

Rule Book

(Amended March 2020)

Community First Credit Union Limited



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Rule

1.0 Name

The name of this Credit Union shall be **COMMUNITY FIRST CREDIT UNION LIMITED** herein referred to as “the Credit Union”.

2.0 Registered Office

The Registered Office of the Credit Union shall be **1 MAIN STREET, MEXBOROUGH, SOUTH YORKSHIRE, S64 9LU** or at such place as may from time to time be determined by the Board of Directors and registered with the relevant Authority.

3.0 Objects

The objectives of the Credit Union shall be:

- a) The promotion of thrift among its members by the accumulation of their saving;
- b) The creation of sources of credit for the benefit of the 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.

4.0 Social Goals

The Credit Union may, by resolution of its Board of Directors, adopt one or both of the following additional social goals within its Policies:

- a) To contribute towards the alleviation of poverty within the community.
- b) To contribute towards the economic regeneration of the community providing that these are only pursued within the objectives of the Credit Union in accordance with Rule 3

5.0 Powers

The Credit Union shall have full power, subject to law, regulations and permissions granted to it by the Regulator, to do all things necessary or expedient for the accomplishment of its objectives.

6.0 Qualifications for and Admission to Membership

Admission to membership is restricted to those who fall within a common bond appropriate to a credit union, as follows:

6.1 An individual who resides or is employed in the localities of:

Barnsley Metropolitan Borough Council
Doncaster Metropolitan Borough Council
Rotherham Metropolitan Borough Council
Kirklees Metropolitan Borough Council
York City Council
North Yorkshire County Council
Middlesbrough Borough Council
Redcar and Cleveland Borough Council
Hartlepool Borough Council
Wakefield District Council
Sheffield City Council

As delineated in red on the attached map, *Rule 6.7 Common Bond*.

6.2 A corporate body, individual in his/her capacity as a partner in partnership, an individual in his/her capacity as an officer or member of the governing body, if the body corporate, partnership or unincorporated association has:

- a) A place of business in the localities as delineated on the attached map
- b) The following significant connection with the above localities as delineated on the attached map;
- c) Is a social housing provider that administers property in the localities as delineated on the attached map.

6.3 An individual who is associated with other individuals through being a tenant of a social housing provider that administers property in the localities as delineated on the attached map.

6.4 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.

6.5 Subject to and in accordance with Rules 7 – 11 the membership of the Credit Union shall consist of individuals and bodies who have been admitted in accordance with Rule 6.

6.6 The minimum age of membership is eighteen (18) years. There is no maximum age limit, but life insurance benefits may be reduced or unavailable for older members.

6.7 Common Bond Map



7.0 Limitations on Membership

The Board of Directors shall ensure that at all times the number of Corporate Members in membership of the Credit Union does not exceed ten per cent (10%) (or other such 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. In determining the policy for 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.

8.0 Joint Accounts

The Credit Union may offer a joint account facility to Members that are individuals. A joint account shall only be available to two (2) 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 the joint account.

9.0 Non Qualifying Members

9.1 An individual Member of the Credit Union who ceases to qualify for membership under Rule 6.1 may retain his or her membership and voting rights in the Credit Union and continue to acquire shares and receive loans. The membership, in a General Meeting, may set a limit on Non-Qualifying Members if it is deemed desirable.

9.2 The number of Non-Qualifying Members shall not exceed fifty per cent (50%) (or such other sum or limit as may be prescribed by law) of the total membership. If the number of Non-Qualifying Members shall exceed fifty per cent (50%) at any time then the Board of Directors shall take steps to reduce this number to below fifty per cent (50%). Ultimately the Board of Directors shall be required to expel from membership those who have most recently become Non-Qualifying Members, subject to these Rules.

10.0 Application for Membership

An Application for Membership may be admitted only when

- a) It has been determined that the applicant fulfils the common bond for entry to membership, Rule 6.1; and
- b) The applicant has completed an application form; and
- c) The applicant has provided sufficient evidence to prove his or her identity and address to comply with Money Laundering regulations and the law; and

- d) The applicant has paid an entrance fee of an amount determined from time to time by the Board of Directors which fee shall be returned to the applicant if the application is refused; or has paid an annual fee of an amount that may be determined from time to time by the Board of Directors, and
- e) The applicant has paid for at least one (1) share in the Credit Union.

11.0 Junior Savers

11.1 Children under the age of eighteen (18) (Junior Savers) may join the Credit Union if they are qualified for membership in accordance with Rule 6.1

11.2 Deposits from Junior Members must not exceed £10,000.00 or one point five per cent (1.5%) of total Non-Deferred Shares (or such other sum or limit as may be prescribed by law) in the Credit Union unless the deposits are held in a *Child Trust Fund* in which case the Credit Union can accept a larger deposit.

11.3 A trustee must be appointed to the account. Trustees must supply sufficient documentation to satisfy Rule 10c.

11.4 On the death of a trustee a death certificate must be supplied and a new trustee be appointed as per 11.3.

11.5 A junior member shall be converted to an adult member upon their eighteenth birthday.

Within one calendar month of their eighteenth birthday, the member will provide documentation as required for an adult member under rule 10c, at which point control of the account will pass from the trustee to the newly formed adult member.

One month prior to their eighteenth birthday, the credit union will give notice of the requirement to provide documentation under rule 10c.

If no such documentation is supplied, the account will be closed and the account balance discharged to the trustee of the account.

If neither the trustee nor the named member are forthcoming, the account will be locked and charged at any ongoing rate until the account balance is either discharged to the trustee or documentation provided.

12.0 Cessation of Membership

A person shall cease to be a member of the Credit Union:

- a) On death; or
- b) On their withdrawal from the Credit Union; or
- c) On ceasing to hold at least one fully paid up share in the Credit Union; or

d) On expulsion from the Credit Union in accordance with Rules 14 – 17.

13.0 Withdrawal of Shares

Subject to Rule 20, a member may withdraw from membership at any time by applying for and receiving the shareholding in full in the Credit Union.

14.0 Expulsion from Membership

Subject to Rule 14 and 15 a member may be expelled from the Credit Union for any grave and sufficient reason including the following:

- a) Wilful and persistent breach of, or refusal to comply with, the rules and the policies of the Credit Union.
- b) Divulging confidential information obtained by reason being an officer or Board Member of the Credit Union.
- c) Deceiving the Credit Union with regard to the purpose of money borrowed therefrom and its subsequent use.
- d) Maliciously and knowingly spreading false reports about the management of the finances of the Credit Union.
- e) Wilfully making entry, or erasure in, or omission from any passbook, record or return of the Credit Union with the intention to falsify it.
- f) Using the Credit Union as a vehicle for committing an offence constituting money laundering as defined in the Money Laundering Regulations.
- g) Committing an offence of dishonesty against the Credit Union, wilfully destroying or damaging records or other property of the Credit Union, or passing forged notes or other instruments through the Credit Union; or
- h) If, after admission, any declaration in his or her application for membership is found to be wilfully false or misleading or any defect is discovered in his or her qualifications for membership at the time of his or her application which is of such consequence as to justify expulsion.
- i) A member who displays threatening, aggressive or violent behaviour towards staff of members of the Credit Union shall be banned from the Credit Union premises and their membership shall be terminated.
- j) A member who includes the Credit Union in a Bankruptcy or Debt Relief Order shall no longer be entitled to membership of the Credit Union and their account(s) shall be closed.
- k) Any notices required to be given under this Rule and Rule 15 shall be posted by registered post or recorded delivery to the last notified address.
- l) Any subsequent notice of expulsion to the member shall not become effective until thirty (30) days after the date of service of such notice of expulsion or until the determination of his or her appeal under Rule 15, if any, whichever is the later.

m) Notwithstanding the above rule any member physically assaulting any employee, member or director will result in immediate expulsion.

15.0 Appeal Against Expulsion

Where a member wishes to appeal against expulsion, the *Board of Directors* shall, upon written request of a member received not later than thirty (30) days after the date on which the notice has been served on him or her, convene an Appeals Sub-committee, appointed by the Board of Directors, to consider the matter of his or her expulsion. Such a member shall have the right to be represented and heard at such Appeals Sub-committee. The Appeals Sub-committee shall have the power, through a majority decision, to confirm the member's expulsion or to direct that she/he shall remain a member of the Credit Union.

16.0 Liability of Members

- a) Withdrawal or expulsion of a member from the Credit Union shall not relieve such member from any liability thereto existing at the time of his or her withdrawal or expulsion.
- b) The amount in shares, together with any dividends due by the Credit Union to the member who withdraws or is expelled, shall be paid to him or her as funds become available, but only after all monies due by him or her to the Credit Union have been deducted, providing however, that payment of such monies or any part of them may be postponed until the end of a period of sixty (60) days beginning on the day the expulsion or notice of intention of withdrawal. No payment of any description shall be paid to such a member unless all his or her liabilities to the Credit Union have been fully discharged.

17.0 Dormant Accounts

17.1 If a member has not:

- a) Taken part in the business of the Credit Union; or
- b) Subscribed to the share capital of the Credit Union throughout the preceding twelve (12) months, the account shall be deemed to be dormant and the Credit Union may transfer the shares to a suspense account, together with any dividend credited to the member's account.

17.2 The Credit Union shall not cancel or forfeit any member's shares unless it has:

- a) Sent a letter to the member's last known address informing him or her of this possible course of action and that he or she has three (3) months in which to contact the Credit Union and either reactivate the account or close it. If, after the three (3) month period, no response has been received, sums of £5.00 or less (or as such amounts subscribed by law) will be forfeit to the Credit Union.
- b) If after a period of three (3) years the Credit Union has been unable to trace the member, the Board of Directors may declare the share balance to be forfeit to the Credit Union and close the account.

18.0 Shares

- a) The shares of the Credit Union shall be offered as Non-Deferred Shares or Deferred Shares. The value of each share shall be £1.00. A member must purchase and hold at least one (1) £1.00 in the Credit Union.
- b) Non-Deferred Shares shall be withdrawable subject to Rule 20.
- c) Non-Deferred Shares shall not be transferable and the Credit Union shall not issue to a member a share certificate denoting ownership of a share.

18.1 The Credit Union may issue Interest Bearing Shares if it meets the criteria for doing so as may be prescribed by law, the Relevant Authorities and these Rules, and shall be set and credited using a policy and procedure agreed by the Board of Directors .

18.2 When a member opens a share account, the Credit Union shall inform the Member whether the share account will qualify for interest or dividend as per these Rules. If a Member is informed 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 Authorities to pay interest on Shares, their Interest Bearing Shares will be converted to Dividend Bearing Shares. If a Member's Interest Bearing Shares are converted to Dividend Bearing Shares, the member must be informed using an agreed policy and procedure by the Board of Directors.

19.0 Maximum Shareholding

19.1 No Member shall have, or claim an interest in, shares in the Credit Union, other than *Deferred Share*, exceeding the greater of £15,000.00 or one point five per cent (1.5%) of the *total Non-Deferred Shares* in the Credit Union (or such other sum or limit as may be prescribed by law). This rule applies to the sum of all accounts held by a member with the Credit Union. For the purpose of these rules the total shareholdings shall be that shown in the most recent audited balance to have been sent to the Regulator.

19.2 Corporate Members shall not have in total, or claim an interest in, fully paid up Non-Deferred Shares of the Credit Union exceeding twenty-five per cent (25%) (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 of Directors shall repay Non-Deferred Shares held by Corporate Members using an agreed policy and procedure until the percentage is no longer exceeded.

19.3 The maximum Non-Deferred Shareholding limit of a joint account shall be double that of the limit on an account held by an individual. The amounts held in an individual account and joint account shall be amalgamated.

19.4 For the purpose of Rule 22 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 shown in the most recent annual return to have been sent to the Regulating Authority.

19.5 Shares in a Joint Account must not be held in the joint names of more than two (2) members. The interest of a member in a Joint Account shall be treated as fifty per cent (50%) of the shareholding in that account.

20.0 Withdrawing Shares

- a) Money paid in to the member's Share Account may be withdrawn, but the Credit Union may require up to sixty (60) days' notice of withdrawal from a member.
- b) Attached Shares are shares that cannot be withdrawn where the member has an outstanding loan (or other liability to the Credit Union) in excess of his or her shareholding. The withdrawal of attached shares (Compulsory Savings) shall be permitted only in accordance with the policy agreed by the Board of Directors.
- c) Money paid in to the member's Compulsory Savings Account (Attached Shares) may only be withdrawn when the total loan is repaid and the member is debt free to the Credit Union whether as a borrower, guarantor or otherwise, or in accordance with the policy agreed by the Board of Directors.

21.0 Insuring Shares

The Credit Union may enter into arrangements with a person carrying on the business of insurance for the purpose of providing insurance cover (for such sum or limit as may be prescribed by law) on the members of the Credit Union in relation to their shareholdings therein and any monies paid to the Credit Union by virtue of said insurance arrangements shall be credited to the share account of the insured member.

22.0 Interest on Shares

22.1 The Credit Union shall only pay different interest on different share accounts, where two-thirds of the members present in an Annual General Meeting or a Special General Meeting have agreed to offer interest bearing accounts; and the auditors are of the opinion that the Credit Union has maintained a satisfactory system of control and also has satisfactory systems of control in place to manage the payment of interest to members (for such sum or limit as may be prescribed by law or regulation).

22.2 The Credit Union shall not pay interest out of interim profits more than once a year.

22.3 The Credit Union shall only offer dividend bearing shares and interest bearing shares with the agreement of two-thirds of the members in an Annual General Meeting or a Special General Meeting. The Credit Union shall not offer interest bearing shares which also carry entitlement to a dividend, as this would result in a double payment.

23.0 Deferred Shares

23.1 Members of the Credit Union are eligible to purchase Deferred Shares which can be issued by the Credit Union and the terms and conditions shall be set out in the Issue Document. When a

member purchases Deferred Shares they shall be issued with a share certificate denoting the ownership of the Deferred Shares.

23.2 The Credit Union must transfer an equivalent amount to reserves as a member has purchased Deferred Shares.

23.3 Deferred Shares are non-withdrawable but may be repaid or transferred only in the circumstances as set out in the issue document.

23.4 Members who hold both Non-Deferred Shares and Deferred Shares shall only have one (1) vote in the Credit Union.

24.0 Loans to Members

24.1 The Credit Union may make a loan to;

- a) An Individual Member who is aged eighteen years or over upon such security (or without security) and terms as these rules provide.
- b) A Corporate Member of the Credit Union, where making the loan will not result in the aggregate of the loans made by the Credit Union to Corporate Members exceeding ten per cent (10%) (or as such amount as set by law) of the aggregate of all loans made by the Credit Union.
- c) Other Credit Unions.

24.2 A loan shall not be made by the Credit Union to any member unless the loan is approved in accordance with the Credit Unions lending policy.

24.3 The Credit Union shall not at any time make a loan to a member if making such a loan would bring the total amount outstanding on a loan to members above such limits as may be set by law or by the regulators.

24.4 Both members of a joint account shall be held jointly and severally liable for the repayment of loans.

24.5 The Board of Directors shall determine from time to time the maximum amount that may, at a particular time, be on loan to a member either by way of secured loans or unsecured loans *in accordance with rule 24.3.*

24.6 The rate of interest chargeable on loans shall be determined from time to time by the Board of Directors , and shall not at any time exceed the rate of three per cent per month (or such other rate as may be prescribed by law or the Rules of the Regulating Authority) on the amount of the loan outstanding at the time and shall include all administrative charges and expenses incurred in making the loan.

24.7 Each application for a loan shall be submitted on a form provided by the Credit Union and shall state the purpose for which the loan is required, the security (if any) in respect thereof and such other information as may be required.

24.8 A Credit Union member may use his or her shares to guarantee another member's loan, except that a member who is under eighteen (18) years of age may not act as a guarantor.

24.9 An Officer, Director or Employee of the Credit Union and their relatives may, if a member of the Credit Union, be granted a loan by the Credit Union in accordance with these rules, providing that;

- a) The member or relative has no involvement in the processing or granting of the loan.
- b) The Internal Audit Committee shall be informed by the next Board meeting.

24.10 The Credit Union shall not make a loan to an Officer, Director, Employee of the Credit Union and their relatives on terms more favourable than those available to other members of the Credit Union.

24.11 All applications for loans and loan registers shall be filed in accordance with the provisions of Rule 49.

24.12 The Credit Union may enter into arrangements with a person carrying on the business of insurance for the purpose of providing insurance cover on the liability of any member of the Credit Union.

24.13 Any person knowingly responsible for the issue of a loan to a person other than a member of the Credit Union shall be jointly and severally liable with the borrower to the Credit Union in the amount of the loan and accrued interest.

24.14 The Credit Union shall not lend for more than a period of time as set out in the Rules established by the Regulating Authority.

24.15 The Credit Union shall not lend to a member more than the amount as set out in the Rules or as established by the Regulating Authority.

24.16 The Credit Union shall make provision for bad or doubtful debts as set out in the Rules established by the Regulating Authority.

25.0 Recovering Loans from Members

25.1 The Board of Directors is responsible for ensuring that suitable policies and procedures are in place to ensure the repayment of all debts due to the Credit Union.

25.2 All sums due from any member shall be recoverable from him or her, his or her executors or administrators, as a debt due to the Credit Union.

25.3 The Credit Union shall have a lien on all shares of a member for any debt due to it by the member or for any debt that the member has guaranteed, and may set off any sum standing to the member's credit including any shares, interest rebate and dividends, in or towards the payment of any debt.

26.0 Application of Surplus / Dividend

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

26.2 The Credit Union shall, out of its profits, each year maintain general reserves in accordance with the regulations.

26.3 The Credit Union may then allocate any remaining profits as follows:

- a) A voluntary transfer to general reserves.
- b) A payment to members of dividend on the amount of their paid up dividend bearing accounts.
- c) As a rebate of interest paid by or due from members who have received loans from the Credit Union.
- d) After a dividend and/or rebate of loans interest has been paid, a sum for social, cultural or charitable purposes.

26.4 A dividend on members' dividend bearing shares may be recommended by the Board of Directors for declaration by the members at an Annual General Meeting. Such dividend shall be declared on all dividend bearing shares held during the previous financial year, a portion of a month being disregarded for the purpose of entitlement to dividend. No dividend declared and authorised for payment by the members in an Annual General Meeting shall exceed the rate recommended by the Board of Directors.

26.5 At each Annual General Meeting the members may be formally asked to delegate to the Board of Directors such powers as may be necessary to declare interim dividends and establish differential interest rates on different terms savings accounts. This delegation can only take place subject to regulatory restrictions placed on the operation of the Credit Union.

26.6 Provided that a dividend has been recommended by the Board of Directors in accordance with Rule 26 a rebate of interest, proportional to the interest paid or due from members during the year of account, may be recommended by the Board of Directors for declaration by the members at the Annual General Meeting. No rebate of interest declared and authorised for payment by the members in an Annual General Meeting shall exceed the rate recommended by the Board of Directors .

26.7 Dividends and interest rebates due to any member may be placed to the credit of his or her share balance and shall be so placed in any case where there is any money due from him or her to the Credit Union whether as a borrower, guarantor or otherwise in excess of his or her shareholding in the Credit Union, unless an application of such a dividend or interest rebate would increase his or her shareholding in the Credit Union to an amount exceeding the maximum shareholding permitted by Rule 19.

27.0 Investments

27.1 Subject to the general limitations as set out in the Rules established by the Regulating Authority the Credit Union may invest its surplus funds and funds serving liquidity.

27.2 All surplus funds not invested by the Credit Union, in accordance with Rule 27, must be held in cash in the custody of employees of the Credit Union

28.0 Borrowing

The Credit Union shall only borrow within the limits set out in the Rules of the Regulating Authority.

29.0 Capital

The Credit Union shall establish and maintain adequate financial resources in relation to its regulated activities as set out in the Rules of the Regulating Authority.

30.0 Liquidity

30.1 The Credit Union must at all times hold liquid assets of a value as set out in the Rules of the Regulating Authority.

30.2 The Credit Union shall maintain and implement an up-to-date liquidity management policy statement approved by the Board of Directors and complying with the Rules of the Regulating Authority.

31.0 Members Meetings

31.1 Meetings of the Credit Union shall be either Annual General Meetings or Special General Meetings. Every member holding at least one (1) share shall be entitled to attend such meetings on production of such evidence as the Board of Directors may from time to time determine.

31.2 At least twenty-one (21) days before the date of a meeting of members, the Board of Directors shall cause written notice of the date, time and venue by posting a notice in a conspicuous place in every office or place of business of the Credit Union where it may be read by the members, including any internet site operated by the Credit Union.

31.3 When notice of a meeting has been given in accordance with Rule 31, the accidental omission to give notice to any member thereof or the non-receipt of a notice by any member shall not invalidate any resolution passed or any proceedings taken at the meeting.

31.4 Ten per cent (10%) of the members of the Credit Union or fifteen (15) members, whichever is the lesser number, shall constitute a quorum for members meetings. A meeting may proceed to business if a quorum is present within half an hour after the time fixed for the commencement of the meeting. No meeting shall be incompetent to transact business for want of a quorum after

the chair has been taken. If a special meeting convened on the requisition of members is inquorate then the meeting shall be abandoned.

31.5 Meetings called by the Board of Directors may, for good and sufficient reason, at the discretion of the chairperson, be adjourned.

31.6 The provision concerning notice, voting and quorum set in these rules shall apply to an adjourned meeting of members and no business shall be transacted at such a meeting other than business appearing on the agenda and left unfinished at the meeting at which the adjournment takes place.

31.7 If an Annual General Meeting or Special General Meeting convened by order of the Board or internal audit and compliance committee is inquorate, it shall stand adjourned to a later date within thirty (30) days, when the meeting so adjourned may proceed to business whatever is the number of members present.

32.0 Annual General Meetings

32.1 The Annual General Meeting shall be held within seven months of the end of the financial year at such date, time and place as the Board of Directors may by resolution decide.

32.2 The order of business at the Annual General Meeting of members shall be:

- a) Ascertain that a quorum is present.
- b) Appointment of Tellers
- c) Approve the minutes of the last Annual General Meeting and any intervening Special General Meetings.
- d) Chairperson's Report.
- e) Chief Executive's Report.
- f) Treasurer's Report and Consideration of Accounts and Auditor's Report.
- g) Credit Committee Report.
- h) Reports of any other committees.
- i) Declaration of Dividend, and Rebate of Interest and Charitable Donations (if any).
- j) Delegation of power to the Board of Directors to grant interim dividends and pay different dividends.
- k) Appointment of Auditor.
- l) Election of members of the Board of Directors.
- m) Motions.
- n) Any other business.

The members present at any Annual General Meeting may suspend or vary the order of business upon a majority of not less than two-thirds of the members present and voting at the meeting.

32.3 An Annual General Meeting may be made into a Special General Meeting for any purpose for which due notice has been given, provided that such business is not brought on until the business of the Annual General Meeting is concluded.

33.0 Special General Meetings

33.1 Any General meeting of the Credit Union other than an Annual General Meeting shall be a Special General Meeting. The Board of Directors of the Credit Union or the Internal Audit and Compliance Committee may for good and sufficient reason convene a Special General Meeting for any purpose not specifically provided for elsewhere in these Rules.

33.2 An Annual General Meeting may be made into a Special General meeting for any purpose of which due notice has been given under rule 32, providing that such business is not brought on until after the Annual General Meeting has been concluded.

33.3 The Financial Conduct Authority (FCA) may, on an application of at least ten percent (10%) of registered members, or (if less) one hundred (100) members;

- a) appoint one or more inspectors to examine into and report on the credit unions affairs, or
- b) call a special meeting of the credit union.

Further details on the process can be found on the FCA's website.

33.4 A Special General Meeting shall not conduct any business not specified in the notice convening it.

34.0 Voting Rights and Procedure

34.1 Each member shall have one vote on each question at a meeting of the members of the Credit Union irrespective of his or her shareholding in the Credit Union. A member of the Credit Union may not vote by proxy at a general meeting of the Credit Union.

34.2 Votes at a general meeting of members shall be by show of hands, unless a secret ballot is requested by the Board of Directors or by ten (10) members present at the meeting. Subject to any special provisions contained in these rules or law, all resolutions shall be carried by a simple majority of votes cast.

34.3 Every meeting of members shall have a chairperson who shall, where the votes are equal, have an additional casting vote. The Chairperson of the Board of Directors shall, if present, take the chair at any meeting. If the chairperson is not present, the Vice-Chairperson shall do so, and if she/he is not present within fifteen (15) minutes of the stated start time of the meeting, the Board of Directors shall elect one of their number to do so.

35.0 Nominating Committee

35.1 The Board of Directors may appoint a Nominating Committee of not less than three (3) members of the Credit Union. The Nominating Committee shall ascertain the number of vacant positions requiring candidates and ensure there are sufficient candidates to recommend to the Annual General Meeting to fill all vacant positions.

35.2 The Nominating Committee shall ensure that any policy established by the Board of Directors regarding the suitability of candidates is adhered to.

35.3 The Nominating Committee shall also identify potential co-options to the Board of Directors to fill any vacancies.

36.0 Election Procedure

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

36.2 If there are outstanding vacancies, the chairperson of the meetings shall call for nominations from the floor. These, if duly proposed and seconded and if the nominee is present, or has given his or her consent in writing, shall be in order. All such nominees shall be members of the Credit Union.

36.3 If there are more candidates than vacancies (either by prior submission or by nomination from the floor) ballot papers shall be prepared listing the names of all candidates and each member present shall be allowed only as many votes as there are candidates.

36.4 The results of each election shall be announced by the chairperson. Candidates shall be placed in descending order of the number of votes cast for them and those candidates placed highest in the poll, equivalent to the number of vacancies to be filled shall be declared elected; providing that where there are more candidates nominated than the number of vacancies, no candidate shall be declared elected unless she/he has received votes from the majority of the members voting in the election. In the event of all vacancies not being filled in the first election, a further election or elections may be taken, the candidates for each election being all the remaining unelected nominees.

36.5 Notwithstanding the provision of Rule 36 if for any election the number of nominees does not exceed the number of vacancies to be filled, a motion to dispense with the election procedure and to declare elected all the nominees for that election may be proposed at the Annual General Meeting. If such a motion is carried by the majority vote of the members present at the meeting, the chairperson shall declare the nominees for election duly elected.

37.0 Suitability of Certain Persons to Hold Office

37.1 A person under eighteen (18) years of age may not be an officer or serve on the Board of Directors.

37.2 Where a person is, or becomes, an undischarged bankrupt or is, or has been, convicted on indictment of any offence involving fraud or dishonesty, the Board of Directors shall decide whether it is fit and proper to undertake responsibilities involved in the management of the Credit Union and whether to notify the Regulator. If the Board of Directors decides that the person is not fit and proper and/or the person is not approved by the Regulator, the person shall be prohibited from taking part in the running or management of the Credit Union.

37.3 When an employee of the Credit Union becomes an undischarged bankrupt or is convicted on indictment of any offence involving fraud or dishonesty, the Board of Directors shall require an investigation to be carried out and where required notify the Regulator. Depending on the findings of this investigation, disciplinary action may be taken which may result in dismissal.

38.0 Board of Directors and Sub-Committees

38.1 A minimum of one (1) weeks' notice shall be given for meeting of the Board of Directors and sub-committees.

38.2 The number of members of the Board of Directors shall be not less than the legal minimum and the maximum number shall be determined from time to time by the members at a general meeting. Board Members (other than those appointed under Rule 38.6) shall be elected at the Annual General Meeting. The Board of Directors has the power to divide itself into a number of constituencies to ensure that the Board of Directors consists of representatives of all areas, sections and diverse groups covered by the Credit Union.

38.3 Members of the Board of Directors shall serve for a three (3) year term and retire at the third Annual General Meeting following their election. Retiring members of the Board of Directors shall be eligible for re-election.

38.4 Any Board Member who without due excuse accepted by the Board of Directors fails to attend three (3) consecutive board meetings shall, if the members of the board so resolve, be deemed to have vacated his or her office and the casual vacancy so created be filled as provided in Rule 38.

38.5 The office of a Board of Director shall be vacated if she/he:

- a) Ceases to be a member of the Credit Union.
- b) Is adjudged an undischarged bankrupt or is convicted on indictment of any offence involving fraud or dishonesty and the Credit Union Board of Directors has decided that the member is not a fit and proper person to undertake responsibilities involved in the management of the Credit Union.
- c) Is performing a controlled function and his or her approved status is withdrawn by the Regulator.
- d) Becomes a patient within the meaning of Part VII of the Mental Health Act 1983; or under the Mental Health (Scotland) Act 1983.
- e) Resigns his or her office by notice in writing to the Secretary.
- f) Is deemed to have vacated his or her office in accordance with Rule 38.

g) Is removed by the resolution of the majority of members of the Credit Union present at a Special General Meeting called for that purpose by the Board of Directors or under the provisions of Rule 38, providing that such a Board Member shall be given at least fourteen (14) days' notice of the meeting and intention to remove him or her from office.

38.6 A casual vacancy on the Board of Directors shall, as soon as practicable, be filled by a vote of the majority of the Board Members then holding office. Board Members so appointed shall hold office for the remainder of the unexpired term of office.

38.7 Regular meetings of the Board of Directors shall be held not less than once every month, the date, time and place to be decided by the Board of Directors.

38.8 A majority of the Board Members shall constitute a quorum for the transaction of business at any meeting of the Board.

38.9 Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes. Each member shall have one vote on any matter and the chairperson of the meeting shall have a second or casting vote in the case of equality of votes.

38.10 The Board of Directors may delegate any of the powers hereby given to it to sub-committees consisting of such of their own number with such other members as they see fit.

38.11 The Board of Directors may also delegate any of the powers hereby given to it to officers in accordance with Rule 38.

38.12 Such sub-committees and officers shall, in the functions entrusted to them, conform in all respects to the instructions given to them by the Board of Directors.

38.13 The Board of Directors shall have the power to remove any committee and any officer and their respective powers and remunerations.

38.14 All acts done by any meeting of the Board of Directors or by any Board Member acting in pursuance of any authority duly given shall be valid, notwithstanding that it be afterwards discovered that there was some defect in the appointment or qualification of any Board Member that had been duly appointed or qualified.

38.15 No member of the Board of Directors of the Credit Union, other than the Treasurer or Assistant Treasurer, shall receive from the Credit Union remuneration, whether directly or indirectly, for any service performed by him or her in his or her capacity as such officer on behalf of or for the benefit of the Credit Union other than expenses necessarily incurred by him or her in such capacity in carrying out any duties in respect of the business of the Credit Union and approved by a majority vote of members of the Board of Directors.

38.16 Subject to law and these rules the Board of Directors shall have the general control, direction and management of the affairs, funds and records of the credit Union and more particularly shall:

- a) Ensure that the Credit Union complies with all statutory and Regulatory requirements attached to all Regulatory permissions held by the Credit Union.
- b) Establish and maintain appropriate policies and procedures to enable the safe and efficient operation of the Credit Union.
- c) Maintain a working business plan sufficient to enable the development of the Credit Union and review at least once annually and supply a copy on request to the Financial Conduct Authority.
- d) Maintain in force insurance against fraud and other dishonesty as required by the Regulator and make any other insurance arrangements necessary or desirable for the protection of the Credit Union and its members.
- e) Oversee the loan business of the Credit Union including determining the rate of interest on loans to members and the policy for recovering debts.
- f) Make regulations to be observed by the members governing the minimum frequency of subscriptions for shares, the place and manner in which subscriptions shall be paid and otherwise determine the criteria to be used in deciding whether a member is participating adequately in the affairs of the Credit Union for the purpose of Rule 38.
- g) Determine the range of financial products that may be offered by the Credit Union.
- h) Establish the charges payable on any ancillary services offered by the Credit Union.
- i) Establish an Internal Audit Committee and other sub-committees as may be necessary or desirable from time to time to facilitate the operation of the Credit Union; define and amend as necessary the terms of reference of sub-committees and appoint and remove members of sub-committees.
- j) Delegate to officers specific duties, as it deems necessary or desirable from time to time to facilitate the operations of the Credit Union; define and amend as necessary the terms of reference of such officers.
- k) Employ staff and determine their terms of employment, duties, and remuneration and pension arrangements.
- l) Fill any casual vacancy arising in the office of Auditor or on the Board of Directors subject to Rule 38 and Rule 43.
- m) During the absence or disability of any officer or Board Member, appoint another member of the Credit Union to act temporarily in his or her stead, providing that this is in accordance with the Financial Conduct Authority's Approved Persons Regulatory regime and such appointment shall cease upon the resumption by such officer of his or her duties; and
- n) Appoint members willing to undertake voluntary duties referred to in these rules as 'volunteers' and to record such appointments in the Board's minutes to ensure they are covered by the Credit Union's insurance policies.
- o) Remove from office any of the Officers, Board Members for failure to perform their duties or breach of these rules or regulations.
- p) Ensure that training is provided for new officers, Board members, employees and volunteers and that further training is provided periodically for all officers, Board Members, employees and volunteers to enable them to carry out their duties and responsibilities.

- q) Recommend any honorarium which the Treasurer or Assistant Treasurer may receive for their services on behalf of the Credit Union, subject to the approval of the Annual General Meeting providing that the Annual General Meeting may not increase the amount so recommended by the Board of Directors.
- r) Pay any expenses necessarily incurred by an officer, delegate or representative of the Credit Union in carrying out the business of the Credit Union.
- s) Remunerate necessary clerical, auditing and other professional services employed by the Board of Directors or sub-committees.
- t) Purchase, hold, lease, rent, sell, mortgage, manage and develop property and land required for the purpose of conducting the business of the Credit Union thereon; acquire, erect, pull down, repair, alter, remove or re-erect buildings, walls and fences on such land, and otherwise deal with such land and property and any rights there over and any interest therein on behalf of the Credit Union.
- u) Cause to be kept proper books of account with respect to the transactions of the Credit Union, its assets and liabilities.
- v) Determine the authorised bank or banks for the deposit of funds of the Credit Union and the signatories to cheques and other written instruments on behalf of the Credit Union and determine the authorisation for internet banking accounts.
- w) Submit the accounts of the Credit Union at least once a year.
- x) Borrow any money for the Credit Union subject to the regulations.
- y) Administer any surplus funds belonging to the Credit Union and make decisions in respect of the investment of such funds.
- z) Make loans to other Credit Unions in accordance with the regulations.
 - aa) Make arrangements for Annual General Meetings, committee meetings and other such meetings as deemed necessary from time to time.
 - bb) Recommend for approval at the Annual General Meeting dividends and rebates of interest and subject to permissions or constraints, the ability to declare interim dividends and establish differential dividend accounts.
 - cc) Convene a Special General Meeting whenever it is considered necessary.
 - dd) Authorise the use of all forms, instruments and other documents which it may deem necessary for the proper business of the Credit Union.
 - ee) Take all such actions as may be required to ensure the Credit Union complies with the Money Laundering Regulations 2017 and other legislation currently in force concerning systems and training to prevent money laundering.
 - ff) Take appropriate steps to ensure the security and integrity of any information technology systems used by the Credit Union, including ensuring that the Credit Union complies with legislation currently in force concerning data protection.

- gg) Perform and/or authorise any action consistent with the law and these rules not specifically reserved to the members by law or by these rules.
- hh) Perform such actions consistent with the law and these rules as the members in general meeting may from time to time require to be done.
- ii) Adopt a common seal or, subject to Rule 55, alter the same.

38.17 Within the period of seven (7) days following the Annual General Meeting, the Board of Directors shall elect from its number a Chairperson, Vice-Chairperson, Treasurer and Secretary of the Credit Union and such other officers as are deemed necessary for the management of the Credit Union. A person so elected shall hold office until the election of his or her successor. Board Members undertaking a controlled function must be approved by the Regulator before they can perform such functions.

38.18 Subject to any specific provision contained in these rules the Chairperson, or in his or her absence, the Vice-Chairperson, shall preside at meetings of the Board of Directors and at meetings of members; she/he shall perform such other duties as she/he may be directed by the Board not inconsistent with the provision of law or these rules.

38.19 In the absence of both the Chairperson and the Vice-Chairperson, or neither is present within fifteen (15) minutes after the time appointed for the beginning of the meeting or if neither is willing to act, the members of the Board shall elect one of their number to be the chairperson of the meeting.

39.0 Credit Committee

39.1 The Board of Directors shall approve a loans policy that shall be applied equally to all members.

39.2 The Board of Directors may decide to establish a Credit and Loans Committee.

39.3 If the Board of Directors decide to establish a Credit Committee it shall consist of a minimum of three (3) committee members, elected by the Board of Directors within seven (7) days of the Annual General Meeting. The Credit Committee shall review the credit and loan policies of the Credit Union and may recommend changes to the policies to the Board of Directors.

40.0 Internal Audit Committee and Officers

40.1 In accordance with Rule 40 the Board of Directors shall establish an Internal Audit Committee consisting of Independent Supervisors who shall be elected by the Owner Members at the Annual General Meeting. Board members may not serve on the Internal Audit Committee.

40.2 The Internal Audit Committee shall choose from its number a Chairperson and Secretary. The Secretary shall maintain records of all actions taken by the Internal Audit Committee.

40.3 The Internal Audit Committee shall meet not less frequently than quarterly.

40.4 The Internal Audit Committee shall conduct independent checks of all credit union records to ensure that all policies, procedures and legislation are being adhered to, identify and correct errors, ensure early detection of fraud, improve the standards of the service to owner-members and ensure that the credit union is compliant.

40.5 Within a period of one (1) month following the Annual General Meeting, the Internal Audit Committee shall draw up a confidential audit plan for the following twelve (12) months.

40.6 Where the Internal Audit Committee has good and sufficient reason to believe the Credit Union may not be complying with the legislation, regulations, these rules and the Credit Union's policies and procedures, or that financial records are not accurate and kept up to date or that fraud or theft may have occurred, the Internal Audit Committee shall report this to the Board of Directors, except in the case of suspicion of money laundering which is reported directly to the Money Laundering and Reporting Officer. If either no action is taken or the action fails to resolve the Internal Audit Committee's concerns, the Internal Audit Committee shall convene a Special General Meeting of the owner-members under Rule 41. It shall also provide a written report to the Auditor, which shall include the date of the Special General Meeting of Owner Members who may by majority vote suspend from office the Board of Directors or any member thereof, provided, that no person shall be removed from office under this Rule without being given an opportunity to be heard or represented at such Special General Meeting of which he or she shall be given fourteen (14) days' notice in writing.

40.7 To facilitate the work of the Internal Audit Committee, the Board of Directors may appoint or employ officer(s) to undertake internal audit duties and monitor compliance who shall not be a member of the Board of Directors of the Credit Union, to work under the direction and supervision of the Internal Audit Committee.

40.8 The officers undertaking internal audit duties shall keep a record of all work undertaken and shall provide a written report to the Internal Audit Committee not less than quarterly or as frequently as the Internal Audit Committee may prescribe.

40.9 Where an officer undertaking internal audit duties has good and sufficient reason to believe that the Credit Union may not be complying with the legislation, regulations, these rules or the Credit Union's policies which govern its activities, or that financial records are not accurate and kept up to date or that fraud or theft may have occurred, he or she shall report this, in writing, to the Internal Audit Committee in the first instance. If either no action is taken or the action fails to resolve the officer's concerns, he or she shall have the right to attend a meeting of the Board of Directors. If either no action is taken or the action fails to resolve the officer's concerns, he or she shall provide a written report to the external Auditor.

40.10 If any Independent Supervisor or Supervisors on the Internal Audit Committee fail to carry out their duties correctly and in full then the Board of Directors if quorate in session and by a proposed, and seconded, motion can call a meeting of the Internal Audit Committee and can

suspend them from duty, individually or in entirety, with justification also given in writing. When an Independent Supervisor/member of the Internal Audit Committee has been thus suspended from office and within seven days of suspension has not submitted his or her resignation, the Board of Directors shall convene for this purpose, a Special General Meeting of Owner Members, who may by majority vote suspend from office the Internal Audit Committee or any member thereof, that no person shall be removed from office under this Rule without being given an opportunity to be heard or represented at such Special General Meeting of which he or she shall be given fourteen (14) days' notice in writing.

41.0 Secretary, Treasurer and Assistant-Treasurer

41.1 The Secretary shall give or cause to be given notice of all meetings of the members and the Board of Directors. She/he shall prepare and maintain minutes of all meetings and shall perform such other duties as the Board may from time to time determine.

41.2 The Treasurer shall, subject to such limitations and controls as may be imposed by the Board of Directors:

- a) Provide financial reports to the Board of Directors meeting.
- b) Prepare and submit to the Auditor such financial reports and returns as the Auditor may require.
- c) Report to the members at the Annual General Meeting of the Credit Union.
- d) Perform any other actions not inconsistent with the law and these rules, as directed by the Board of Directors.

41.3 The Board of Directors may appoint one or more Assistant-Treasurers, none of whom may hold any office which the treasurer does not hold, and authorise them to act in addition and subject to or in the absence of the Treasurer or during his or her inability to act.

42.0 Officers, Board Members and Employees

42.1 No officer, Board Member or employee of the Credit Union shall in any manner, directly or indirectly, participate in the deliberation upon or determination of any question affecting his or her determination of any question affecting his or her pecuniary interest or the pecuniary interest of any person or body (other than the Credit Union) in which she/he is directly or indirectly interested. Such persons shall withdraw from the meeting and the remaining qualified persons must constitute a quorum for the matter to be continued to be discussed or determined at that meeting.

42.2 An officer, Board Member, employee or volunteer of the Credit Union shall not disclose to any person any information regarding the transaction of a member of the Credit Union therewith except in so far as may be necessary for the proper conduct of the Credit Union and in keeping

with the Statement of Principles of Approved Persons. All officers, Board Members, employees and volunteers shall sign a declaration of confidentiality on election or appointment which continues to be binding after the officer, Board Member, employee or volunteer has ceased to be involved in, or work for, the Credit Union. The Credit Union shall adhere to the current Data Protection regulations and legislation.

42.3 An officer, Board Member, employee or volunteer of the Credit Union shall be indemnified by the Credit Union against all costs, losses and expenses which she/he may incur or become liable for by reason of any contract entered into or such act or thing done by him or her in the discharge of his or her duties as authorised by the Board of Directors, and the Board of Directors is empowered to pay the amount of such indemnity out of the funds of the Credit Union.

42.4 If an officer or Board Member of the Credit Union fails to perform the duties of his or her office, the Board of Directors may, after giving him or her reasonable notice and opportunity to be heard, declare vacant the office and appoint another eligible person in his or her place, or fill from its number such vacancy. Officers or Board Members undertaking a controlled function must be approved by the Regulator before they can perform such functions.

43.0 Accounts, Audit and Returns

43.1

a) There shall be appointed in each year of account a qualified Auditor to audit the Credit Union's accounts and balance sheet. For the purposes of this rule 'qualified Auditor' means a person who is a qualified Auditor under Section 83 of the Co-operative and Community Benefit Societies Act 2014.

b) None of the following persons shall be appointed as Auditor of the Credit Union:

i) An officer, Board Member, employee or volunteer of the Credit Union.

ii) A person who is a partner of, or is in the employment of, or who employs an officer, Board Member, employee or volunteer of the Credit Union.

c) Every appointment of an Auditor shall be by resolution of the Annual General Meeting of the Credit Union.

43.2 For the purpose of any audit the Auditor shall be given access to and be entitled to call for and examine all the books, deeds, documents and accounts of the Credit Union. She/he shall be entitled to require from the officers of the Credit Union such information and explanations as she/he thinks necessary for the performance of his or her duties. The Auditor shall be entitled to attend any general meetings of the Credit Union, to receive all the notices and 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 she/he attends on any part of the business of the meeting which concerns his or her duties as Auditor.

43.3 The Credit Union shall within the time period allowed by law, send to the Regulator the annual return relating to its affairs during the period covered by the return, together with a full copy of the Credit Union's audited accounts for such period.

43.4 The Credit Union shall keep a copy of the last audited accounts displayed in a conspicuous place in its registered office.

44.0 Supplies of Copies of Audited Accounts, Rules and other documents

44.1 The Secretary of the Credit Union shall supply free on application a copy of the last audited accounts to any member.

44.2 The Secretary shall send to any person applying on payment of an amount not exceeding £5.00 (or such sum as may from time to time be prescribed by law or the regulator) a copy of the rules of the Credit Union and any amendments thereto.

44.3 The Secretary shall supply to a member on application, copies of the Credit Union's policies. The Board of Directors shall decide on the charge if a full copy of all the policies is requested.

45.0 Register of Members and Officers

The Credit Union shall keep at its Registered Office, a register of members and officers containing the following information:

- a) The names and addresses of its members and officers.
- b) Where the member or officer has notified the Credit Union of an electronic address for the purposes of receiving notices or documents, the electronic address and the purposes for which it has been notified.
- c) The date at which each member was entered into the register as a member and the date at which any person ceased to be a member.
- d) The office held by each officer and the dates on which they assumed office.
- e) A statement of the number of shares held by each member, of the amount paid on the shares of each member and the date and manner in which any shares ceased to be held by the member.
- f) A statement of other property in the Credit Union, whether in loans or otherwise, held by the member.

The register shall be so constructed that it is possible to inspect the particulars therein mentioned in paragraphs (a), (b), (c) and (d) above without exposing to inspection the other particulars entered therein.

46.0 Inspection of Accounts

46.1 Any member or person having an interest in the funds of the Credit Union may inspect their own account and the books containing the names of members, including the particulars mentioned in rule 45 entered in the register of members and officers, at all reasonable hours at

the registered office or any place where the same are kept, subject to such regulations as to the time and manner of the inspection as may from time to time decided by a general meeting of the Credit Union.

46.2 All books of account and other records shall be available for inspection at all reasonable times by the Auditor, the Board of Directors, sub-committees or other persons duly authorised on their behalf.

47.0 Passbooks, Statements and Transactions

47.1 Passbooks and/or statements of accounts shall be issued to members on request.

47.2 Money paid in or out of shares, loans, interest and entrance fees shall be evidenced by an appropriate voucher, payroll record, or receipt, or by entries in a member's passbook or statement. A statement of account shall itemise all transactions and a copy of which shall be issued to each member on his or her request.

47.3 Any person may pay money into a member's account, but only the member may make a withdrawal from his or her share account. The credit Union shall have the discretion to accept a written signed request from any member permitting a named individual to conduct transactions on the member's behalf. The Credit Union will take all reasonable steps to assure itself of the validity of each written request and will be indemnified by the member in the event of a dispute.

47.4 When passbooks are used, the passbooks are the member's record and shall be retained by him or her at all times except when presented for payment, withdrawal, entry of dividends, or for submission direct to the internal audit and compliance officers or the auditor, for the purpose of comparison with the records of the Credit Union. In no event shall the passbook be retained by other Credit Union officers, employees or volunteers, or be retained in the office of the Credit Union, except in a case of emergency.

47.5 If the passbook is lost or stolen, this must be reported immediately to the Credit Union for the issue of a duplicate passbook. The Board of Directors may make reasonable charge to cover the cost of issuing a duplicate passbook.

48.0 Retention of Records

48.1 The Credit Union shall retain permanently the following records:

- a) Register of members and officers as set out in Rule 45.
- b) Rules and registered amendments.
- c) Receipts for securities held, a securities register of contracts of guarantee.
- d) Minutes of all meetings.
- e) Member's shares and loans records.
- f) Nominal and general ledgers.

- g) Register of nominations.
- h) Copies of annual returns.
- i) Register of Approved Persons.
- j) Register of bad debts written off.

48.2 Any records required to be kept as a result of an obligation to maintain proper books of account shall be preserved by the Credit Union for a period of 6 years after the date to which it refers.

48.3 The Credit Union shall retain records in accordance with the Money Laundering Regulations 2017 and retain these records for a period of five (5) years (or in accordance with any other regulations which may be prescribed by law).

49.0 Transmission of Property in the Credit Union to a Beneficiary

49.1 A member at the age of eighteen (18) years or over may nominate in writing, and in accordance with the law, any person or persons to whom any of his or her property in the Credit Union at the time of his or her death shall be transferred.

On receiving satisfactory proof of the death of a member who has made a nomination, the Credit Union shall pay the full value of the property to the beneficiary. Any insurance cover that has been provided by the Credit Union on behalf of the member shall be paid to the beneficiary.

In the event of a dispute of entitlement to such payment, the Credit Union shall pay the full value of a property to the deceased member's estate, clearly indicating at the time of the payment the interests of the nominated beneficiary.

49.2 Where a member becomes incapable through disorder or disability of mind in managing his or her own affairs, the Credit Union if presented with satisfactory medical evidence and they are also satisfied that no person has been appointed to administer his or her property on his or her behalf, may pay the amount of shares belonging to such a member to any person whom they shall judge proper to receive it on his or her behalf. The receipt of such a person shall be a valid and sufficient release to the Credit Union for any sum so paid.

50.0 Claims on Accounts of Deceased, Bankrupt or Insolvent Member

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 Credit Union shall pay such property to which the personal representative, trustee liquidator or administrator has become entitled.

51.0 Charges for Ancillary Services

The Credit Union shall charge such fees as are appropriate (as allowed by Section 9 (a) of the Credit Union Act 1979) for ancillary services that are not central to the business of the Credit

Union and that are provided to benefit the members as set out in the Rule established by the Regulating Authority.

52.0 Amendment to Rules

52.1 Any of these rules that are not prescribed by law or regulation, may be rescinded or altered or a new rule, providing it complies with the law, may be made by a resolution passed by a two-thirds majority at an Annual General Meeting or at a Special General Meeting specifically called for that purpose. Notice of the proposed alteration must be given at the same time as the notice of the meeting. No amendment of rules made by the Credit Union in general meeting shall invalidate any prior act of the Board of Directors that would have been invalid if the amendment had not been made.

52.2 No amendment of rules shall be valid until registered with the Regulator. Two (2) copies of the amendment, each signed by three members of the Credit Union and secretary, shall be sent to the Regulator.

53.0 Change to Registered Office

The registered office may be changed by resolution of the Board of Directors and notice of such change shall be sent by the secretary to the Regulator.

54.0 Use of Name and Seal

The Credit Union shall have its name engraved in legible characters on a seal which shall be kept in such custody as the Board of Directors may appoint. The seal shall be used only under the authority of a resolution of the Board of Directors and shall be attested by the signatures of two board members and the counter-signature of the secretary.

55.0 Dissolution of the Credit Union

55.1 The Credit Union may be dissolved:

- a) By an instrument of dissolution to which no less than three-fourths of the members of the Credit Union have given consent testified by their signatures to the instrument; or
- b) On it being wound up in pursuance of an order or resolution made as is directed in regard to companies by the Insolvency Act 1986.

55.2 If on the dissolution of the Credit Union there remains after the payments of debts, repayment of share capital and the discharge of all other liabilities any assets whatsoever, such assets should not be paid or distributed among the members but shall be:

- a) Transferred to other credit unions; or
- b) If not transferred, applied for charitable purposes as may be determined by the members in general meeting.

56.0 Complaints and Disputes

56.1 The Credit Union shall set up a procedure for dealing with complaints. The Credit Union will acknowledge receipt of a complaint within five (5) working days and aim to resolve it and send a final response within eight (8) weeks of receipt of said complaint.

56.2 If a complaint remains dissatisfied at the completion of the Credit Unions own complaint procedure, the complainant has six months from the date of receipt of the Credit Unions final response to refer his or her complaint to the Financial Ombudsman Service.

56.3 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 Sheriff's court in Scotland, within whose jurisdiction the registered office of the Credit Union is situated. The Court shall have the power to order the expenses of determining the same to be paid either out of the funds of the Credit Union or by such party to the dispute as the Court decides and such determination shall be binding on all parties without appeal and shall not be removable into any court of law or restrained by any injunction.

Interpretation

In these rules, the following terms shall, unless the context requires otherwise, have the meaning ascribed to them:

‘the Act’ means the Credit Union Act 1979 and the Financial Services and Markets Act 2000

‘amendment’ in relation to the rules of the Credit Union includes a new rule and a resolution rescinding a rule of the Credit Union.

‘Approved Person’ means an individual approved by the Financial Conduct Authority to perform designated controlled functions of the Credit Union.

‘Board’ or ‘Board of Directors’ means the Board of Directors of the Credit Union elected in accordance with the provisions of these rules.

‘credit union’ means a society registered by virtue of section 1 of the Credit Union Act 1979.

‘days notice’ shall be exclusive to the day on which the notice is served, but inclusive of the day to which the notice applies.

‘officer’ means a board member elected to the post of chairperson, vice-chairperson, secretary, treasurer or such posts as the board may from time to time determine. The term ‘director’ may also be used in place of ‘officer’.

‘Regulator’ means the Financial Conduct Authority (FCA) or the Prudential Regulatory Authority (PRA) or their successors under the law.

‘Regulations’ means the regulations and rules of the FCA or PRA or by H.M Treasury within a statutory instrument.

‘total shareholding’ shall mean the total shareholding as shown in the most recent audited balance sheet to have been sent with the Credit Union’s annual return to the regulator.

Signed