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## **Rules of HEADINGLEY DEVELOPMENT TRUST LIMITED**

*(Registered under the Industrial and Provident Societies Acts 1965-1978)*

### **NAME**

1. The name of the Society shall be Headingley Development Trust Limited.

### **OBJECTS**

2. The objects of the Society shall be to carry on any trade, industry or business for the benefit of the community by promoting and developing a sustainable local community in Headingley, Leeds.

### **POWERS**

3. The Society shall have power to do all things necessary or expedient for the fulfilment of its objects provided that, in carrying out its objects, the Society shall promote equality of opportunity for all sections of the community in its own affairs and in society generally.

### **REGISTERED OFFICE**

4. The Registered Office of the Society shall be at: HEART Centre, Bennett Road, Headingley, Leeds LS6 3HN

### **MEMBERSHIP**

5. The first members of the Society shall be the signatories to the application for registration (the "Founder Members"). The Committee may at its discretion admit to membership any person or corporate body or the nominee of any unincorporated organisation who supports the objects of the Society and who has paid or agreed to pay the appropriate annual subscription for the time being in force. Applications for membership shall be in such form as the Committee may from time to time direct. Any such form may provide that a member may specify an email address, which shall be used by the Society for any communication required by these rules to be sent to members. Any member specifying an email address in this way shall notify the Society of any change to this email address.
6. A person who qualifies under Rule 5 above may apply for membership to the Committee, and upon acceptance and payment of the minimum amount of shareholding required in accordance with rule 50 and the annual subscription fee (if any) the Society shall issue to her/him/it share certificates as appropriate and shall enter her/his/its name in the register of members. The Committee may refuse any application for membership at its absolute discretion.
- 6A The Society may make provision for different classes of membership with such rights and obligations as the Society may determine provided that every member shall be entitled to one vote in accordance with Rule 27. Such rights and obligations may be varied only if three quarters of the members of that class consent in writing or by resolution of a separate general meeting of the members of that class.
7. The Society shall keep at its registered office a register of members in which the Secretary shall enter the following particulars:
  - (a) the name, address and email address of every member;

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- (b) a statement of the shareholding of each member;
  - (c) a statement of other property, whether in loans or otherwise, held by each member;
  - (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member;
  - (e) the names and addresses of the Committee Members and officers of the Society, of the offices held by them respectively, and the dates on which they assumed and vacated office.
8. 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.

### **CESSATION OF MEMBERSHIP**

9. A member shall cease to be a member if s/he or it:
- (a) resigns in writing to the Secretary; or
  - (b) fails to pay any subscription in respect of membership within three months of its falling due; or
  - (c) is expelled from membership in accordance with Rule 10; or
  - (d) is the nominee of an unincorporated organisation and that organisation replaces her/him as its nominee or is wound up; or
  - (e) being an individual, dies; or
  - (f) being a corporate body is wound up or goes into liquidation.
- In the event of an individual who is the nominee of an unincorporated organisation ceasing to be a member under clauses (a), (c) or (e) of this Rule, the nominating organisation may with the express consent of the Committee nominate another individual to membership in her/his place.
10. A member may be expelled for conduct prejudicial to the Society by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Society of which due notice has been given, 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 state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.
11. No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of which due notice has been given.

### **GENERAL MEETINGS**

12. An Annual General Meeting shall be held within six months of the close of the financial year of the Society, the business of which shall comprise:
- (a) The receipt of the accounts and balance sheet and of the reports of the Committee and auditor (if any);
  - (b) The appointment of an auditor (subject to Rule 52 (b));
  - (c) The election of Committee Members (or the announcement of the results of the election if held previously by ballot);
  - (d) A decision on the application of any surplus in accordance with Rule 57;
  - (e) The transaction of any other business included in the notice convening the meeting.
13. All General Meetings other than the Annual General Meeting shall be called Special General Meetings.

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14. A Special General Meeting shall be convened either upon an order of the Committee or at the request of three members of the Society or ten per cent of the membership, whichever is the greater.
  15. A General Meeting shall be convened by at least fourteen days' notice unless all members of the Society agree to hold a General Meeting with shorter notice. Notices of meetings shall be sent by post to members at their registered address, or by email where a member has elected to receive communications by email in accordance with these rules. Notices of General Meetings shall also be displayed conspicuously at the registered office, all other places of business, and on the official website of the Society Notices shall specify the time, date and place at which the meeting is to be held and, in the case of an Annual or a Special General Meeting, details of the business, which is to be transacted at that meeting. An Annual or a Special General Meeting shall not transact any business other than that specified in the notices calling the meeting.
  16. A notice sent by post to a member's registered address, and a notice sent by email to a member's registered email address shall each be deemed to have been duly served fortyeight hours after posting or sending. The accidental omission to send any notice to or the non-receipt of any notice by any member for any reason shall not invalidate the proceedings at the meeting.
  17. If the Society has appointed an auditor in accordance with Rule 52 (a) they shall be entitled to attend General Meetings of the Society and to receive all notices of and communications relating to any General Meeting which any member of the Society 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.

#### **PROCEEDINGS AT GENERAL MEETINGS**

18. A corporate body, which is a member of the Society, shall appoint a representative who shall during the continuance of her/his appointment be entitled to exercise in any General Meeting of the Society all such rights and powers as the member organisation would exercise if it were an individual person. The Society shall require such notification of an organisation's appointed representative as the Committee may from time to time decide.
19. No person shall be entitled to vote on any question at a General Meeting other than an individual member of the Society or the duly appointed representative of a corporate body, which is a member.
20. No business shall be transacted at a General Meeting unless a quorum is present in person. Unless and until otherwise decided by the Society in General Meeting, a quorum shall be three members of the Society.
21. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until a day between seven and fourteen days after the date set for the original meeting, and all members shall be given such notice as is practicable. If at such an adjourned meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum.
22. The Chairperson of the Society shall preside at every General Meeting. In the event of her/his absence or unwillingness to act, the members present shall choose one of their number to be Chairperson of the meeting.
23. The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to

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- place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
24. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least two members present. Unless a secret ballot be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
  25. If a secret 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.
  26. The demand for a secret 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 secret ballot may be withdrawn.
  27. Every member shall hold one vote only on each question to be decided at a General Meeting. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast.
  28. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.
  29. A resolution in writing signed by all the members for the time being entitled to vote at General Meetings shall be valid and effective as if the same had been passed at a General Meeting duly convened and held and may consist of several documents in the same form each signed by one or more members.

#### **AMENDMENTS TO RULES**

30. (a) Any of these Rules may be rescinded or amended or a new Rule made by a vote of two-thirds of members of the Society voting at a General Meeting of which fourteen clear days' prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting.  
(b) No amendment of Rules is valid until registered by the Financial Services Authority.

#### **COMMITTEE OF MANAGEMENT**

31. The Society shall have a Committee of Management comprising not less than three and not more than fifteen persons, of which three places shall be reserved for co-optees as decided by the Committee. The initial Committee Members of the Society from incorporation until the first Annual General Meeting shall be appointed by the Founder Members.
32. A Committee Member shall, subject to Rule 39 below, hold office for a maximum period of 3 years following her/his election. Each year a third of the committee will retire, this third will be the longest serving members. Where there are more than the requisite number of people to stand down, due to same length of service in that term of office, those with the least number of votes at the time of their election will stand down. Lots will be drawn in the event of committee members having the same number of votes. Retiring members shall be eligible

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for re-election at the Annual General Meeting at which they retire except in the following circumstance. Elected members may serve for a maximum of six consecutive years. They must stand down for at least one year prior to seeing re-election and may not be co-opted on to the Board in that year.

33. New Committee Members shall be elected in accordance with such procedures as may be adopted by the Society from time to time, provided that only members of the Society and representatives of organisations which are members may stand for election to, or nominate persons to stand for election to the Committee.
34. The Committee may at any time co-opt any member of the Society or the representative of an organisation which is a member to fill a casual vacancy in the Committee, or to fill a particular gap as determined by the Committee, provided that at no time shall more than one-third of the members of the Committee be co-opted members. A casual vacancy shall be deemed to exist if the number of Committee Members should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
35. In the event that the size of the Committee should drop below the minimum number of members prescribed in these Rules, the Committee Members may act to increase their number or to call a General Meeting of the Society, but for no other purpose.
36. A Committee Member 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 except where that interest is shared with a majority of the other members of the Committee.
37. Committee Members shall only be entitled to fees or remuneration for services actually rendered to the Society, whether as employees or otherwise.
38. Committee Members may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Committee or General Meetings of the Society or in connection with the business of the Society.
39. The office of Committee Member shall be immediately vacated if s/he:
  - (a) resigns her/his office in writing to the Society; or
  - (b) ceases to be a member of the Society for any reason whatsoever (or is the representative of a corporate body which ceases to be a member); or
  - (c) is removed from office by a majority vote of the Society in General Meeting, the notices for which specified that the question of the Committee Member's removal was to be considered; or
  - (d) in the opinion of a majority of the Committee, fails to declare her/his interest in any contract as referred to in Rule 36; or
  - (e) is absent from three successive meetings of the Committee during a continuous period of twelve months without special leave of absence from the Committee and they decide that s/he has by reason of such absence vacated office; or
  - (f) becomes bankrupt or, in the opinion of a majority of the Committee, incapable on medical or psychological grounds of carrying out the functions of a Committee Member; or
  - (g) is subject to a disqualification order the Company Directors Disqualification Act 1986; or
  - (h) has been convicted of an offence where the conviction is not treated as spent under the Rehabilitation of Offenders Act 1974.

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## **HONORARY OFFICERS**

40. The Committee of Management shall elect a Chairperson, Secretary and Treasurer of the Society from amongst their own number. Any honorary officer so appointed may be removed or replaced by a majority vote of the Committee at any time, or by a majority vote of the members at a Special General Meeting the notices for which specified that the matter was to be raised.

## **POWERS AND DUTIES OF THE COMMITTEE OF MANAGEMENT**

41. The business of the Society shall be managed by the Committee of Management who may pay all expenses of the formation of the Society as they think fit and may exercise all such powers of the Society as may be exercised and done by the Society and as are not by statute or by these Rules required to be exercised or done by the Society in General Meeting, including the setting of annual subscriptions for members.
42. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Committee shall from time to time direct.
43. The Committee may delegate any of its functions to sub-committees made up of members of the Committee and such other persons as it sees fit. Any sub-committees so formed shall in the exercise of its powers conform with any regulations imposed upon it by the Committee, which shall always include the requirement for regular and prompt reports back to Committee.

## **PROCEEDINGS AT COMMITTEE MEETINGS**

44. The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall at the request of two or more Committee Members summon a meeting of the Committee at any reasonable time by giving all Committee Members reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered. Meetings of the Committee may also be held via telephone or other electronic means: provided that all Committee members wishing to participate by such means are able to do so and are able to communicate with each other at all times. At least one meeting where members are present in person must be held every year.
45. Unless and until otherwise decided by the Society in General Meeting, the quorum necessary for the transaction of business at a Committee meeting shall be one half of the members of the Committee or three members, whichever is the greater; provided that no meeting shall be quorate if one half or more of those present are co-opted Committee Members.
46. At every Committee meeting the Chairperson shall preside, but in the event of her/his absence or unwillingness to act the members present shall choose one of their number to be Chairperson of the meeting.
47. The Committee shall cause proper minutes to be made of all the proceedings of the Society, of the Committee and of any sub-committees. All such minutes shall be open to inspection by any member of the Committee at all reasonable times.
48. Questions arising at Committee meetings shall be decided by a majority of votes of those present. In the event of a tied vote the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.

49. A resolution in writing signed by all the members for the time being entitled to vote at meetings of the Committee shall be valid and effective as if the same had been passed at a meeting duly convened and held and may consist of several documents in the same form, each signed by one or more Committee members.

### **SHARE CAPITAL**

50. The shares of the Society shall be of the nominal value of £1.00. The minimum shareholding required of a member shall be defined as such number of fully paid shares as the Committee 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.
- a) Shares shall be withdrawable only in accordance with the provisions of these Rules. Shares shall not be transferable except on death or bankruptcy.
  - b) Application for shares shall be made to the Committee of the Society 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.
  - c) Shares shall be paid for in full on allotment.

### **WITHDRAWAL OF SHARE CAPITAL**

- 50A Shares may be withdrawn by members upon giving three months' notice to the Society provided that:
- (a) all withdrawals shall be paid in the order in which the notices were received by the Society;
  - (b) except where a member intends to terminate her/his membership of the Society, a member shall not be entitled to withdraw shares so as to leave her/him with less than the minimum shareholding;
  - (c) the Committee 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 Committee may 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 Committee suspend the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Committee;
  - (e) during any period when the right of withdrawal has been suspended under Rule 50A (d), the shares of deceased members may, if the Committee agree, be withdrawn by their personal representatives upon giving such notice as the Committee 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 of 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.
- 50B Any share withdrawn in accordance with the above Rule shall be cancelled.
- 50C Members may withdraw from the Society by withdrawing all their shares in the Society in accordance with Rule 50A or, if the right to withdraw has been suspended as provided for in that Rule, by surrendering all their shares to the Society. Upon such surrender the Committee may in their discretion pay to the withdrawing member the amount paid up or credited in the shares surrendered.

### **FINANCIAL PROMOTIONS**

- 50D The Society shall not communicate any inducement or invitation to purchase withdrawable share capital or any other instrument which the Society may issue from time to time without taking advice from a suitably qualified person.

#### **LIEN ON SHARES AND RIGHT OF OFFSET**

- 50E The Society shall have a lien on the shares of a member for any debt due to it by the member and may set off any sum standing to the member's credit with the Society in or towards payment of such debt.

#### **BORROWING**

51.

- (a) The Society shall have power to borrow money for the purposes of the Society, including the issue of loan stock, providing that the amount owed shall not exceed £10,000,000.
- (b) The Society shall have power to mortgage or charge any of its property, including the assets and undertakings of the Society, present and future, to issue debentures and other securities for money borrowed or for the performance of any contracts of the Society or bodies having dealings with the Society.
- (c) The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or on mortgage from a Building Society or Local Authority shall not exceed 6½% per year or 3% above the base lending rate of the Society's bankers from time to time, whichever is the higher.
- d) The Society may receive from any persons donations or loans free of interest towards its work. The Society shall not accept deposits.

#### **AUDITORS**

- 52. (a) Subject to clause (b) below, the Society shall appoint in each financial year an auditor qualified under section 7 of the Friendly and Industrial and Provident Societies Act 1968 to audit the Society's accounts and balance sheet for the year.
- (b) The Society shall (subject to Rule 52 (c)) be exempt from the obligation to appoint a qualified auditor if during the preceding financial year it met such criteria regarding low levels of income and/or expenditure or other factors as to qualify it for statutory exemption from the need to appoint qualified auditors.
- (c) The members of the Society shall in general meeting vote every year to allow the Society to apply the audit exemption. Such a resolution will be deemed to have been passed if less than twenty per cent of the total number of votes cast are against the resolution and less than ten per cent of the members of the Society cast their votes against the resolution.
- (d) None of the following persons shall be appointed as auditor of the Society:
  - an officer or employee of the Society;
  - a person who is a partner or employee of or who employs an officer of the Society.
- (e) The first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the Committee if no General Meeting is held within that time. The Committee may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these cases, every appointment of an auditor shall be made by a resolution of a General Meeting of the Society.
- (f) An auditor for the preceding financial year shall be re-appointed as auditor of the Society for the current financial year unless:
  - (i) a resolution has been passed at a General Meeting appointing someone else as auditor or providing expressly that s/he shall not be re-appointed; or
  - (ii) s/he has given notice in writing to the Society of her/his unwillingness to be re-appointed; or



- (iii) s/he is ineligible for appointment as auditor of the Society for the current financial year; or
  - (iv) s/he has ceased to act as auditor of the Society by reason of incapacity.
- (g) Any resolution of a General Meeting of the Society 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 Society at least twenty-eight days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such resolution must then be given to members of the Society in the manner prescribed in Rule 15 and in writing to the auditors.

### **ANNUAL RETURN**

53. Every year and within the period prescribed by statute, the Secretary shall send to the Financial Services Authority the annual return, in the form prescribed by the Financial Services Authority, relating to its affairs for the period required by the Act to be included in the return together with:
- (a) a copy of the report of the auditor on the Society's accounts for the period included in the return or a copy of such other report (if any) as is required by statute for such period and;
  - (b) a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person as required by statute on that balance sheet.
54. The Society shall on demand supply free of charge to any member, or to any person with an interest in the funds of the Society, 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 return.
55. The Society shall at all times keep a copy of the latest balance sheet of the Society together with a copy of the corresponding auditor's report hung up in a conspicuous place at the registered office.

### **PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER**

56. (a) Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member, the Society shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.
- (b) A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Society 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 Society shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

### **APPLICATION OF SURPLUS**

57. Members of the Society will be rewarded primarily through a social dividend rather than a monetary dividend. Any surplus generated by the Society shall be applied as follows, in such manner and in such proportion as the Committee may decide:
- (a) in paying interest on members' share capital at such rate as may be determined by the Committee from time to time, but not exceeding the minimum rate necessary in the opinion of the Committee to obtain and retain the capital required to carry out the objects of the Society;
  - (b) to the continuation and development of the Society;
  - (c) to making payments for social and charitable purposes.

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## **SEAL**

58. If the Society has a seal it shall be kept in the custody of the Secretary and used only by the authority of the Committee. Sealing shall be attested by the signature of two Committee Members or of one Committee Member and the Secretary for the time being. If the Society does not have seal, a document which would have previously required to be sealed, should be signed by a Committee Member and secretary or two Committee Members and accompanied by a written statement that the document has been executed by the society as if under common seal.

## **INVESTMENT OF FUNDS**

59. The Society may invest any part of its funds in the manner set out in Section 31 of the Industrial and Provident Societies Act 1965.

## **REGULATIONS**

60. The Society in General Meeting or the Committee 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 may think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Committee and sub-committees. No regulation shall be made which is inconsistent with these Rules or the Act. All members of the Society and the Committee shall be bound by such regulations whether or not they have received a copy of them.

## **DISSOLUTION**

61. The Society 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 by the Act. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members, but shall be transferred instead to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of surpluses and assets as is imposed on this Society by virtue of these Rules, as may be decided by the members at the time of or prior to the dissolution.

## **DISPUTES**

62. In the event of a dispute between the Society or its Committee and a member of the Society or a former member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute. 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).

## **INTERPRETATIONS**

63. (a) In these Rules, "the Act" refers to the Industrial & Provident Societies Acts 1965 to 1978 or any Act or Acts amending or in substitution for them for the time being in force;
- (b) "Electronic means" shall include email, video links and secure authenticated website transactions;
- (c) In these Rules the expression "Committee meeting" or "meeting of the Committee" includes, except where inconsistent with any legal obligation: a physical meeting; a meeting held by electronic means;

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a meeting held by telephone