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INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

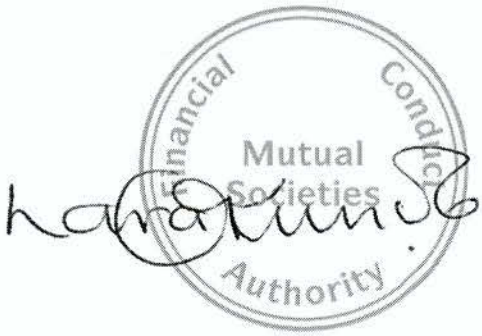
Acknowledgement of Registration of Society

Register No. **32418 R**

Development Co-operative Limited is this day registered under the Industrial and Provident Societies Act 1965.

Date: **02 July 2014**

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London, E14 5HS



Registered as a Limited Company in England and Wales No. 1920623. Registered office as above.

Industrial and Provident Societies Act 1965

Rules of

Development Co-operative Limited

NAME

1. The name of the society shall be Development Co-operative Limited.

REGISTERED OFFICE

2. The registered office of the society shall be at 37 Cardiff Road, Dinas Powys, Vale of Glamorgan, CF64 4DH

INTERPRETATIONS

3. In these rules:

"Address" means a postal address or, for the purposes of electronic communication, a fax number, email address or telephone number for receiving text messages;

"the Act" refers to the Industrial and Provident Societies Act 1965 or any Act or Acts amending or in substitution of it or them for the time being in force;

"Auditor" means a person eligible for appointment as a company auditor under section 25 of the Companies Act 1989;

"The Board of Directors" or "Board" means all those persons appointed to perform the duties of directors of the society;

"Board Meeting" includes, except where inconsistent with any legal obligation a physical meeting, a meeting held by electronic means and a meeting held by telephone;

"Clear Days" in relation to the period of notice does not include the day on which the meeting is to be held and the day on which the notice is handed to someone or left at their Address, or the day on which it is sent, is in the process of being sent and is assumed to be delivered;

"Co-operative" means the above-named society;

"Co-operative Principles" are the principles defined in the International Co-operative Alliance Statement of Co-operative Identity. The principles are those of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, co-operation among co-operatives and concern for the community;

"Director" means a director of the Co-operative and includes any person occupying the position of director, by whatever name called;

"Document" includes, unless otherwise stated, any document sent or supplied in electronic form;

"Electronic Means" shall include, for example, email, video links and secure authenticated website transactions;

"Employee" means anyone over the age of 16 holding a contract of employment with the Co-operative to perform at least eight hours of work per week for the Co-operative;

"Extraordinary Resolution" means, unless the context requires otherwise, those decisions requiring an Extraordinary Resolution as detailed under 'Resolutions' in these rules;

"Founder Member" means a subscriber to these rules for the purposes of registration;

"Member" has the meaning as detailed under 'Membership' in these rules;

"Office Holder" means a receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member's assets;

"Officer" has the meaning as detailed under 'Officers' in these rules;

"Person" means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or the nominee of an unincorporated body, firm, partnership or corporate body;

"Registrar" means the Financial Services Authority (FSA) or any body that succeeds its function;

"Regulations" has the meaning as detailed under 'Regulations' in these rules;

"Rules" means these Rules;

"Secretary" means any person appointed to perform the duties of the Secretary of the Co-operative;

"Transferable" means shares that are transferable to another Person who also qualifies for membership of the Co-operative in accordance with these Rules;

"User" means those persons admitted into membership under these Rules that wish to use the services of the Co-operative and have agreed to pay any subscription or other sum due in respect of membership for the use of the Co-operative's services for a continuous period as decided by the Board from time to time;

"Withdrawable" means shares with the associated right for the Member to withdraw and receive in return the value of their shares from the Co-operative in accordance with the provisions of these Rules;

"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 by Electronic Means or otherwise.

Purpose

4. The purpose of the Co-operative is to carry out its function as a co-operative and to abide by the internationally recognised co-operative values and principles of co-operative identity as defined by the International Co-operative Alliance. This rule may only be amended by an Extraordinary Resolution.

OBJECTS

5. The objects of the Co-operative shall be to carry on the business as a co-operative and to carry on any other trade, business or service and in particular to develop, advise and support co-operative and mutual businesses, and to grow the co-operative economy

POWERS

6. The Co-operative may do all such lawful things as may further the Co-operative's objects and, in particular, may borrow or raise funds for any purpose and on behalf of its Members.

BORROWING

7. The Co-operative shall have the power to borrow money from its Members and others in order to further its objects providing that the amount outstanding at any one time shall not exceed £10,000,000.

8. The Co-operative shall have the power to mortgage or charge any of its property, including the assets and undertakings of the Co-operative, present and future, and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Co-operative or its customers or Persons having dealings with the Co-operative.

9. The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a building society or local authority, shall not exceed 5% per annum or 2% above the Co-operative Bank's base rate at the commencement of the loan, whichever is the greater.

10. The Co-operative may receive from any Person donations or loans free of interest in order to further its objects but shall not receive money on deposit.

Borrowing from Members

11. In accordance with the Co-operative Principle of member economic participation the interest paid by the Co-operative on money borrowed from Members shall not exceed such rate as is necessary to attract and retain the capital required to further the Co-operative's objects and purpose.

FINANCIAL SERVICES AND MARKETS ACT 2000 ACTIVITY

12. For the avoidance of doubt the Co-operative shall not engage in any activity by virtue of any of these Rules that would require a permission from the Registrar to carry on that activity without first having applied for and obtained such permission.

INVESTMENT OF FUNDS

13. The Co-operative may invest any part of its funds in the manner set out in Section 31 of the Act.

MEMBERS

14. The first Members of the Co-operative will be the Founder Members. The Co-operative may admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partnership that wishes to use the services of the Co-operative and has paid or agreed to pay any subscription or other sum due in respect of membership or the use of the Co-operative's services.

15. The Co-operative intends to apply for mutual trading status and in accordance with its requirements all users must be Members of the Co-operative.

16. In accordance with the Co-operative Principle of voluntary and open membership, whilst the Co-operative shall undertake to encourage its stakeholders to become Members, membership must be voluntary and as a result cannot be a condition of employment.

Applications for Membership

17. No natural person shall be admitted into membership of the Co-operative unless they have attained the age of 16. All those wishing to become a Member must support the objects of the Co-operative and complete an application for membership which shall include an application for at least one share in the Co-operative. Such an application form must be approved by the Directors and the Directors must approve each application for membership.

18. A corporate body which is a Member shall by resolution of its governing body appoint a representative who may during the continuance of her/his appointment be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual person. Each such corporate body Member shall supply notification in Writing to the Co-operative of its choice of representative.

Member Commitment

19. All Members agree to attend general meetings and take an active interest in the operation and development of the Co-operative and its business. Members have a duty to respect the confidential nature of the business decisions of the Co-operative.

20. In accordance with the Co-operative Principle of education, training and information, the Co-operative shall provide potential Members with information about what the role of a Member is within the Co-operative and will provide training in the skills required to be a Member and to participate in the operation of the Co-operative.

21. The Co-operative shall provide ongoing education and training in co-operative values and principles and associated topics. The Co-operative shall support its Members by ensuring that general meetings are accessible and encourage participation.

Termination of Membership

22. A Member shall cease to be a Member of the Co-operative immediately that they:

    (a) Are no longer eligible for membership; or

    (b) Fail to pay the annual subscription (if any) within 3 months of it falling due; or

    (c) Fail to hold the minimum shareholding; or

    (d) Resign in Writing to the Secretary; or

    (e) Are expelled from membership in accordance with these Rules; or

    (f) Die, are wound up or go into liquidation.

Expulsion from Membership

23. A Member may be expelled for conduct prejudicial to the Co-operative by an Extraordinary Resolution, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the Member whose expulsion is to be considered shall be given the opportunity to make representations to the meeting or, at the option of the Member, an individual who is there to represent them (who need not be a Member of the Co-operative) has been allowed to make representations to the general meeting.

24. If on due notice having been served the Member fails to attend the meeting the meeting may proceed in the Member's absence.

    (a) An expelled Member shall be paid the nominal value of shares held by them at the time of expulsion.

    (b) No Member expelled from membership shall be re-admitted except by an Extraordinary Resolution.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

25. Upon a claim being made by:

    (a) The personal representative of a deceased Member; or

    (b) The trustee in bankruptcy of a Member who is bankrupt; or

    (c) The Office Holder to any property in the Co-operative belonging to such a Member, the Co-operative shall transfer or pay property to which the Office Holder has become entitled as the Office Holder may direct them.

26. A Member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Co-operative at the time of her/his death shall be

transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. On receiving a satisfactory proof of death of a Member who has made a nomination the Co-operative shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the individual or individuals entitled thereunder.

Share Capital

27. The shares of the Co-operative shall be of the nominal value of £1. The minimum shareholding required of a Member shall be defined as such number of fully paid shares as the Board may determine subject to the Act, or as may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.

28. A Member may apply for shares in tranches of shares which are smaller in number than the minimum shareholding, provided that any Member who does not achieve the minimum shareholding within 12 months of their first payment may, at the discretion of the Board, cease to be a Member. Any person ceasing to be a Member under this rule shall have the value of their shares as at the date on which they ceased to be a Member returned to them and the relevant shares shall be cancelled.

29. Applications for shares shall be made to the Board of the Co-operative who shall allot to Members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any Member shall not exceed the maximum shareholding permitted by law. Shares shall be paid for in full on allotment.

30. If a Member who is required to withdraw from membership under these Rules is unable to transfer their shares and the right to withdraw shares has been suspended, then the nominal value of their share capital shall be converted into loan stock upon such terms as may be agreed between the Board and the Member, or their personal representative or trustee in bankruptcy, or Office Holder provided that such agreement shall require the repayment of the loan within a period not exceeding three years.

31. Shares shall be Withdrawable only in accordance with the provisions of these Rules. Shares shall be non-Transferable except:

    (a) on death or bankruptcy; or

    (b) (in the case of an unincorporated organisation or partnership), on a change of nominee(s) and only to the new nominee(s).

Withdrawal of share capital

32. Shares may be withdrawn by Members upon giving three months' notice to the Co-operative (though the Board retain sole discretion to return money paid for them) provided that:

    (a) All withdrawals shall be paid in the order in which the notices were received by the Co-operative.

(b) A Member shall not be entitled to withdraw shares which would leave them with less than the minimum shareholding, unless they intend to terminate their membership of the Co-operative.

(c) The Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit.

(d) The Board may, at their sole discretion, suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board.

(e) During any period when the right of withdrawal has been suspended under the provision immediately above, the shares of deceased Members may, if the Board agree, be withdrawn by their personal representatives upon giving such notice as the Board may require.

(f) The amount to be paid to a Member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction in their value in accordance with the provisions of these Rules.

(g) Interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.

33. Any share withdrawn in accordance with these Rules shall be cancelled.

34. Members may withdraw from the Co-operative by withdrawing all their shares in the Co-operative in accordance with these Rules or, if the right to withdraw has been suspended, by surrendering all their shares to the Co-operative. Upon such surrender the Board may at their discretion pay to the withdrawing Member the amount paid up or credited on the shares surrendered.

35. The Co-operative may deduct such reasonable sum to cover any administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares in the Co-operative.

Reduction In Share Values

36. If the Co-operative's Auditors (or any independent qualified accountants appointed for this purpose by the Board) certify at any time that the aggregate of the Co-operative's liabilities plus the amount of its issued share capital exceeds its assets, then (unless in the meantime the excess has been removed) the Board may determine that the amount of this excess, or part of it, shall be apportioned among the Members in proportion to (but not beyond) the amount of the nominal value of the shares paid up and held by each Member. This apportionment shall be based on the value of the shares paid up and held by each Member at the close of business on the date of such determination. The value of shares held by each Member shall be reduced accordingly for the purposes of withdrawal of shares, provided that the value of shares held by any Member shall not be reduced below the minimum shareholding as specified in these Rules.

Lien on Shares and Right of Offset

37. The Co-operative shall have a lien on the shares of a Member for any debt due to it by the Member and may offset any sum standing to the Member's credit with the Co-operative in or towards payment of such debt.

GENERAL MEETINGS

38. The Co-operative shall, within six months of the end of the financial year, hold a general meeting of the Members as its annual general meeting and shall specify the meeting as such in the notices calling it.

39. The business of an annual general meeting shall comprise, where appropriate:

    (a) The receipt of the accounts and balance sheet and of the reports of the Board and Auditor (if any).

    (b) The appointment of an Auditor, if required.

    (c) The election of the Board or the results of the election if held previously by ballot.

    (d) The application of profits.

    (e) The transaction of any other business included in the notice convening the meeting.

40. In accordance with the Co-operative Principle of democratic member control, the Co-operative shall ensure that, in addition to the annual general meeting, at least four other general meetings are held annually. The purpose of these meetings is to ensure that Members are given the opportunity to participate in the decision making process of the Co-operative, review the business planning and management processes and to ensure the Co-operative manages itself in accordance with the co-operative values and principles.

Calling a General Meeting

41. The Secretary, at the request of the Board of Directors may convene a general meeting of the Co-operative. The purpose of the general meeting shall be stated in the notice of the meeting.

42. The Board of Directors upon an application signed by one-tenth of the total number of Members, or 100 Members, whichever is the lesser, delivered to the registered office of the Co-operative, shall convene a general meeting. The purpose of the general meeting shall be stated in the application for and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.

43. If within one month from the date of the receipt of the application the Board have not convened a general meeting to be held within six weeks of the application, any three Members of the Co-operative acting on behalf of the signatories to the application may convene a general meeting, and shall be reimbursed by the Co-operative for any costs incurred in convening such a meeting.

Notices

44. The Directors shall call the annual general meeting giving 14 Clear Days' notice to all Members. All other general meetings shall be convened with at least 14 Clear Days' notice but may be held at shorter notice if so agreed in Writing by 90% of the Members.

45. Notices of meetings shall either be given to Members personally or sent to them at their Address or alternatively, if so agreed by the Co-operative in general meeting, notices of general meetings may be displayed conspicuously at the registered office and in all other places of business of the Co-operative to which Members have access. Notices shall specify the date, time and place at which the meeting is to be held, and the business which is to be transacted at that meeting. A general meeting shall not transact any business other than that specified in the notices calling the meeting.

46. A notice sent to a Member's Address shall be deemed to have been duly served 48 hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any Person entitled to receive notice shall not invalidate the proceedings at the meeting.

47. All notices shall specify the date, time and place of the meeting along with the general nature of business to be conducted and any proposed resolutions.

48. If the Co-operative has appointed an Auditor in accordance with these Rules they shall be entitled to attend general meetings of the Co-operative and to receive all notices of and communications relating to any general meeting which any Member of the Co-operative is entitled to receive. The Auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an Auditor.

Quorum

49. No business shall be transacted at a general meeting unless a quorum of Members is present, including those not present in Person. Unless amended by Extraordinary Resolution, a quorum shall be 3 Members or 25% of the membership, whichever is the greater.

Chairing General Meetings

50. The chairperson of the Co-operative shall facilitate general meetings. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Members present shall choose one of their number to be the chairperson for that meeting.

Attendance and Speaking at General Meetings

51. A Member is able to exercise the right to speak at a general meeting and is deemed to be in attendance when that Person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it including by Electronic Means. In determining attendance at a general meeting, it is immaterial whether any two or more Members attending are in

the same place as each other, provided that they are able to communicate with each other.

52. The chairperson of the meeting may permit other persons who are not Members of the Co-operative to attend and speak at general meetings, without granting any voting rights.

Adjournment

53. If a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present, the chairperson must adjourn the meeting. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the Members present shall constitute a quorum.

54. The chairperson of a general meeting may adjourn the meeting whilst a quorum is present if:

    (a) The meeting consents to that adjournment; or

    (b) It appears to the chairperson that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

55. The chairperson must adjourn the meeting if directed to do so by the meeting.

56. When adjourning a meeting the chairperson must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Directors.

57. If the meeting is adjourned for 14 days or more, at least 7 Clear Days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.

58. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.

Voting

59. In accordance with the Co-operative Principle of democratic member control, each Member shall have one vote on any question to be decided in general meeting.

60. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper ballot is demanded in accordance with these Rules. A declaration by the chair that a resolution has on a show of hands been carried or lost with an entry to that effect recorded in the minutes of the general meeting shall be conclusive evidence of the result. Proportions or numbers of votes in favour for or against need not be recorded.

61. In the case of an equality of votes, whether on a show of hands or a poll, the chairperson shall not have a second or casting vote and the resolution shall be deemed to have been lost.

Paper Ballot

62. A paper ballot on a resolution may be demanded before or on the declaration of the result of the show of hands by three Members at a general meeting.

63. If a paper ballot is duly demanded it shall be taken in such a manner as the chairperson directs, provided that no Member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.

64. The demand for a paper ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a paper ballot may be withdrawn.

Resolutions

65. Decisions at general meetings shall be made by passing resolutions:

    (a) The following decisions must be made by Extraordinary Resolution:

        (i) Decisions to expel Members;

        (ii) Decisions to dispose of assets of the Co-operative equivalent in value to one-third of the Co-operative's last published balance sheet, as detailed in these Rules;

        (iii) Any amendment to the Co-operative's Rules;

        (iv) The decision to wind up the Co-operative.

    (b) All other decisions shall be made by ordinary resolution.

66. An Extraordinary Resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority (51%) of votes cast.

67. Resolutions may be passed at general meetings or by written resolution. A written resolution may consist of several identical Documents signed by one or more Members.

DIRECTORS

68. The Co-operative shall have a Board of Directors comprising not less than three Directors.

69. The initial Directors of the Co-operative from registration until the first annual general meeting shall be appointed by the Founder Members.

70. Only Members of the Co-operative who are aged 18 years or more may serve on the Board of Directors.

71. The Board of Directors shall be elected by and from the Co-operative's Members. The maximum number of Directors serving on the Board shall be determined by a general meeting of the Co-operative from time to time.

Retirement Cycle

72. At the first annual general meeting all Directors shall stand down. At every subsequent annual general meeting one-third of the Board of Directors, or if their number is not a multiple of three then the number nearest to one-third, shall retire from office. The Directors to retire shall be the Directors who have been longest in office since their last election. Where Directors have held office for the same amount of time the Director to retire shall be decided by lot. A retiring Director shall be eligible for re-election.

Co-option of Directors

73. In addition the Board of Directors may co-opt up to two external independent Directors who need not be Members and are selected for their particular skills and/or experience. Such external independent Directors shall serve a fixed period determined by the Board of Directors at the time of the co-option, subject to a review at least every 12 months. External independent Directors may be removed from office at any time by a resolution of the Board of Directors.

74. The Board of Directors may at any time fill a casual vacancy on the Board by co-option. Co-opted individuals must be Members of the Co-operative and will hold office as Director only until the next annual general meeting.

Board Education and Training

75. In accordance with the Co-operative Principle of education, training and information, before accepting a position as Director an individual must agree to undertake training during their first year of office as deemed appropriate by the Co-operative. This training will include information on the roles and responsibilities of being a Director of a society which is also a co-operative.

Powers and Duties of the Board of Directors

76. The business of the Co-operative shall be managed by the Board who may exercise all such powers of the Co-operative as may be exercised and done by the Co-operative and as are not by statute or by these Rules required to be exercised or done by the Co-operative in general meeting.

77. All decisions made by a meeting of the Board of Directors or by any person acting as a Director shall remain valid even if it is later discovered that there was some defect in the Director's appointment or that the individual had previously been disqualified from acting as a Director.

78. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Co-operative shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Board shall from time to time direct.

79. Without prejudice to its general powers, the Board may exercise all the powers of the Co-operative to borrow money and to mortgage or charge its undertaking and property or any part of it and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Co-operative or of any third party.

80. No Regulation made by the Co-operative in general meeting shall invalidate any prior act of the Board which would have been valid had that Regulation not been made.

81. In accordance with the Co-operative Principles of democratic member control and member economic participation, the Board of Directors shall not be entitled to sell or otherwise dispose of assets (in a single transaction or series of transactions) equivalent in value to one-third or more of the total value of the last published balance sheet of the Co-operative without the approval of the Members by Extraordinary Resolution.

Delegation

82. Subject to these Rules, the Directors may delegate any of the powers which are conferred on them under these Rules to any Person or committee consisting of Members of the Co-operative, by such means, to such an extent, in relation to such matters and on such terms and conditions as they think fit.

83. The Directors may specify that any such delegation may authorise further delegation of the powers by any Person to whom they are delegated.

84. The Directors may revoke any delegation in whole or in part or alter any terms and conditions.

Sub-Committees

85. A sub-committee to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Rules which govern the taking of decisions by Directors.

86. The Directors may make Regulations for all or any sub-committees, provided that such Regulations are not inconsistent with these Rules.

87. All acts and proceedings of any sub-committee must be fully and promptly reported to the Directors.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Calling a Meeting of the Board of Directors

88. Any Director may, and the Secretary on the requisition of a Director shall, call a meeting of the Board of Directors by giving reasonable notice of the meeting to all Directors. Notice of any meeting of the Board of Directors must indicate the date, time and place of the meeting and, if the Directors participating in the meeting will not be in the same place, how they will communicate with each other.

Proceedings of a Meeting of the Board of Directors

89. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

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

91. Questions arising at any meetings of the Board shall be decided by a majority of votes. In the case of an equality of votes the status quo shall be maintained and the Board of Directors may choose to refer the matter to a general meeting of the Co-operative.

92. A written resolution, circulated to all Directors and signed by a simple majority (51%) of Directors, shall be valid and effective as if it had been passed at a Board meeting duly convened and held. A written resolution may consist of several identical Documents signed by one or more Directors.

93. The Board of Directors may, at its discretion, invite other persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.

Quorum

94. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors or 3 Directors, including those not present in person, whichever is the greater.

95. If at any time the total number of Directors in office is less than the quorum required, the Directors are unable to take any decisions other than to appoint further Directors or to call a general meeting so as to enable the Members to appoint further Directors.

Chairing Board Meetings

96. The chairperson shall facilitate meetings of the Board of Directors. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Directors present shall choose one of their number to be the chairperson for that meeting.

Declaration of Interest

97. A Director shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, provided that nothing shall prevent a Director voting in respect of her/his terms and conditions of employment or any associated matter.

Expenses

98. The Co-operative may pay any reasonable expenses which the Directors properly incur in connection with their attendance at meetings or otherwise in connection with

the exercise of their powers and the discharge of their responsibilities in relation to the Co-operative.

Termination of a Director's Appointment

99. A person ceases to be a Director of the Co-operative as soon as:

(a) That person ceases to be a Member of the Co-operative (unless they are a co-opted external independent Director);

(b) Where the individual is the representative of a Member organisation, that Member organisation removes their endorsement of that representative;

(c) Where the person is the representative of a Member organisation that Member organisation ceases to exist;

(d) That person resigns from office in Writing to the Secretary of the Co-operative, and such resignation has taken effect in accordance with its terms;

(e) That person is removed from office by an ordinary resolution of the Co-operative in general meeting, the notices for which specified that the question of the Director's removal was to be considered;

(f) That person is prohibited from being a Director by law;

(g) A bankruptcy order is made against that person;

(h) A registered medical practitioner who is treating that person gives a written opinion to the Co-operative stating that the person has become mentally incapable of acting as a Director and may remain so for more than three months;

(i) 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.

OFFICERS

100. The Board shall elect from among their own number a chairperson and Secretary and such other Officers as they may from time to time decide. These Officers shall have such duties and rights as may be bestowed on them by the Board or by law and any Officer appointed may be removed by the Board. A serving Officer who is not re-elected to the Board at the annual general meeting shall nevertheless continue in office until the first Board meeting following the annual general meeting.

DISPUTES

101. In the event of a dispute between the Co-operative or its Board and a Member of the Co-operative or a former Member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute or in the absence of agreement to be nominated by the Secretary General of Co-operatives UK (or any role or body that succeeds to its function). The decision of such an arbitrator shall be binding. In the event that a dispute cannot, for whatever reason, be concluded

by reference to an arbitrator, the matter may be referred to the county court (or in Scotland, to the sheriff). Any Person bringing a dispute must, if so required, deposit with the Co-operative a reasonable sum (not exceeding £100) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

REGULATIONS

102. The Co-operative in a general meeting, or the Board of Directors, may from time to time make, adopt and amend such Regulations in the form of bye-laws, standing orders, secondary rules or otherwise as they think fit for the management, conduct and regulation of the affairs of the Co-operative and the proceedings and powers of the Board of Directors and sub-committees. Such Regulations (if any) shall be made available to all Members. No Regulation shall be made which is inconsistent with these Rules or the Act. All Members of the Co-operative and the Board of Directors shall be bound by such Regulations whether or not they have received a copy of them.

LIABILITY OF MEMBERS

103. The liability of a Member is limited to the amount of their shareholding.

APPLICATION OF PROFITS

104. Any profits of the Co-operative shall be applied as follows in such proportions and in such manner as may be decided by the Co-operative at the annual general meeting:

(a) To a general reserve for the continuation and development of the Co-operative;

(b) To paying interest on issued share capital at such rate or rates as determined by the Board from time to time, but not exceeding 5 per cent per annum or 2 per cent above the Co-operative's bank base rate, whichever is the greater;

(c) To paying dividends to Members, either equally or in accordance with some other equitable formula which recognises the relative contribution made by each Member to the business of the Co-operative;

AMALGAMATION, TRANSFER OF ENGAGEMENTS AND CONVERSION

105. The Co-operative may, by special resolution passed in the way required by the Act, amalgamate with or transfer its engagements to any other society. The Co-operative may also accept a transfer of engagements and assets by resolution of the Board or of a general meeting.

106. The Co-operative may, by special resolution passed in the way required by s52(3) of the Act, amalgamate with or transfer its engagements to a company or convert itself into a company under the provisions of the Act. In relation to calling a general meeting for the purpose of such resolution, the following provisions shall apply:

(a) The Co-operative shall give to Members not less than two months' notice of the meeting.

(b) Notice of the meeting shall be posted in a prominent place at the registered office and at all trading premises of the Co-operative to which Members have access.

(c) The notice shall be accompanied by a separate statement setting out for Members:

(i) the reasons for the proposal;

(ii) whether the proposal has the support of the Board of the Co-operative;

(iii) what alternative proposals have been considered, and whether they are viable;

(iv) details of the number of shares in the Co-operative held by Members of the Board, and persons connected with them;

(v) a recommendation by reputable independent financial advisors that the Members should support the proposal rather than any alternative proposal.

(d) Where the separate statement is contained in another Document, information shall be provided in the notice specifying where Members can obtain a copy of the Document.

(e) The quorum for a meeting at which a special resolution to amalgamate with, transfer engagements to or convert into a company is to be voted upon shall be 150 Members or 50% of the Members present in Person, whichever is the greater, subject to an absolute minimum of three Members.

DISSOLUTION

107. The Co-operative may be dissolved by the consent of three quarters of the Members by their signatures to an instrument of dissolution, or by winding up in a manner provided for by the Act.

OPTION 2: Co-ownership - (Suitable for Mutual Trading Status):

108. The Co-operative is a co-ownership enterprise. If on the winding up or dissolution of the Co-operative any of its assets remain to be disposed of after its liabilities are satisfied, these assets may be distributed among the Members and those persons who were Members at any time during the six years prior to the date on which the Co-operative decides to wind up. Such assets shall be distributed either equally or in accordance with some other equitable formula which recognises the relative contribution made by each Member and past Members to the business of the Co-operative during the six years prior to the winding up or dissolution of the Co-operative. If such residual assets cannot be distributed in this manner they shall be transferred to a common ownership co-operative or to Co-operatives UK (or any body that succeeds to its function).

ADMINISTRATIVE ARRANGEMENTS

Means of Communication

109. A Member may provide their consent to receive communications from the Co-operative by Electronic Means.

110. A notice sent to a Director's Address shall be deemed to have been duly served 48 hours after its posting. A Director may agree with the Co-operative that notices or Documents sent to her/him in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Seal

111. If the Co-operative has a seal, it shall only be used by the authority of the Board of Directors acting on behalf of the Co-operative. Every instrument to which the seal shall be attached shall be signed by a Director and countersigned by a second Director or the Secretary.

Registers

112. The Board of Directors shall ensure accurate registers are maintained which shall include a register of Members, a register of Directors and a register of Officers.

Register of Members

113. The Board shall ensure that the register is maintained in accordance with the Act and that the particulars required by the Act are available for inspection and accessible without the need to disclose other particulars contained in the register.

Register of Directors and Officers

114. The Co-operative shall maintain a register of Directors and Officers which shall include the following particulars:

(a) Name of the Director;

(b) Address of the Director;

(c) The date on which they assumed office;

(d) The date on which they vacated office; and

(e) The position held by a Director if s/he is also an Officer and the date on which the Director assumed and vacated his/her Officer position.

Amendments to Rules

115. Any of these Rules may be rescinded or amended or a new rule made by an Extraordinary Resolution at a general meeting of which 14 Clear Days' notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment of Rules is valid until registered by the Registrar. When submitting the rule amendments for registration the Secretary may at their sole discretion accept any alterations required or suggested by the Registrar without reference back to a further general meeting of the Co-operative.

Copies of the Co-operative's Rules

116. A copy of these Rules and any amendments made to them shall be given free of charge to every Member upon admission to membership and shall be provided to any other person on demand and on payment of the statutory fee chargeable for the time being in force.

Minutes

117. The Co-operative shall ensure that minutes are kept of all:

(a) Proceedings at general meetings of the Co-operative; and

(b) Proceedings at meetings of the Board of Directors and its sub-committees which include names of the Directors present, decisions made and the reasons for those decisions.

Annual Return

118. Every year and within the period prescribed by the Act, the Secretary shall send the annual return in the prescribed form to the Registrar. The annual return shall be accompanied by:

(a) A copy of the Auditor's report on the Co-operative's accounts for the period covered by the annual return or a copy of such other report (if any) as is required by statute for such a period; and

(b) A copy of each balance sheet made during that period and report of the Auditor or other appropriate person as required by statute on that balance sheet.

119. The Co-operative shall on demand supply free of charge to any Member or any person with an interest in the funds of the Co-operative a copy of the latest annual return together with a copy of the Auditor's report on the accounts and balance sheet contained in the annual return and the Auditor's report (if any).

120. The Co-operative shall at all times keep a copy of the latest balance sheet of the Co-operative together with a copy of the corresponding Auditor's report (if any) hung up in a conspicuous place at the registered office and displayed on the Co-operative's website (if any).

Audit

121. Unless the Co-operative meets the criteria set out in section 4(2) of the Friendly and Industrial and Provident Societies Act 1968 or fulfils the exemptions set out in sub-sections 4(A) (1) and (2) of the Friendly and Industrial and Provident Societies Act 1968, the Board shall in each financial year appoint an Auditor as required by section 7 of the Friendly and Industrial and Provident Societies Act 1965 as amended, to audit the Co-operative's accounts and balance sheet for the year. This provision also applies if the Co-operative is in its first financial year.

122. The following persons shall not be appointed as Auditor of the Co-operative:

(a) An Officer or Employee of the Co-operative;

(b) A person who is a partner or employee of, or who employs, an Officer of the Co-operative.

123. The Board may appoint an Auditor to fill a casual vacancy occurring between general meetings.

124. An Auditor for the preceding financial year shall be re-appointed as Auditor of the Co-operative for the current financial year unless:

(a) A decision has been made by the Board to appoint a different Auditor or expressly decided that s/he shall not be re-appointed; or

(b) S/he has given notice in writing to the Secretary of her/his unwillingness to be re-appointed; or

(c) S/he is ineligible for appointment as Auditor of the Co-operative for the current financial year; or

(d) S/he has ceased to act as Auditor of the Co-operative by reason of incapacity.

125. Any ordinary resolution of a general meeting of the Co-operative either to remove an Auditor from office or to appoint another person as Auditor shall not be effective unless notice of the proposed resolution has been given to the Co-operative at least 28 days prior to the meeting at which the resolution is to be considered. At least 14 days' notice of such resolution must then be given to Members of the Co-operative in the manner prescribed in these Rules and in Writing to the Auditor(s).

Social Accounting and Reporting

126. In addition to any financial accounts required by the Act, the Members may resolve to undertake an account of the activities of the Co-operative which will endeavour to measure its co-operative, social and environmental performance using whatever methodology the Members deem appropriate. Following the completion of such an account the Co-operative shall report any findings to its Members and other stakeholders.

Indemnity and Insurance

127. Subject to the following rule, any Director or former Director of the Co-operative may be indemnified out of the Co-operative's assets against:

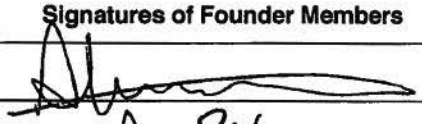
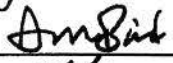
(a) Any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Co-operative;

(b) Any liability incurred by that Director in connection with the activities of the Co-operative in its capacity as a trustee of an occupational pension scheme;

(c) Any other liability incurred by that Director as an Officer of the Co-operative.

128. The above rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.

129. The Directors may decide to purchase and maintain insurance, at the expense of the Co-operative, for the benefit of any Director or former Director of the Co-operative in respect of any loss or liability which has been or may be incurred by such a Director in connection with their duties or powers in relation to the Co-operative or any pension fund or employees' share scheme of the Co-operative.

Signatures of Founder Members	**Full Names of Founder Members in BLOCK CAPITALS (no initials)**
1. 	AUSTEN JOHN CHARLES CORDASCO
2. 	ALEXANDER MAXWELL BIRD
3. 	MARTIN PRICE
Signature of Secretary	**Full Name of Secretary in BLOCK CAPITALS (no initials)**
1. 	MARTIN PRICE

- Accepted as a model by the Financial Services Authority 2011 v.1 -

BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

FCA
FINANCIAL CONDUCT AUTHORITY

Mutual Societies Application Form

Registering a New Industrial and Provident Society; or

Re-registering a Friendly Society as an Industrial and Provident Society; or

Converting a Company into an Industrial and Provident Society

Form

Full proposed name of society:

Development Co-operative Limited

Important information you should read before completing this form

You must use this form if you are:

- applying to register a society as a new industrial and provident society;
- re-registering a particular type of friendly society as an industrial and provident society (please see notes for details); or
- converting a registered company into a registered industrial and provident society.

Please keep a copy of the form and the supporting documents for future reference.

The notes that accompany this form will help you complete the questions.

Please be aware that any personal details you give on the form will be placed on the society's file.

It is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to assess your application.

Terms in this form

'FCA', 'PRA', 'us' and 'we' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

'The 1965 Act' is the Industrial and Provident Societies Act 1965

'The 1974 Act' is the Friendly Societies Act 1974

BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

FCA
FINANCIAL CONDUCT AUTHORITY

Mutual Societies Application Form

Registering a New Industrial and Provident Society; or

Re-registering a Friendly Society as an Industrial and Provident Society; or

Converting a Company into an Industrial and Provident Society

Form

Filling in the form

1 If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print out the completed form and arrange for it to be signed by all relevant individuals.

2 If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

3 If you make a mistake, cross it out and initial the changes; do not use correction fluid.

4 If you:

- leave a question blank;
- do not get the form signed, or
- do not attach the required supporting information

without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the form, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

6 Post this form and supporting documents to us at:

Mutuals Team
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS

Details of Registration

1 What are you applying to do?

☒ Register a new industrial and provident society	Complete this form from question 3	☐Completed
☐ Re-register a friendly society as an industrial and provident society	Complete this form from question 2 Complete Appendix 2	☐Completed ☐ Completed and Attached
☐ Convert a registered company into a registered industrial and provident society	Complete this form from question 3 Complete Appendix 3	☐ Completed ☐Completed and Attached

2 Details of the society that is currently registered under the Friendly Societies Act 1974

Name of current society (if re-registering)	
Register number of society	

3 Contact details for communications about this application

Name	Jessica Ruth
Position	Support Officer
Full Address	Holyoake House, Hanover Street. Manchester, M60 0AS
Contact Telephone	0161 2141750
Email Address	legal@uk.coop

4 Does the society have any timing factors that it would like us to consider?

If the society wishes to be registered by a specific date, we will try to meet it. Please bear in mind we would like to be given 15 working days to examine each application.

ASAP

5 You must attach the following:

Two printed copies of the proposed society's rules, both of which are signed at the end by three members and by the Secretary of the society. ☒ Attached

6 You must complete the following table indicating for the proposed society the appropriate rule number(s) in the column provided

Any references to the '1965 Act' below refer to the Industrial and Provident Societies Act 1965.

Matters to be provided for	Rule number(s)
The name of the society.	1
The objects of the society.	5
The registered office of the society to which all communications and notices to the society may be addressed.	2
The terms of admission of the members, including any society or company investing funds in the society under the provision of the 1965 Act.	14-21
The mode of holding meetings, the scale and right of voting, and the mode of making, altering or rescinding rules.	38-67
The appointment and removal of a Committee of Management, (by the name of * Directors) and of managers or other officers, and their respective powers and remuneration.	68-99
The maximum amount of interest in the shares of the society which may be held by any member otherwise than by virtue of Section 6(1) (a) (b) or (c) of the 1965 Act.	27-37
Whether the society may contract loans or receive money on deposit subject to the provisions of the said Act from members or others; and, if so, under what conditions, under what security, and to what limits of amount.	7-11
Whether the shares or any of them shall be transferable, the form of transfer and registration of the shares, and the consent of the committee thereto; whether the shares or any of them shall be withdrawable, and the mode of withdrawal, and the payment of the balance due thereon on withdrawing from the society.	27-37
The audit of accounts by one or more auditors appointed by the society in accordance with the requirements of the Friendly and Industrial and Provident Societies Act 1968.	121-125
Whether and, if so, how members may withdraw from the society, and provision for the claims of the representatives of deceased members or the trustees of the property of bankrupt members, or, in Scotland, members whose estate has been sequestrated, and for the payment of nominees.	22-26
The mode of application of profits.	104
If the society is to have a common seal, provision for its custody and use.	111
Whether and, if so, by what authority, and in what manner, any part of the society's funds may be invested.	13

*please add the name of the Committee of Management – e.g. 'The Board'

7 Date of society's financial year end (dd/mm/yyyy)

If the society proposes to use a date other than the last day of the month in which the anniversary of its registration falls as its financial year end please indicate this date below, otherwise leave blank.

3	1	/	0	3	/	2	0	1	5

8 Is membership of the new society required to obtain the benefits / facilities offered by it?

☒ Yes
☐ No

9 Type of industrial and provident society

☒ A bona fide co-operative society
☐ A benefit of the community society

Please explain how this is demonstrated by referring to appropriate rules of the society

5 Objects
17-19 Membership
25-26, 88-93 Proceedings
104 Application of profits
107 Dissolution

If a bona fide co-operative society please continue to question 13.

Benefit of the community societies

10 Explain fully below how the activities of the society will benefit the community

Please specify below:

a.) The community that the society will benefit

b.) What activities the society will undertake to benefit that community and please include an explanation of how the society's surplus will be applied

c.) How the activities of the society will benefit the community

11 How will the society fund the activities of the society?

If the society proposes to issue withdrawable share capital, please state whether there will be any limit (apart from the statutory limit) on the subscription of individual members and state the limit that will be set.

12 Will the society have charitable objects?

☒ No ▸ Continue to question 13

☐ Yes ▸ Complete Appendix 1 ☐ Completed and Attached

13 Details of any close links which the society or any member of its committee has, or intends to have, with any society, company or authority

The following are regarded as evidence of a close link with another society, company or other entity:

- any material contract or arrangement which it is anticipated that the society will enter into in order to undertake its business; and
- any other directorships or senior positions held by members of the committee.

If there are no close links to report write 'None' in the box below. Do not just leave the box blank.

Alex Bird - Vice Chair; Cardiff YMCA Housing Association Ltd.

Director; Wales Co-operative Centre Ltd. Director; consultancy.coop LLP. Director; Welsh Social Enterprise Coalition Ltd.

Martin Price - Director, Development Trusts Association Wales. Director; Fflan Ltd. Director; Social Firms Wales Ltd. Director; Diverse Cymru Excellence Ltd. Syth Care CIC Ltd.

Austen Cordasco - Director; Co-operative Assistance Network Ltd.

Director; Co-operative Gateway East of England Ltd

Please use separate sheets of paper if you need more space.

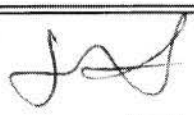
Please indicate how many separate sheets of paper you have used.

14 Have you used model rules provided by a sponsoring body?

☐ No ▸ Continue to question 15

☒ Yes ▸ The sponsoring body must complete the boxes below.

The information given in this form is correct to the best of my knowledge and belief. If the society is applying to register as a benefit of the community society, the applicant has satisfied us that the special reasons entered in question 10 for wishing to register as a society for the benefit of the community under the Industrial and Provident Societies Act 1965 are genuinely applicable to the business they propose to undertake.

Name of the model being used	Co-operative Consortium
Name of sponsoring body	Co-operatives UK
Signature on behalf of sponsoring body	
Date	12.6.14

Registration fee

15 You must tick the relevant box below to confirm the fee submitted with your application

☒ £40 ▸ The society is using model rules with no changes

☐ £120 ▸ The society is using model rules with 1-6 changes

☐ £350 ▸ The society is using model rules with 7-10 changes

☐ £950 ▸ The society is using model rules with 11 or more changes

☐ £950 ▸ The society is not using model rules

☐ No fee ▸ This only applies to a friendly society re-registering as an industrial and provident society.

You must pay the registration fee by cheque. **It is not refundable** (even if the society decides to withdraw its application)

How to pay

a. Make the cheque payable to the Financial Conduct Authority. We cannot accept post-dated cheques.

b. Write the name of the society on the back of the cheque.

c. Send the cheque with the application form. Member and Secretary details

16 You must arrange for three members and the Secretary of the society to complete the table below

Members

Name	Martin Price
Address	37 Cardiff Road Dians Powys Vale of Glamorgan CF64 4DH
Contact Number	029 2051 4034
Signature	
Date	04/06/2014

Name	Alexander Maxwell Bird
Address	15 Samuels Crescent Whitchurch Cardiff CF14 2TH
Contact Number	07914 762 546
Signature	
Date	04/06/2014

Name	Austen John Charles Cordasco
Address	2, Riffhams Drive Great Baddow Chelmsford CM2 7DD
Contact Number	07795 430599
Signature	
Date	06/06/2014

Secretary

Name	Martin Price
Address	37 Cardiff Road Dians Powys Vale of Glamorgan CF64 4DH
Contact Number	029 2051 4034
Signature	

Date	04/06/2014

Date of application

17 Date the application was submitted

Date	~~09/06~~/2014

12.6.14

End of form