrift among its Members of the society by the accumulation of their savings;
- b. The creation of sources of credit for the benefit of its Members at a fair and reasonable rate of interest;
- c. The use and control of Members' savings for their mutual benefit; and
- d. The training and education of Members in the wise use of money and in the management of their financial affairs; and
- e. To carry on one or more of the financial activities specified in section 1ZA(1) of the Credit Unions Act 1979 for the benefit of members of the society.

Permissions

4. The Board shall be responsible for ensuring that the Credit Union applies for, obtains and maintains all necessary permissions to operate legally as a credit union.

Powers

5. The Credit Union shall have full power, subject to the law and the Relevant Authority's requirements attached to any permission held, to do all things necessary or expedient for the accomplishment of its objects.

Social goals

6. The Credit Union may, by resolution of its Board of Directors, adopt any of the following additional social goal within its policies:

- a. To contribute towards the alleviation of poverty within the community;
- b. To contribute towards the economic regeneration of the community; and
- c. To contribute towards supporting the community in creating positive social and environmental change.

provided that these social goals are only pursued within the scope of the objects of the Credit Union.

MEMBERSHIP

Common bond qualifications for membership

7. Admission to membership of the Credit Union is restricted to:

a) an individual who follows an occupation in the following “Minor” or “Unit” Groups of the Office of National Statistics’ Standard Occupational Classification:

- I. 111 Chief Executives and Senior Officials
- II. 112 Production Managers and Directors
- III. 113 Functional Managers and Directors
- IV. 115 Financial Institution Managers and Directors
- V. 116 Managers and directors in transport and logistics
- VI. 117 Senior Officers in the Armed Forces
- VII. 118 Health and Social Services Managers and Directors
- VIII. 119 Managers and Directors in Retail and Wholesale
- IX. 122 Managers and Proprietors in Hospitality and Leisure Services
- X. 124 Managers and Proprietors in Health and Care Services
- XI. 125 Managers and Proprietors in Other Services
- XII. 211 Natural and Social Science Professionals
- XIII. 212 Engineering Professionals
- XIV. 213 Information Technology and Telecommunications Professionals
- XV. 214 Conservation and Environment Professionals
- XVI. 215 Research and Development Managers
- XVII. 221 Health Professionals
- XVIII. 222 Therapy Professionals
- XIX. 223 Nursing and Midwifery Professionals
- XX. 231 Teaching and Educational Professionals
- XXI. 241 Legal Professionals
- XXII. 242 Business, Research and Administrative Professionals
- XXIII. 243 Architects, Town Planners and Surveyors
- XXIV. 244 Welfare Professionals
- XXV. 247 Media Professionals
- XXVI. 311 Science, Engineering and Production Technicians
- XXVII. 312 Draughtspersons and Related Architectural Technicians
- XXVIII. 313 Information Technology Technicians
- XXIX. 321 Health Associate Professionals
- XXX. 323 Welfare and Housing Associate Professionals
- XXXI. 331 Protective Services Occupations
- XXXII. 342 Design Occupations
- XXXIII. 344 Sports and Fitness Occupations
- XXXIV. 351 Transport associate professionals
- XXXV. 352 Legal Associate Professionals
- XXXVI. 353 Business, Finance and Related Associate Professionals
- XXXVII. 354 Sales, Marketing and Related Associated Professionals
- XXXVIII. 356 Public Services and Other Associate Professionals
- XXXIX. 411 Administrative Occupations: Government and Related Organisations

- XL. 412 Administrative Occupations: Finance
- XLI. 415 Other Administrative Occupations
- XLII. 416 Administrative Occupations: Office Managers and Supervisors
- XLIII. 421 Secretarial and Related Occupations
- XLIV. 511: Agricultural and Related Trades
- XLV. 522 Metal Machining, Fitting and Instrument Making Trades
- XLVI. 523 Vehicle Trades
- XLVII. 524 Electrical and Electronic Trades
- XLVIII. 525 Skilled Metal, Electrical and Electronic Trades Supervisors
- XLIX. 531 Construction and Building Trades
 - L. 533 Construction and Building Trades Supervisors
- LI. 543 Food Preparation and Hospitality Trades
- LII. 612 Childcare and Related Personal Services
- LIII. 614 Caring Personal Services
- LIV. 621 Leisure and Travel Service Occupations
- LV. 623 Housekeeping and Related Services
- LVI. 624 Cleaning and Housekeeping Managers and Supervisors
- LVII. 712 Sales Related Occupations
- LVIII. 713 Sales Supervisors
- LIX. 721 Customer Service Occupations
- LX. 722 Customer Service Managers and Supervisors
- LXI. 814 Construction Operatives
- LXII. 821 Transport Drivers and Operatives
- LXIII. 822 Mobile Machine Drivers and Operatives
- LXIV. 823 Other drivers and transport operatives
- LXV. 921 Elementary Administrative Occupations
- LXVI. 924 Elementary Security Occupations

b) an individual who is employed by the one of the following employers:

- 1. Ministry of Defence
- 2. Merchant Navy
- 3. British Airways
- 4. Avios
- 5. American Airlines
- 6. Air Canada
- 7. United Airlines
- 8. Air Lingus
- 9. Ryanair
- 10. Lufthansa
- 11. IAG
- 12. Transport for London
- 13. Network Rail
- 14. National Express
- 15. Air Tanker
- 16. Heathrow Airport
- 17. Gatwick Airport
- 18. Babcock
- 19. Honeywell
- 20. WFS Limited
- 21. Dunwoody
- 22. Emcor
- 23. Harlow District Council
- 24. HTS Group Ltd, Harlow
- 25. Princess Alexandra Hospital, Harlow

26. St Clare's Hospice, Harlow
27. Wilkin & Sons Ltd, Tiptree
28. Essex County Council
29. Hertfordshire County Council
30. Stansted Airport plc
31. Stellantis N.V.
32. Ford Britain Holdings Ltd
33. Mitie Group
34. dnata
35. One Housing Group
36. Catalyst Housing
37. Hyde Group
38. Peabody
39. Southern Housing Group
40. Metropolitan and Thames Valley
41. Clarion Housing

- c) a body corporate, an individual in his/her capacity as a partner in a partnership, an individual in his/her capacity as an officer or a member of the governing body of an unincorporated association, if the body corporate, partnership or unincorporated association:
 - 1. is one of the above employers (or their successor subsidiaries)
 - 2. provides services, including trade union services, to one of the above employers
- d) an individual who is associated with other individuals through being in receipt of a pension from the following employer:
 - 1. The Ministry of Defence
 - 2. British Airways
- e) an individual who is associated with other individuals through being a serving member of the:
 - 1. Royal Navy Reserves
 - 2. Army Reserves
 - 3. Royal Marines Reserves
 - 4. Royal Air Force Reserves
 - 5. Special Forces Reserves
- f) an individual who is a member of the following organisations:
 - 1. Trade Union Congress (TUC)
 - 2. Unite the Union
 - 3. GMB
 - 4. UNISON
 - 5. Prospect
 - 6. National Union of Rail, Maritime and Transport Workers
 - 7. United Road Transport Union
 - 8. British Airline Pilots' Association
 - 9. Associated Society of Locomotive Engineers and Firemen
 - 10. Mail Carriers Association
 - 11. Fire Brigades Union
 - 12. Prison Officers Union
 - 13. Royal College of Nursing

14. British Medical Association
15. British Association of Dental Nurses
16. National Union of Teachers
17. NAHT
18. National Association of Schoolmasters Union of Women Teachers
19. Association of Teachers and Lecturers
20. University and College Union
21. National Union of Students
22. Educational Institute of Scotland
23. National Education Union
24. National Union of Journalist
25. Law Society of England and Wales
26. Communication Workers Union
27. Public and Commercial Services Union
28. The National Trust
29. Royal Horticultural Society
30. Royal Society for the Protection of Birds
31. English Heritage
32. Royal British Legion
33. British and International Golf Greenkeepers Association
34. Royal Institute of British Architects
35. Chartered Institute of Marketing
36. Association of Chartered Certified Accountants
37. Royal Naval Association
38. YMCA
39. Co-operative Group Limited
40. Chartered Institute for Securities & Investments
41. The Guide Association
42. The Scout Association
43. Army Widows Association
44. AA Limited
45. RAC Limited
46. The Midcounties Co-operative Limited
47. Scottish Midland Co-Operative Society Limited
48. Essex Library
49. Hertfordshire Libraries

g) an individual otherwise associated with other individuals by being in receipt of housing services from the following Housing Providers:

1. One Housing Group
2. Catalyst Housing
3. Hyde Group
4. Peabody
5. Southern Housing Group
6. Metropolitan and Thames Valley
7. Clarion Housing
8. Anchor Hanover
9. Central & Cecil Housing Trust
10. Central Bedfordshire Council Housing
11. Grand Union Housing Group
12. Hightown Housing
13. Look Ahead Housing
14. Metropolitan Housing
15. Origin Housing
16. Sanctuary Housing

17. Settle Housing
18. Vale of Aylesbury Housing Trust

- h) an individual who is a member of the same household as, and is a relative of, an individual who is a member of the credit union and falls directly within a common bond specified above

Limitations on membership

8. The Board shall ensure that at all times the number of Corporate Members in membership of the Credit Union does not exceed 10% (or such other amount as prescribed by law) of the total number of members of the Credit Union. If the number of Corporate Members should exceed the limit prescribed at any time, then the Board of Directors shall take all steps to reduce the number below the limit prescribed by expelling from membership those Corporate Members determined by the Board of Directors using a policy and procedure determined by the Board. In determining the policy for the expulsion of Corporate Members the Board of Directors will conduct an assessment of the impact to the Credit Union of expelling any particular Corporate Member.

Joint Accounts

9. The Credit Union may offer a joint account facility to Members that are individuals. A joint account shall only be available to two individuals who each qualify for, obtain and continue to hold membership under the common bond qualification. The Credit Union shall establish a procedure on the operation of a joint account.
10. In the event of the death of one of the holders of a joint account, the joint account shall, subject to any contrary written agreement between the holders and lodged with the Credit Union, become the property of the survivor.

Non-qualifying Members

11. A Member who ceases to fulfil the qualifications for admission to membership shall become, and shall be referred to in these Rules as, a Non-Qualifying Member. A Non-Qualifying Member may, subject to approval by the Board of Directors, retain their membership and voting rights in the Credit Union, and continue to acquire Shares and to receive loans subject to legislation and the provisions of these Rules.
12. Rule rescinded

Junior Savers

13. The credit union may take deposits from a person who would otherwise qualify for membership of the credit union per the Membership section these rules and is under the age at which defined in the Junior Savers section these rules when becoming a member.
14. A junior saver, who is eligible for membership of the credit union according to the membership section of these rules, shall convert to full membership of the Credit Union upon reaching the age of 16, provided that no person that has a deposit in a child trust fund account or a junior ISA is eligible for membership of the Credit Union until they have reached the age of 18 years.
15. The Credit Union may, if the Directors so determine, take Deposits up to a total of £10,000 or 1.5 per cent (or such other sum as may be permitted by the Relevant Authority), of the total shareholding of the Credit Union from a junior saver of the Credit Union, whichever is the greater.

Applications for membership

16. No applicant shall be admitted into membership of the Credit Union unless the applicant supports the objects and social goals of the Credit Union, has paid such entrance fee as required, has completed an application for membership in a form accepted by the Board and the Board has approved the application using such procedures as agreed by them from time to time.
17. An applicant for membership of the Credit Union may be admitted to membership only when:
 - a. They fall within the common bond and as a result qualify for admission to membership;
 - b. They have provided sufficient evidence to prove their identity (and proof of incorporation if a corporate body) and address, as required to comply with all relevant laws and Regulations established in respect of money laundering prevention;
 - c. They have paid any entrance fee of an amount not to exceed £10 or any such reasonable amount sufficient to cover the administration costs of joining or closure specified by the Board of Directors from time to time and agreed by the Members at the annual general meeting;
 - d. They have agreed to pay any annual administration fee of an amount not to exceed £10 or any such reasonable amount sufficient to cover the administration costs of membership specified by the Board of Directors from time to time and agreed by the Members at the annual general meeting; and
 - e. They hold and have paid for at least a £1 Non-Deferred Share in the Credit Union.
18. A Member of the Credit Union may hold more than one account in the Credit Union.

Register of Members

19. The Credit Union shall keep at its registered office, a register of Members as per section 30 of the Co-operative and Community Benefit Societies Act 2014, containing the following details:
 - a. The names and addresses of the members;
 - b. 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;
 - c. A statement of other property in the society, whether in loans, deposits or otherwise, held by each member;
 - d. The date at which each person was entered in the register as a member, and the date at which any person ceased to be a member; and
 - e. The names and addresses of the officers of the society, with the offices held by them respectively, and the dates on which they assumed office.

The register shall be so constructed so that it is possible to inspect the particulars therein mentioned in paragraphs (a) (d) and (e) of rule 19 without exposing the other particulars entered therein.

Cessation of Membership

20. A Member shall cease to be such if:

- a. They cease to qualify for admission for membership as specified in the Common bond qualifications for membership and subject to the section of the Rules regarding Non Qualifying Members; or
- b. They die, or if a body corporate, is wound up or goes into liquidation; or
- c. They are a Member in the capacity of the Designated Representative of an unincorporated association or partnership (that is not a body corporate) which is wound up or goes into liquidation; or
- d. They are a Member in the capacity of the Designated Representative of an unincorporated association or partnership (that is not a body corporate) which removes or replaces them as its Designated Representative, provided the following is adhered to:
 1. any loans held by the Member are repaid in full;
 2. any Non-Deferred Shares held by the Member are repaid in full by the Credit Union; and
 3. any deferred shares are transferred to another Member of the credit union in accordance with the Deferred shares section of these Rules.

If the partnership or unincorporated association wishes to appoint another Designated Representative then that representative should make an application for membership as per the Application for membership section of these rules;

- e. By virtue of a Member becoming a Non-Qualifying Member of the Credit Union, the number of Non-Qualifying Members exceeds the maximum permitted by these Rules or by law; or
- f. By virtue of being a Corporate Member of the Credit Union who has been expelled in accordance with the Limitations of membership section of these rules;
- g. They voluntarily withdraw from the Credit Union in accordance with these Rules; or
- h. At the discretion of the Board, membership shall be withdrawn if a Member's Non-Deferred Share balance is not brought up to the minimum shareholding requirement as established by the Board in accordance with these rules within 6 months of becoming a Member of the Credit Union, or it is reduced to below the minimum shareholding requirement as established by the Board, and they fail to take action to increase their shareholding in accordance with the Minimum shareholding section of these rules; or
- i. They are expelled by the Credit Union in accordance with these Rules.

Withdrawing from membership

21. A Member without any liability to the Credit Union may voluntarily withdraw from membership of the Credit Union at any time by applying for, and receiving, their shareholding in the Credit Union; subject to any notification period in place as agreed from time to time by the Board of Directors. Members with an outstanding liability to the Credit Union shall be required to settle their account prior to being permitted to withdraw from membership of the Credit Union.

22. Those Members holding Deferred Shares shall not have the power to withdraw them. Repayment of any Deferred Shares shall be made in accordance with the issue documents which comply with s31A CUA 1979.

Expulsion from Membership

23. Where the Board considers that a Member's continued participation presents a material risk to the Credit Union, its members, staff, or regulatory standing, the Board may suspend the Member with immediate effect pending investigation, subject to fair process and documented reasons. Suspension shall be a temporary measure and shall not constitute expulsion. A suspended Member shall have access to all monies held in the Credit Union to which they are entitled during the period of suspension, but subject to that right of access, the terms of suspension may in particular (but without limitation) include restrictions on attending the premises of the Credit Union or contacting staff or volunteers of the Credit Union.

24. A Member may be expelled for any grave and sufficient reason, including (but not limited to) the following circumstances:

- a. Wilful breach of, or refusal to comply with, the Rules;
- b. Divulging confidential information obtained by virtue of being a Member of the Credit Union;
- c. Deceiving the Credit Union with regard to the purpose of money borrowed or its subsequent use;
- d. Default and continued refusal to honour a debt (the loan repayment terms of which had been agreed in a signed loan agreement);
- e. Maliciously and knowingly spreading incorrect reports about the management of the Credit Union;
- f. Wilfully making any entry, error or erasure in, or omission from any passbook, record or return of the Credit Union with the intent to falsify it;
- g. Actively working against the interests of the Credit Union and/or its membership;
- h. Allowing their account to become dormant and failing to remedy the situation in accordance with the Dormant accounts section of these Rules;
- i. Using the Credit Union as a vehicle for committing an offence under the Money Laundering Regulations 2007;
- j. Committing an offence of dishonesty against the Credit Union, wilfully destroying or damaging records or other property of the Credit Union, or knowingly passing forged papers through the Credit Union;
- k. If, after admission as a Member of the Credit Union, their application form is found to include wilfully false or misleading information, or any defect is discovered in their qualification for membership at the time of their admission which in the opinion of the Board of Directors is of such consequence as to justify expulsion;
- l. Abusive behaviour towards the employees or volunteers of the Credit Union.

Notice of expulsion

25. A notice of expulsion of a Member shall be sent by special delivery or email to the last known Address of the Member and shall contain a reference to the expulsion appeals procedure. The notice of expulsion of the Member shall not become

effective until 20 days after the date the notice of expulsion was sent or until the result of any appeal, if any, whichever is the later.

Appeal against expulsion

26. A Member shall have 14 days from the receipt of a notice of expulsion to request an appeal against their expulsion. The Chief Executive Officer shall, upon a request received in writing from the Member on whom the notice of expulsion has been served, convene a meeting of two directors to consider the matter of expulsion. The meeting shall be held no later than 60 days after the date on which the expulsion notice has been served on them. The Member shall have the right to be represented and heard at the meeting. The Chief Executive Officer will present the case for expulsion. The result of the appeal shall be final and conveyed in writing.

Liability of withdrawn and expelled Members

27. Withdrawal or expulsion of a Member from the Credit Union shall not relieve such Member from any liability which existed at the time of their withdrawal or expulsion.
28. The amount deposited by a Member who withdraws or is expelled shall be paid to them as funds become available, but only after all monies owed by them to the Credit Union have been deducted. Any amount due to a withdrawn or expelled Member shall be repaid within a period of less than 60 days beginning on the day following the expulsion or notice of withdrawal. No payment shall be paid to such a Member unless all of their liabilities to the Credit Union have been fully discharged.

Availability of Rules

29. A copy of these Rules and any amendments made to them shall be made available free of charge on demand to every Member of the Credit Union upon admission to membership and shall be provided to any other person on demand and upon payment of an amount no more than the specified amount chargeable in law for the time being in force.

Dormant accounts

30. If a period of 12 months passes without any transactions on the account of a Member (or on any of their accounts if they have more than one), the Board shall have the discretion to declare that the account has become dormant. The Board may take account of any extenuating circumstances in making this declaration.
31. The Board shall have the discretion to charge an annual administration fee on each dormant account, an amount not to exceed £10 or any such reasonable amount sufficient to cover the administration costs of membership specified by the Board from time to time and agreed by the Members at the annual general meeting.
32. In relation to a Member who does comply with the minimum shareholding requirement as set out in these rules, but whose account is dormant, the Credit Union may alert the Member to the dormancy by contacting the Member in Writing at their last known Address notifying the Member that there have been no transactions on their account (or their accounts if they have more than one) during the last 12

months, and providing the Member with a six week period to determine the future use of their account(s).

33. Any communication in writing in accordance with the Dormant accounts section of these Rules shall contain:
 1. Information on reactivating or closing their account and withdrawing from membership;
 2. Information about the right of the Credit Union to charge an annual administration fee;
 3. Reference to the Credit Union's right to remove dormant accounts into a suspense account and subsequently expel the Member from membership.
34. If the Member does not reactivate or close their account(s) within six weeks of the Credit Union issuing the communication, the Board shall have the discretion to:
 - a. Hold any monies within the account(s) of such Member in a suspense account pending the Member's subsequent withdrawal of their money, or activity on their account;
 - b. Charge the annual administration fee;
 - c. Expel the Member from membership of the Credit Union in accordance with the Expulsion from membership section of these Rules.

SHARES

35. The Credit Union may offer Non-Deferred Shares and Deferred Shares. The nominal value of each Share shall be £1.00. A Member must subscribe and hold at least one £1 Share in the Credit Union.
36. The Credit Union may issue Interest-Bearing Shares if it meets the criteria for doing so as may be prescribed by law, the Relevant Authority and these Rules.
37. When a Member opens a share account the Credit Union must inform the Member whether said share account will qualify for interest or dividend as per the Rules. If a Member is informed that they hold Interest-Bearing Shares they must also be informed that if the Credit Union ceases to meet the criteria set out by law or the Relevant Authority to pay interest on Shares their Interest-Bearing Shares will be converted to Dividend-Bearing Shares.
38. If a Member's Interest-Bearing Shares are converted to Dividend-Bearing Shares the Member must be informed using an agreed policy and procedure established by the Board.
39. Interest-Bearing Shares shall not be eligible for a dividend and interest shall be set and credited using an agreed policy and procedure established by the Board.

Non-Deferred Shares

40. Non-Deferred Shares shall be withdrawable subject to the provisions of the Withdrawing shares section of these rules.
41. Non-Deferred Shares shall not be transferable, and the Credit Union shall not issue to a Member a share certificate denoting ownership of a Non-Deferred Share.

Deferred Shares

42. Members of the Credit Union shall be eligible to purchase Deferred Shares which may be issued by the Credit Union under the terms and obligations as set out in an Issue Document(s). Upon purchase the Credit Union shall issue a share certificate denoting ownership of a Deferred Share(s).
43. For any Deferred Share(s) issued to a Member the Credit Union must transfer an equivalent amount (in whole pounds) to reserves.
44. Deferred Shares are non-withdrawable but are transferable and repayable only in the circumstances set out in the issue document. Deferred Shares shall only be transferred to another Member of the Credit Union using a procedure agreed by the Board.
45. Deferred Shares do not hold the right to any additional votes in the Credit Union and shall not count towards, or be subject to, the required minimum shareholding nor the maximum shareholding specified in these Rules.

Minimum Shareholding

46. The minimum shareholding (excluding Deferred Shares) required to remain in membership of the Credit Union shall be a sum not exceeding £5.00 as may be determined by the Board. Deferred Shares are not included in the minimum shareholding. The Board shall have the discretion to withdraw membership from any Member whose account has not been brought up to the minimum Non-Deferred Shareholding requirement within six months of admission to membership, or any Member whose account is reduced below the minimum Non-Deferred Shareholding, through adopting the following procedure:
 - a. Providing notice in Writing to their last known Address
 - b. The notice shall require the Member to increase their shareholding to the minimum required or withdraw their Non-Deferred Shares within 6 months of the date of the notice.
 - c. If the Member has not taken action under (b) above the balance of the account may be declared by the Board of Directors to be forfeited to the Credit Union and membership shall be withdrawn on the same date.

Maximum shareholding

47. No Member shall have, or claim an interest in, Non-Deferred Shares of the Credit Union, exceeding £10,000 or 1.5 per cent (or such other sum as may be permitted by the Relevant Authority), of the total Non-Deferred Shareholdings in the Credit Union, whichever is the greater figure.
48. Corporate Members in total shall not have, nor claim an interest in, fully paid up Non-Deferred Shares of the Credit Union exceeding 25 per cent (or such other amount as may be prescribed by law) of the total fully paid up Non-Deferred Shares of the Credit Union. If this percentage is exceeded the Board shall repay Non-Deferred Shares held by Corporate Members using an agreed policy until a point where the percentage is no longer exceeded.

49. The maximum Non-Deferred Shareholding limit of a joint account shall be double the limit on an account held by a Member that is an individual. The amounts held separately in an individual and joint account shall be amalgamated.
50. For the purpose of any maximum shareholding referred to in this part of the Rules, the total fully paid up Non-Deferred Shares in the Credit Union shall be taken to be the total fully paid up Non-Deferred Shares as shown in the most recent annual return to have been sent to the Relevant Authority.

Withdrawing Shares

51. Subject to the Rules immediately following, money paid in on Shares, may be withdrawn by a Member on any day as provided for by the Board. However, if required, the Board may request up to ninety days' notice from a Member of their intention to withdraw their shareholding, subject to the following rules.
52. The terms of a loan granted to a Member must include provision as to whether, for the duration of the loan, the borrower is permitted to withdraw Non-Deferred Shares where their paid-up shareholding (excluding Deferred Shares) in the Credit Union is, or following the withdrawal would be, less than their total liability (including contingent liability) to the Credit Union, whether as a borrower, guarantor or otherwise. The Board shall have the power to vary the terms of the loan agreement with the agreement of the borrowing Member.

Financial Services Compensation Scheme

53. Members' Non-Deferred Shares and junior savers' deposits are protected by the Financial Services Compensation Scheme, subject to the current terms of the Scheme that may be in existence. Deferred Shares are not covered by the Financial Services Compensation Scheme.

LOANS

Loans to Members

54. The Credit Union may make loans to Members eligible to receive them. No individual under 18 years shall be eligible to receive a loan from the Credit Union. A Member who holds Deferred Shares in the Credit Union may not borrow on the strength of that shareholding nor use Deferred Shares to guarantee the repayment of another Member's loan.
55. The Board shall determine from time to time the loan policy of the Credit Union which shall apply to all Members. The loan policy shall include:
 - a. The maximum loan amounts available to Members;

- b. Any limits or requirements that may be attached to secured and unsecured loans; including loans secured on shares and loans with shares attached.
- c. Under what circumstances shares will be attached to a loan;
- d. The maximum rate of interest charged on loans (not to exceed any maximum rate as may be prescribed by law);
- e. The application procedure for loans.

56. The Credit Union shall not at any time make a loan to a Member if the making of such a loan would bring the total amount outstanding on loans to Members above such a limit as may be prescribed by law or rules established by the Relevant Authority.

57. The Credit Union shall not at any time make a loan to a Corporate Member, if the making of such a loan causes the total loans to Corporate Members be in excess of the limit of 10% of the aggregate of the outstanding balances on all loans (or such other amount as prescribed by law).

58. Two Members agreeing to take out a loan on a joint account shall be held jointly and severally liable for repayment of the loan.

Guarantors

59. A Member of the Credit Union can use their shareholdings (excluding Deferred Shares) to guarantee another Member's loan. Directors, Officers and employees of the Credit Union are prohibited from acting as a guarantor for a Member's loan under any circumstances.

Loans to Officers and employees of the Credit Union

60. Members of the Board, Officers, Volunteers and employees of the Credit Union may, as a Member of the Credit Union, be granted a loan by the Credit Union as per the Loans to Officers and employees of the Credit Union section of these rules. Such a Member may not be involved in the decision on the granting of the loan and such a loan may not be approved solely by a loan officer of the Credit Union. The designated board committee, where applicable, shall be informed of the details of any such loan within 14 days of its approval.

61. A Credit Union must not make a loan to one of its Directors or Officers on terms more favourable than those available to other Members of the Credit Union.

62. A Credit Union must not make a loan to a Relative of, or any person otherwise connected with, a member of the Board, an Officer, or employee of the Credit Union on terms more favourable than those available to other Members of the Credit Union.

Recovering loans from Members

63. The Board is responsible for ensuring that suitable policies and procedures are established to ensure the repayment of all debts due to the Credit Union. All sums due from any Member shall be recoverable from him or her, their executors or administrators, as a debt due to the Credit Union.

64. The Credit Union shall have a lien on any Shares of a Member for any debt due to it by a Member or for any debt which the Member has guaranteed and may offset any sum standing to the Member's credit, including any Shares, interest rebate and dividends, in or towards, payment of such debt.

APPLICATION OF SURPLUS

Calculation of surplus

65. In ascertaining the surplus or deficit resulting from the operation of the Credit Union during any year of account, all operating expenses in that year of account shall be taken into account (including payment of interest) and provision shall be made for depreciation of assets, for tax liabilities and for bad and doubtful debts.

Building institutional capital

66. The Credit Union shall, out of its surplus from each year, establish and maintain reserves in accordance with the prudential rules on capital adequacy established by the Relevant Authority.

Distribution of surplus

67. Following compliance with the capital adequacy requirements established by the Relevant Authority, the Credit Union may allocate any remaining surplus in the following manner:

- A voluntary transfer to develop further the institutional capital base of the Credit Union;
- Subject to the Rules in the Dividend on Shares section of these Rules, in or towards the payment to Members of dividends on the amount of their paid-up Dividend-Bearing Shares;
- Subject to the Rules in the Rebates of interest on loans section of these rules, as a rebate of interest paid by or due from Members who have received loans from the Credit Union, such rebate being proportional to the interest paid by or due from such Members during that year of account; and
- After clauses (a) to (c) above has been paid out, as a payment for social, cultural or charitable purposes.

Dividend on Shares

68. The maximum amount payable as dividend on Dividend-Bearing Shares shall not exceed 8 per cent per annum (or such other maximum rate as may be determined by the Board). Subject to compliance with the reserves and other prudential rules established by the Relevant Authority, the Board may recommend the rates of any dividend payments for agreement by the Members at the annual general meeting.

69. If a decision has been made to dissolve the Credit Union then the dividend payable on Dividend-Bearing Shares shall not exceed 8% per annum or any other rate as may be specified by order made by the Treasury.
70. The Board may declare interim dividends on one or more classes of Dividend Bearing Non-Deferred Shares and establish differentiated dividend rates subject to any rules made by the Relevant Authority. No dividend declared and authorised for payment by the Members at the annual general meeting shall exceed the rate recommended by the Board.
71. Any dividend shall be declared on all full Shares held during the preceding year of account or interim period. New Members joining the Credit Union shall be entitled to a proportional part of the dividend on any Shares held for less than the full year of account on every full month of membership, a portion of a month being disregarded for the purpose of entitlement to dividend. Dividends shall be paid to those in membership of the Credit Union on the date that the dividend is declared.

Rebate of interest on loans

72. Provided that a dividend on Shareholdings has been recommended by the Board in accordance with these Rules, a rebate of interest may be recommended by the Board for declaration by the Members at the annual general meeting. No rebate of interest declared and authorised for payment by the Members in General Meeting shall exceed the rate recommended by the Board. Entitlement to rebate of interest is on the same basis as entitlement to dividend.

Payment of dividends and interest rebates

73. Dividends on Dividend-Bearing Shares and interest rebates due to any Member may be placed to the credit of their share balance, and shall be so placed in any case where there is any money due by them to the Credit Union whether as a borrower, guarantor or otherwise in excess of their shareholding in the Credit Union unless the application of such dividend and/or interest rebate would increase their shareholding in the Credit Union to an amount exceeding the maximum shareholding permitted by these Rules.

MEMBERS' MEETINGS

Attendance at Members' meetings

74. Meetings of the Credit Union shall be either an annual general meeting or a special general meeting. Every Member shall be entitled to attend such general meetings on the production of such evidence as the Board may from time to time determine.

Annual General Meeting

75. The annual general meeting shall be held within six months of the end of the year of account at such date, time, format and place as the Board may determine.
76. The business of the annual general meeting shall comprise:

- a. The receipt of the accounts and balance sheet and of the reports of the Board of Directors and the auditor (if any);
- b. The appointment of an auditor (subject to the Appointment of Auditor section of these Rules);
- c. The election of the Board of Directors or the results of the election if held previously by ballot;
- d. The application of surplus; and
- e. The transaction of any other business included in the notice convening the meeting.

Notification of Members' meetings

- 77. At least 14 and not more than 30 days before the date of a general meeting, the Credit Union shall send notice in Writing of the date, time, format and place of the meeting to each Member. In addition to the above, the Board may also give notice of any meeting by posting notice in a conspicuous place in a place of business of the Credit Union to which Members have access, including any electronic correspondence or website operated by the Credit Union, at least 14 days prior to the meeting.
- 78. A notice sent in Writing to a Member's Address shall be deemed to have been duly served forty-eight hours after it is sent. When notice of a general meeting has been given in accordance with these Rules the accidental omission to give notice to any Member or the non-receipt of the notice by any Member shall not invalidate any resolution passed or any business undertaken at the meeting.

Special general meetings called by the Credit Union

- 79. Any general meeting of the Credit Union other than an annual general meeting shall be a special general meeting. The Board of the Credit Union may convene a special general meeting for any purposes not specifically provided for elsewhere in these Rules.

Special general meeting at Members' request

- 80. Upon an application, signed by one tenth of the total number of Members, or 100 Members, whichever is the lesser number, delivered to the registered office of the Credit Union, the Board shall convene a special general meeting of Members. The purpose of the special general meeting shall be stated in the application and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.
- 81. If within one month from the date of the receipt of the application the Board has not convened a special general meeting to be held within 6 weeks of the application, any three Members of the Credit Union acting on behalf of the signatories to the application may convene a special general meeting, and shall be reimbursed by the Credit Union for any costs properly and reasonably incurred in convening such a meeting.
- 82. In order to ensure the continuation of the Credit Union, a special general meeting which results in the removal of one or more Board members from their position, will require any newly elected Officer to apply for, and become authorised under the Senior Managers and Certification Regime immediately following their election and before carrying out the function. A newly elected person refused to become

authorised under the Senior Managers and Certification Regime by the Relevant Authority is required to resign their position immediately and shall no longer be permitted to take an active role in the management of the Credit Union.

Business at a special general meeting

83. A special general meeting shall not conduct any business other than that specified in the notice convening it.

Voting

84. Each Member of the Credit Union shall hold one vote only irrespective of the size of their Shareholding in the Credit Union or the number of accounts held. The right to vote by a Member shall be held by:
 - a. In the case of an individual Member; the individual
 - b. In the case of a partnership or an unincorporated association, the Designated Representative or partner
 - c. In the case of an incorporated body; the Corporate Representative
85. A Member of the Credit Union may not vote by proxy at a general meeting of the Credit Union. Postal and/or online voting may be used, at the discretion of the Board, as part of the procedure for the election of the Board of the Credit Union.
86. Elections and re-elections for the Board of Directors of the Credit Union shall be conducted prior to the annual general meeting by postal and/or online vote. Except where otherwise specified in these Rules or law, all questions shall be resolved by a simple majority of votes cast.
87. A Member is able to exercise the right to speak and vote at a general meeting of the Credit Union and is deemed to be in attendance when they and all those attending the meeting are in a position to communicate with each other. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting of the Credit Union to exercise their rights to speak or vote at it including by electronic means. In determining attendance at a meeting of the Credit Union, it is immaterial whether any two or more Members attending are in the same place as each other.

Chairperson

88. Every general meeting shall have a chairperson, who shall not be entitled to vote unless the number of votes cast are equal, at which point the chairperson shall have a casting vote. The president of the Credit Union shall, if present, take the chair at general meetings. If the president is not present, the vice-president shall take the chair and if vice-president is not present then the voting members of the Board present shall elect one from their number to do so.

Quorum

89. No business shall be transacted at a general meeting unless a quorum is present. A quorum shall be 10 per cent of the membership, or 15 Members, whichever is the lesser number. If within half an hour from the time appointed for the meeting to

commence a quorum is not present then the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case the meeting shall be adjourned until a later date within 30 days of the meeting at which the adjournment took place. The Members present at a meeting so adjourned shall constitute a quorum.

90. No meeting shall become unable to conduct business from the want of a quorum arising after the chair has been taken.

Adjournment

91. The chairperson may adjourn any Members' meeting for any good and sufficient reason.
92. The provisions relating to the conduct of general meetings of the Credit Union shall apply to adjourned meetings. No business shall be transacted at such a meeting other than the business left unfinished at the meeting at which the adjournment took place.

NOMINATING AND ELECTING OFFICERS

Nomination for election

93. Subject to the Board section of these rules, the Board of Directors will accept nominations for election of Officers of the Credit union. All nominees for election as an Officer of the Credit Union must be at least 18 years of age and:
 - a. In the case of an individual Member; be the individual
 - b. In the case of a partnership or an unincorporated association, be the Designated Representative or partner
 - c. In the case of an incorporated body; be the Corporate Representative
94. The Nominations & Succession Committee is responsible for identifying and nominating candidates, based on suitability, against objective criteria, for approval and interview by the Board to fill Board vacancies. The process shall include the Committee reviewing and evaluating the balance of knowledge, competence, experience and skills on the present Board, preparing a description of the role, capabilities and personal qualities required for the vacancy and ensuring that a robust and transparent recruitment and selection process takes place which includes ascertaining any conflict of interest; an assessment of the required time commitment; availability in the event of crises; where relevant, that the diversity of the board members mirrors that of the membership as far as is reasonably practicable and ensuring that a relevant onboarding process is in place for each new director.

All Board of Directors will be subject to reappointment by members every three years at the AGM. A letter must be sent by the incumbent director to the Secretary 14 days before an AGM stating their wish to stand for re-election. Where the incumbent director seeking reappointment being the Secretary, the letter should be sent to the Chair of the Board. The director(s) standing for re-election will be presented to the members highlighting their key areas of skills and experience considered to be essential to the effective operation of the Board. Members will be invited in the notice of AGM to vote on the re-election of any incumbent director(s) seeking re-election. A

director standing for re-election must abstain from voting on the proposition of himself/herself for election by members.

95. These Rules do not require that all Board members be part of the common bond. This provides greater scope to recruit Board members and from a diverse talent pool. There is a commitment to ensure a greater representation of the Board of Directors of members within the common bond, therefore, a maximum of 3 non-members will be considered.

Nomination and Succession Committee

96. The Board may appoint a nominating committee. Membership of the Nomination & Succession Committee (the “Nomination Committee”) will consist of a minimum of two and a maximum of three directors. One Director will be elected by the Board as the Chairperson of the Nomination Committee. The Nomination Committee shall ascertain the number of vacant Officer posts requiring candidates and ensure that there is at least one suitable candidate to recommend to the annual general meeting for each vacancy. In making their recommendation, the Nomination Committee shall ascertain that the nominee is ‘fit and proper’ to become authorised under the Senior Managers and Certification Regime. The Nomination Committee shall adhere to any policy established by the Board of Directors in relation to the suitability of candidates. The Nomination Committee shall also be responsible for identifying and recommending potential co-options to the Board of Directors to fill any vacancies. The Board may delegate powers to the Nomination Committee to manage applications to become authorised under the Senior Managers and Certification Regime.

Election of Officers

97. All elections shall be conducted following such procedure as may be established by the Board of Directors from time to time.

98. If for any election the number of nominees does not exceed the number of vacancies to be filled, a proposal to dispense with the election procedure and to declare that all nominees are duly elected may be proposed to the annual general meeting. If such a proposal is carried by a majority vote of the Members present at the meeting, the chairperson shall declare that the nominees for that election are duly elected

Prohibition of certain persons as Officers

99. A person who knows of any substantive reason for not be regarded as ‘fit and proper’ to be authorised under the Senior Managers and Certification Regime by the Relevant Authority, or who is an undischarged bankrupt, or who is disqualified under the Company Directors Disqualification Act 1986, or has been convicted on indictment of any offence involving fraud or dishonesty, shall not:

- Act as an Officer of the Credit Union; or
- Directly or indirectly take part in or be concerned in the management of the Credit Union; or
- Permit their name to be put forward for election or appointment to any office of the Credit Union.

Any person holding any office in the Credit Union who becomes ineligible by virtue of this rule to hold that office shall immediately cease to hold office.

Rotation of officers

100. At each annual general meeting any of the Officers who were not elected at either of the last two annual general meetings shall retire from office. A retiring Officer shall be eligible for re-election.

Board of Directors

101. At no time shall an employee of the Credit Union be a voting member of the Board.
102. The Credit Union shall have a minimum of 5 Directors and a maximum of 11, unless some other number be determined by the Members at the annual general meeting. Directors shall be elected at the annual general meeting in accordance with these Rules.
103. Designated Representatives or Corporate Representatives of Corporate Members may be elected as a Director. At no time will the percentage of Corporate Members elected to the Board exceed 10% of the total number of Directors declared by the members according to the Board of Directors section of these rules.
104. The Board has the power, in advance of an election, to propose a recommendation on election of representatives at the annual general meeting to ensure that the Board consists of representatives of all areas, sections and diverse groups covered by the Credit Union.

Election of office holders

105. As soon as possible following the annual general meeting, the Board shall elect from among its number a president who shall be chairperson, a vice-president who shall be vice-chairperson, a treasurer and a secretary of the Credit Union. A person so elected shall hold office until the election of their successor.

Casual vacancies

106. A casual vacancy on the Board shall, as soon as is practicable, be filled by a majority vote of the Directors then holding office. Such a co-opted Director shall hold office until the next AGM at which time shall be subject to a Members vote in line with these Rules. The Credit Union shall adhere to the requirements established by the Relevant Authority in respect of the Senior Managers and Certification Regime prior to them taking up an active role in the management of the Credit Union.

Timing and notification of Board meetings

107. Regular meetings of the Board shall be held at least monthly, or in accordance with other guidance given by the Relevant Authority. The date, time and place of such meetings shall be decided from time to time by the Board. All meetings shall be called in such a manner as the Board shall determine.
108. The president, or in their absence the vice-president, may call a special meeting of the Board at any time, and shall do so on receipt of a request in Writing signed by at

least three Directors. The president, or in their absence the vice-president, shall determine the date, time and place of such a meeting, unless the Board prescribes otherwise by resolution.

Quorum

109. No business shall be transacted at a meeting of the Board unless a quorum is present. A majority of the number of the Directors in office at any time shall constitute a quorum. If from the time appointed for the meeting to commence a quorum is not present, then the meeting may be adjourned to any date not less than two nor more than 30 days from the day of the meeting at which the adjournment took place. The quorum for such an adjourned meeting shall be three Directors or such greater number as the Board may determine by resolution.

Voting at Board meetings and Written Resolutions

110. Any questions arising at any meeting of the Board shall be decided by a majority of votes. Each Director shall have only one vote on any matter provided that the chairperson of the meeting shall have a casting vote in the event of an equality of votes.

Notwithstanding any other provision of these Rules, a resolution of the Board may be passed without a meeting, provided that:

- a) the proposed resolution is circulated in writing at least two working days in advance to all Directors;
- b) the resolution clearly states that it is proposed as a written resolution;
- c) the required majority of Directors (or all Directors, if unanimity is required) confirm their approval in Writing; and
- d) the resolution and written confirmations are retained with the records of Board proceedings.

A resolution passed in accordance with this Rule shall be as valid and effective as if passed at a duly convened meeting of the Board.

Attendance at Board meetings

111. A Director is able to exercise the right to speak at a meeting of the Board and is deemed to be in attendance when that person and all those attending the meeting are in a position to communicate with each other. The Directors may make whatever arrangements they consider appropriate to enable those attending a meeting of the Board to exercise their rights to speak or vote at it including by electronic means. In determining attendance at a meeting of the Board, it is immaterial whether any two or more Directors attending are in the same place as each other.

Chairing Board meetings

112. Subject to any specific provision contained in these Rules, the president or, in their absence the vice-president, shall preside at meetings of the Board of Directors. The meeting chair shall perform such other additional duties as directed by the Board which are not inconsistent with the provisions of the law or of these Rules.

113. If neither the president nor the vice-president is present or willing to act within 15 minutes after the time appointed for the beginning of a Board meeting, the other voting Directors shall elect one of their number to be chairperson of that meeting.

Failure to attend meetings

114. Any Director who, without special leave of absence, fails to attend 3 consecutive meetings shall, if the Board so resolve, be deemed to have vacated their office, and the vacancy shall be filled as provided for in the Casual vacancies section of these Rules.

Delegation of powers

115. The authority of the Board resides within a meeting of the Board which has been properly called. Outside of a Board meeting Director(s) shall only have the specific authority to act in a specified area as may from time to time be delegated within a meeting of the Board. In addition, the Board of Directors may delegate any of their powers to committees established as provided for in these Rules. Committees shall consist of such members of the Board as determined from time to time by the Board and other individuals as the Board think appropriate who shall have clear terms of reference and conform in all respects to these terms, including any requirements regarding reporting to the Board.

Validity of actions

116. All acts carried out by any meeting of the Board, or of any committees or by any Director acting in pursuance of any authority duly given shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or qualification of any Director, be valid as if such Director had been duly appointed or qualified.

Responsibilities of Directors

117. The Board shall be responsible for the general business and control of the affairs of the Credit Union and the exercise of all the powers of the Credit Union that are not required by the law, the Regulations and these Rules, to be exercised by the Credit Union in general meeting. The responsibilities of the Board shall be laid out in a policy agreed from time to time by the Board of Directors which shall be provided to all newly elected Members of the Board and to prospective Members of the Board and any member on request.

Without prejudice to the generality of rule 122 the Board of Directors shall have authority to accept the Transfer of Engagements of another credit union.

Without prejudice to the generality of rule 122 the Board shall ensure the direction and management of all affairs and business of the Credit Union by a sufficient number of individuals, fit and proper to be Directors or other Officers, in their respective positions, with prudence and integrity, in the best interests of the Credit Union.

Vacation of office

118. Elected and co-opted Officers serving the Credit Union shall immediately cease to hold office and any committee position if:

- a. They are performing a controlled function and their Approved Function status is withdrawn by the Relevant Authority;
- b. They are adjudged bankrupt or make an arrangement with their creditors;
- c. They are prohibited from acting as an Officer of the Credit Union as per these Rules;
- d. A registered medical practitioner who is treating that person gives a written opinion to the Credit Union stating that the person has become physically or mentally incapable of acting in their position and may remain so for more than three months;
- e. By reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- f. They resign their office in Writing to the Secretary or to the Chairperson of the Board;
- g. They are deemed to have vacated their office in accordance with the Failure to attend meetings section of these Rules;
- h. They are removed by a resolution of a majority of the Members of the Credit Union present at a special general meeting called for that purpose by the Board or by the Members provided that such an Officer shall be given at least 14 days' notice of the meeting and of the intention to remove him or her from office;
- i. They, or their spouse or partner, are engaged in a managerial capacity in the carrying on of any business, trade or undertaking which in the opinion of the Board competes in any way with any business, trade or undertaking carried on by the Credit Union; or
- j. They, or their spouse or partner, are concerned in or participate in the profits of any contract made with the Credit Union except as a non-managerial member or employee of any society or company which contracts with or does work for the Credit Union.

Payment of expenses

119. Members of the Board and committees may be reimbursed for reasonable out-of-pocket expenses incurred in the proper performance of their duties, in accordance with the Credit Union's expenses policy.

120. Rule rescinded

BOARD COMMITTEES

121. The Board of Directors shall establish and maintain such committees as it considers necessary to support effective governance, risk management, financial oversight, and succession planning. This shall include, but is not limited to, a Finance Committee, a Risk Committee, and a Nominations and Succession Committee. The Board shall determine the terms of reference of its committees, including but not

limited to: their membership, frequency of meetings and duties, accountability and quorum.

122. The Board may, by resolution, create, merge, vary, or dissolve any committee and shall approve the terms of reference for each committee. Committee structures and terms of reference shall be reviewed at least annually.
123. The Credit Union shall disclose to members the current composition of its committee structures, including a written report from the Chair of each committee and a full list of committee memberships of its Annual General Meeting each year. The requirement for a report to members annually will be included in the terms of reference of each committee.

OFFICERS AND EMPLOYEES

Conflict of interest

124. No Officer or employee of the Credit Union shall in their conduct of the Credit Union's business in any manner, directly or indirectly participate in the deliberation of or the determination of any question affecting their pecuniary interest or the pecuniary interest of any person or body (other than the Credit Union) in which there is a direct interest. Such person(s) shall withdraw from the meeting and the remaining persons shall constitute a quorum while that matter is being discussed or determined should their withdrawal result in a quorum not being present. The Board, by a majority decision of its number, shall maintain the right to require such an individual to withdraw from the Board during the period the conflict of interest exists. The Board may co-opt another member to fill such vacancy.
125. Any Officer who declares an interest in becoming an employee of the Credit Union, or where a member of their immediate family applies for a position as an employee of the Credit Union, shall not take part in any discussion, selection or decision relating to that particular position in the Credit Union.

Confidentiality

126. An Officer or employee of the Credit Union shall not disclose to any person any information regarding any transaction of a Member of the Credit Union except in so far as may be necessary for the proper conduct of the business of the Credit Union, and in keeping with the Senior Managers and Certification Regime. On appointment, all Officers and employees of the Credit Union shall sign a confidentiality agreement to ensure the confidentiality of all business conducted by the Credit Union.
127. The Credit Union shall comply with all applicable laws concerning the protection of data.

Indemnity

128. Any Officer of the Credit Union shall be indemnified by the Credit Union against all costs, losses and expenses which such Officer may incur or become liable for by reason of any contract entered into or any act or thing done by him or her in discharging their duties as authorised by the Board, and the Credit Union is empowered to pay the amount of such indemnity out of the funds of the Credit Union.

ACCOUNTS, AUDIT, ANNUAL RETURNS AND RULES

Appointment of auditor

129. A qualified auditor shall be appointed in each year of account to audit the Credit Union's accounts and balance sheet. In this rule 'qualified auditor' means a person who is a qualified auditor under section 91 of the Co-operative and Community Benefit Societies Act 2014. The appointment of an auditor shall be ratified by a majority vote of the Members at an annual general meeting.

130. None of the following persons shall be appointed as an auditor of the Credit Union:

- a. An Officer or employee of the Credit Union; or
- b. A person who is the partner of, or in the employment of, or who employs, an Officer or employee of the Credit Union.

Availability of accounts

131. The Credit Union shall keep a copy of the latest balance sheet, together with the report of the auditor, displayed in a conspicuous place at the registered office. The Credit Union shall, free of charge, supply or provide access to every Member or person interested in the funds of the Credit Union who applies for it, a copy of the latest audited accounts of the Credit Union.

Filing of accounts with the Relevant Authority

132. The Credit Union shall, within the time period allowed by the Relevant Authority, send to the Relevant Authority such returns as may be required, relating to its affairs during the year of account covered by the return. The annual return shall be accompanied by a copy of the audited accounts of the Credit Union for the year.

Auditor's entitlement to attend meetings

133. The auditors shall be entitled to attend any general meeting of the Credit Union, to receive all notices of the communications relating to any general meeting which any Member of the Credit Union is entitled to receive, and to be heard at any meeting which they attend on any part of the business of the meeting which concerns them as auditor.

MAINTENANCE OF MEMBERS' ACCOUNTS

Inspection of accounts

134. Rule rescinded.
135. All books of account and other records of the Credit Union shall at all reasonable times be available for inspection by the auditor, internal auditor the Board, or other persons duly authorised on their behalf.

Record of account

136. Members shall have access to an online statement of account at any time. A copy can be issued to each Member upon their request.

Conducting transactions

137. Any person may pay money into a Member's account on account of Shares or a reduction of loan capital or interest outstanding. Only the Member themselves may enter into a loan agreement or make a withdrawal from their share account. As well as formal notices of power of attorney, the Credit Union shall have the discretion to accept an authenticated request in Writing from an incapacitated Member permitting a named person to conduct transactions on the Member's behalf. The Credit Union shall take all reasonable steps to assure itself of the validity of each request made in Writing and shall be indemnified by the Member in the event of a subsequent dispute.

Nominations

138. A Member may in accordance with the law nominate any person(s) to whom any of their property in the Credit Union at the time of their death shall be transferred (subject to the provisions of the law as to amount and the persons to whom a valid nomination may be made).
139. On receiving satisfactory proof of death of a Member who has made a nomination the Credit Union shall, if and to the extent that the nomination is valid under the law, either transfer or pay in accordance with the law the full value of the property comprised in the nomination to the person entitled.

Claims on accounts of deceased, bankrupt or insolvent Member

140. Upon a claim being made by the personal representative of a deceased Member, or the trustee in bankruptcy of a bankrupt Member or the liquidator or administrator in the winding up of a Corporate Member to any property in the Credit Union belonging to the deceased, bankrupt or Corporate Member the Directors shall pay such property to which the personal representative, trustee liquidator or administrator has become entitled.

Incapacity

141. Subject to the provisions in the last sentence of this rule, where in the case of a Member or person claiming through such a Member, the Directors of the Credit Union are satisfied after considering appropriate medical evidence that such a Member or person is mentally incapable of managing their own affairs and are also satisfied that no person has been duly appointed to administer their property on their behalf and it is deemed just and expedient to do so by the Board, the Credit Union may pay the amount of any shares, loans and deposits belonging to such Member or person to any person who they judge proper to receive it on their behalf. This Rule shall not apply where such a Member or person is a patient under the Mental Health Act 1983 and any subsequent amendments made under the Mental Health Act 2007 or under the Mental Health (Care and Treatment) (Scotland) Act 2003 and any subsequent amendments made under the Mental Health Scotland Act 2015.

SEAL

142. If the Credit Union has a seal, it shall only be used by the authority of the Board acting on behalf of the Credit Union. Every instrument to which the seal shall be attached shall be signed by a Director and countersigned by a second Director or the Secretary.

AMENDMENTS TO RULES

Amendments to Rules

143. The Rules of the Credit Union may not be amended except by a resolution passed by not less than two thirds of the Members present and eligible to vote at a general meeting of the Credit Union. Notice of the proposed alteration must be given in Writing alongside the notice of the meeting.
144. Any Member of the Credit Union may, before the first day of October in any year, propose an amendment to the Rules by serving notice of the proposed amendment to the Board who must incorporate the proposed amendment in the agenda of the next general meeting of the Credit Union.
145. No amendment of Rules shall be valid until registered with the Relevant Authority. When submitting rule amendments for registration the secretary may at their sole discretion accept any alterations required or suggested by the Relevant Authority without reference back to a further general meeting of the Credit Union.

COMPLAINTS AND DISPUTES

Internal complaints procedure

146. A formal written complaints procedure shall be maintained by the Credit Union and made available to all Members and junior savers. The Credit Union shall aim to resolve a complaint and send a final response within eight weeks of the receipt of a complaint (or such other time period as may be prescribed by the Relevant Authority).
147. If a complainant remains dissatisfied at the completion of the Credit Union's internal complaints procedure, and from the date of receipt of the Credit Union's final

response, the complainant shall have six months (or such other time period as may be prescribed by the Relevant Authority) within which to refer their complaint to the Financial Ombudsman Service.

148. Complainants who remain dissatisfied following a formal decision by the Ombudsman may jointly agree with the Credit Union to refer their complaint or dispute to the County Court, or in Scotland the Sheriffs Court, who shall in accordance with section 138 of the 2014 Act, hear and determine such dispute. The County Court or Sheriffs Court shall have the power to order the expenses of the determining the dispute to be paid either out of the funds of the Credit Union or by such party to the dispute as it shall think fit, and such determination and order shall be binding and conclusive on all parties without appeal and shall not be removable into any court of law or restrainable by injunction.

DISSOLUTION

149. The Credit Union may be dissolved:
 - c. On its being wound up in pursuance of an order or resolution made as is directed in regard to companies by the Insolvency Act 1986;
 - d. In accordance with part 9 of the 2014 Act; by an instrument of dissolution to which not less than three fourths of the Members of the Credit Union have given their consent testified by their signatures; or which has been approved by a special resolution of the credit union and confirmed by the Relevant Authority.

Distribution of funds on dissolution

150. If on the dissolution of the Credit Union there remains after the payment of debts, repayment of Non-Deferred Share capital, discharge of all other liabilities and repayment of Deferred Shares any surplus assets whatsoever, such assets shall not be paid or distributed among the Members of the Credit Union but shall be:
 - e. Transferred to another credit union;
 - f. If not so transferred, applied for charitable purposes as may be determined by the Members of the Credit Union in general meeting.

151. Rule rescinded

152. Rule rescinded

INTERPRETATIONS

153. In these Rules, the following terms shall, unless the context requires otherwise, have the meanings attached to them:
“CUA 1979” means the Credit Unions Act 1979 or any successor Act and/or Order.
“Address” means a postal address or, in the case of Corporate members the registered address; or, in the case of an unincorporated partnership or association an address agreed by resolution of the partnership or governing body; or for the purposes of electronic communication, a fax number, email address or telephone number for receiving text messages.
“AGM” means annual general meeting.
“Amendment” in relation to the Rules of the Credit Union includes the addition of any new rule or the deletion of any existing rule.
“Association” means the Association of British Credit Unions Limited, or its successor body.

“Board” and “Board of Directors” means the committee of management of the Credit Union.

“Co-operative and Community Benefit Societies Act 2014” means this Act or any successor legislation “Corporate Member” unless the context requires otherwise has the meaning attached to it in section 5A (6) of CUA 1979. “Corporate Member” unless the context requires otherwise has the meaning attached to it in section 5A (6) of CUA 1979.

“Corporate Representative” means an Individual authorised by resolution of the governing body of an incorporated body to represent it;

“Credit Union” means the registered society.

“Data Protection Act 2018” means this Act or any successor legislation.

“Deferred Shares” has the meaning attached to it by section 31A of CUA 1979.

“Deposit(s)” shall have the meaning attached to it by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 – SI2001/544 (or any successor Act and/or Order).

“Designated Representative” means a partner authorised by resolution of the partners of a partnership (that is not a body corporate) or a member of a governing body authorised by the governing body of an un-incorporated association to represent it;

“Director” means a member of the Board of Directors of the Credit Union.

“Dividend-Bearing Non-Deferred Shares” means a share issued on terms which entitle the shareholder to dividend but no interest.

“Financial Services Compensation Scheme” means this Scheme and any successor scheme.

“FSMA” means the Financial Services and Markets Act 2000 or any successor legislation.

“Interest-Bearing Non-Deferred Shares” means a share issued on terms which entitle the shareholder to interest but no dividend.

“Issue Document” shall be the document produced in accordance with any issue of Deferred Shares of the Credit Union.

“Member” has the meaning attached to it under these Rules, and unless the context requires otherwise includes individuals, corporate bodies and Designated Representatives of unincorporated associations or partnerships.

“Money Laundering Regulations 2017” means these Regulations or any successor Regulations.

“Non-Deferred Share(s)” means a share issued as per the section of the Rules regarding Non-Deferred Shares.

“Officer” includes any president, vice-president, treasurer, assistant treasurer, secretary, other elected Director, member of any committee or servant of the Credit Union, other than an employee appointed by the Board of Directors, but it does not include an auditor appointed by the Credit Union in accordance with the provisions of these Rules.

“Non-Qualifying Member” means those Members outlined in the section of the Rules regarding Non-Qualifying Members.

“Ombudsman” means the Financial Ombudsman Service or any successor body.

“Relevant Authority” means the Financial Services Authority or any successor bodies.

“Regulations” means regulations made by the Treasury in a statutory instrument and rules made by the Relevant Authority.

“Relative” has the same meaning as in Section 31 of the CUA 1979;

“Rules” means the Credit Union’s registered Rules unless the context indicates otherwise.

“Share” and “Shares” shall include both Non-Deferred Shares and Deferred Shares.

“Treasury” means HM Treasury or any successor body.

“Writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Words implying the singular or plural include the plural or singular respectively.

Signed

..... Member

..... Member

..... Member

..... Secretary