



**RULES OF**

**LOCAL CARE DIRECT**

**A-17**

Accountable person: Company Secretary

Version 4

FCA Approved: June 2014

FCA Registration No: 29766R

# **RULES**

## **1. Name**

The name of the Society is Local Care Direct Limited and it is called "LCD" in the rest of these rules.

## **2. Purpose**

The purpose of LCD is to provide health and social care for the benefit of the community and not for the profit of its members.

## **3. Functions**

3.1 The function of LCD is to provide goods and services, including education and training, research, accommodation and other facilities, for purposes related to the provision of health and social care.

3.2 LCD may also carry on other functions in order to make additional income for LCD's purpose.

## **4. Powers**

4.1 LCD may do anything which appears to it to be necessary or desirable for the purposes of or in connection with its functions.

4.2 Not limiting the powers set out in Rule 4.1 LCD may:

4.2.1 acquire and dispose of property;

4.2.2 enter into contracts;

4.2.3 accept gifts of property (including property to be held on trust for the purposes of LCD or for any purposes relating to the health service);

4.2.4 employ staff.

4.3 Any power of LCD to pay remuneration and allowances to any person includes the power to make arrangements for providing, or securing the provision of pensions or gratuities (including those payable by way of compensation for loss of employment or loss or reduction of pay).

4.4 Subject to the approval of the Board, LCD may borrow money or issue loan stock for the purposes of or in connection with its functions, subject to a limit of £5,000,000.

4.5 LCD may invest money (other than money held by it as trustee) for the purposes of or in connection with its functions. The investment may include investment by:

4.5.1 forming, or participating in forming, bodies corporate;

4.5.2 otherwise acquiring membership of bodies corporate.

## 5. Commitments

### Community Benefit

- 5.1 The business of LCD shall be conducted for the benefit of the community and not for the profit of its members.
- 5.2 The profits or surpluses of LCD shall not be distributed either directly or indirectly in any way whatsoever among members of LCD but shall be applied:
  - 5.2.1 to maintain prudent reserves;
  - 5.2.2 on expenditure in carrying out LCD's functions.

### Liaising with Health and other Bodies

- 5.3 In carrying out its functions LCD shall liaise with any other authorities, agencies and bodies as deemed appropriate.

### Respect for Rights of People

- 5.4 In conducting its affairs, LCD shall respect the rights of members of the community it serves, its employees and people dealing with LCD, as set out in the Charter of Fundamental Rights of the European Union.

## 6. Framework

- 6.1 LCD is registered under the Industrial and Provident Societies Act 1965 (referred to as "the Act" in these Rules). Any references to the Act include reference to any statutory re-enactment and/or modification.
- 6.2 The affairs of LCD are to be conducted by the Board, and the members in order to fulfil LCD's purpose. The functions of the Board and members, which shall at all times be exercised and performed in accordance with these rules, are as follows.

### Members

- 6.3 Members may attend and participate at members' meetings and special meetings, and take such other part in the affairs of LCD as is provided in these rules.
- 6.4 LCD in general meeting can only exercise the powers of LCD expressly reserved to it by these rules or by statute.

### Board

- 6.5 The business of LCD is to be managed by the Board who shall exercise all the powers of LCD.
- 6.6 The function of the Board is to work as a body in a co-operative and collaborative way to achieve LCD's purpose. Amongst the roles and responsibilities of the Board are:
  - 6.6.1 to appoint or remove the Chief Executive, Clinical Director and the Finance Director;
  - 6.6.2 in respect of each financial year, to cause to be prepared an annual report, revenue account and balance sheet as required by these rules and to set each year's budget;

- 6.6.3 to establish policies and plans to achieve LCD's objectives and to implement its strategic policies;
  - 6.6.4 to agree policies and make decisions on all matters that create significant financial risk to LCD or material issues of policy;
  - 6.6.5 to establish and oversee a framework of delegation and systems of control;
  - 6.6.6 to monitor LCD's performance in relation to these plans, budgets, controls and decisions;
  - 6.6.7 to satisfy itself that LCD's affairs are conducted in accordance with generally accepted standards of performance and propriety;
  - 6.6.8 to review LCD's Membership Policy, and the composition and membership of the Board and when appropriate to make recommendations for change, including changes to these rules;
  - 6.6.9 to take appropriate advice to enable it to discharge its functions effectively;
- and none of these functions 6.6.1 to 6.6.9 inclusive shall be capable of delegation.

6.7 The Board shall have power to:

- 6.7.1 delegate (subject to Rule 6.6) in writing, the exercise of any of its powers and discretions to committees and to employees of LCD on such terms as it determines; and
- 6.7.2 make such bye-laws as they may deem necessary or expedient or convenient for the proper conduct and management of LCD, including bye-laws to regulate the procedure at general meetings and meetings of the board; to regulate conflicts of interest; and to specify criteria for the selection of potential members of the Board, provided that:
  - (a) no bye-law shall be inconsistent with or shall affect or repeal anything contained in these Rules; and
  - (b) LCD in general meeting shall have the power to alter, add to or repeal such bye-laws and the Board shall adopt such means as they think sufficient to bring to the notice of the members all bye-laws, which shall be binding on all members.

### **Secretary**

6.8 LCD shall have a Secretary. The Secretary's functions shall include:

- 6.8.1 acting as Secretary to the Board;
- 6.8.2 keeping the register of members and other registers and books required by these rules to be kept;
- 6.8.3 summoning and attending all meetings of the members of LCD, and of its Board, and keeping the minutes of those meetings;
- 6.8.4 overseeing the publishing to members in an appropriate form, of information about LCD's affairs;
- 6.8.5 preparing and sending to the Financial Conduct Authority and any other statutory body all returns which are required to be made; and

6.8.6 being responsible for ensuring the compliance of LCD with the rules.

## **7. Members**

- 7.1 The members of LCD are the people whose names are entered in the register of members.
- 7.2 A member of LCD is a person or body who holds a share in LCD. Membership is open to any person interested in promoting the function of LCD. There is no maximum number of members and the minimum is three.
- 7.3 The following cannot be members:
- 7.3.1 a person under the age of 16;
  - 7.3.2 a person who has been expelled as a member, unless authorised by special resolution at a general meeting.
- 7.4 An application for membership shall be in such form as the Board may prescribe and shall contain an application for any minimum shareholding which the Board may set from time to time. Upon the Board approving an application for membership the applicant shall for the purpose of the rules be deemed to be a member and the share applied for shall be issued to the applicant and the relevant details entered into the register of members.
- 7.5 A member who is a nominee of a body unincorporated shall have entered against the member's name in the register the name of the body unincorporated by whom the member has been nominated. Not more than one nominee may be registered in respect of any one body unincorporated.

## **8. Shares**

- 8.1 The shares of LCD have the nominal value of £1 each, which shall not be payable unless payment is demanded by LCD. A share may not be transferred or withdrawn.
- 8.2 Every member holds one share, which shall be allotted upon admission to membership. No member may hold more than one share.
- 8.3 If a person ceases to be a member, the share registered in their name is to be cancelled and any amount subscribed for the share is to become the property of LCD.
- 8.4 Shares do not carry any right to interest, dividend or bonus.

## **9. Termination of Membership**

- 9.1 A member shall cease to be a member if:
- 9.1.1 they die;
  - 9.1.2 they are expelled or cease to be entitled to be a member of LCD under these Rules;
  - 9.1.3 they resign from membership by giving at least one month's written notice to the Secretary; or
  - 9.1.4 the Secretary removes them from the Register of members on the basis that they have not attended a members meeting for three years.

- 9.2 A member may be expelled by a resolution approved by not less than two-thirds of those present and voting at a meeting of the Board. The following procedure is to be adopted:
- 9.2.1 Any member may complain to the Secretary that another member has acted in a way detrimental to the interests of LCD.
- 9.2.2 If a complaint is made, the Board may itself consider the complaint having taken such steps as it considers appropriate to ensure that each member's point of view is heard and may either:
- (a) dismiss the complaint and take no further action; or
  - (b) for a period not exceeding twelve months suspend the rights of the member complained of to attend members' meetings and vote under these rules; or
  - (c) arrange for a resolution to expel the member complained of to be considered at a meeting of the Board.
- 9.2.3 If a resolution to expel a member is to be considered at a meeting of the Board, details of the complaint must be sent to the member complained of not less than 14 days before the meeting with an invitation to answer the complaint and attend the meeting.
- 9.2.4 At the meeting, the Board will consider evidence in support of the complaint and such evidence as the member complained of may wish to place before them.
- 9.2.5 If the member complained of fails to attend the meeting without due cause the meeting may proceed in their absence.
- 9.3 A person expelled from membership will cease to be a member upon the declaration by the Chair of the meeting that the resolution to expel them is carried.
- 9.4 No person who has been expelled from membership is to be re-admitted except by a resolution carried by the votes of two-thirds of those present at a meeting of the Board.

## 10. **Members Meetings**

- 10.1 LCD is to hold a members meeting (called the annual meeting) within nine months of the end of each financial year.
- 10.2 The functions of the annual meeting shall include:
- 10.2.1 receiving:
- (a) the revenue account and balance sheet for the previous financial year;
  - (b) any financial auditor's report on those accounts and balance sheets;
  - (c) the Board's report on LCD's performance in the previous year;
  - (d) forward plans for the current year and the next 2 years;
- 10.2.2 appointing:

- (a) financial auditors;
  - (b) the non-executive directors;
- 10.2.3 approving changes to LCD's rules (in accordance with Rule 17);
- 10.2.4 reporting appointments to the Board; and
- 10.2.5 transacting any other general business of LCD included in the notice convening the meeting.
- 10.3 All members' meetings other than annual meetings are called special meetings and are to be convened by the Secretary either:
  - 10.3.1 by order of the Board; or
  - 10.3.2 if a written requisition signed (except where these rules say otherwise) by not less than 50 members or 10% of the members entitled to vote at a meeting, whichever is the higher, is delivered (addressed to the Secretary) to LCD's registered office. The requisition must state the purpose for which the meeting is to be convened. If the Secretary is not within the United Kingdom or is unwilling to convene a members meeting any member of the Board may convene a members meeting.
- 10.4 A special meeting called in response to a members' requisition must be held within 28 days of the date on which the requisition is delivered to the registered office. The meeting is not to transact any business other than that set out in the requisition and the notice convening the meeting.
- 10.5 Notice of a members meeting is to be given:
  - 10.5.1 by notice prominently displayed at the registered office and at all of LCD's places of business; and
  - 10.5.2 by notice in writing sent to the members at least 14 days before the date of the meeting.
- 10.6 The notice must:
  - 10.6.1 be given to the members of the Board and to the financial auditors;
  - 10.6.2 state whether the meeting is an annual or special meeting;
  - 10.6.3 give the time, date and place of the meeting; and
  - 10.6.4 indicate the business to be dealt with at the meeting.
- 10.7 Before a members meeting can do business there must be a quorum present. Except where these Rules say otherwise a quorum is 20 members or 10% of the members entitled to vote at the meeting whichever is lower.
- 10.8 LCD may make arrangements for members to vote by post, or using electronic communications.
- 10.9 It is the responsibility of the Chair of the meeting and the Secretary to ensure that at any members meeting:
  - 10.9.1 the issues to be decided are clearly explained;

- 10.9.2 sufficient information is provided to members to enable rational discussion to take place; and
- 10.9.3 where appropriate, experts in relevant fields are invited to address the meeting.
- 10.10 The Chair of the Board shall preside at all members' meetings of LCD. If the Chair is not present or willing to act, the Board members present shall elect one of their number (being a non-executive member of the Board) to be Chair and if there is only one such Board member present and willing to act they shall be Chair.
- 10.11 If no quorum is present within half an hour of the time fixed for the start of the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board determine. If a quorum is not present within half an hour of the time fixed for the start of the adjourned meeting, the number of members present during the meeting is to be a quorum.
- 10.12 Subject to these rules and to any Act of Parliament, a resolution put to the vote at a members meeting shall, except where a poll is demanded or directed, be decided upon by a show of hands.
- 10.13 On a show of hands, every member present is to have one vote. On a poll, every member present and every member who has voted by post or using electronic communications shall have one vote. In the case of an equality of votes the Chair of the meeting is to have a second or casting vote.
- 10.14 The result of any vote will be declared by the Chair and entered in the minute book. The minute book will be conclusive evidence of the result of the vote.
- 10.15 A poll may be directed by the Chair or demanded either before or immediately after a vote by show of hands by not less than one-tenth of the members present at the meeting and entitled to vote.
- 10.16 Unless these rules or an Act of Parliament say otherwise, all resolutions are to be decided by a simple majority of the votes cast.

## 11. Board

### Composition of the Board

- 11.1 The Board will include:
- 11.1.1 non-executive directors including:
- (a) the Chair; and
  - (b) at least one member (who may be a member of LCD's staff) who will be appointed in accordance with rules 11.4, 11.10 and 11.11 (the "Member Director");
- 11.1.2 subject to rule 11.6, executive directors including one or more of the:
- (a) Chief Executive;
  - (b) Clinical Director; and
  - (c) Director of Finance.



- 11.2 There shall be no maximum number of Board members. Subject to a minimum of 3 and to rule 11.6, the Board shall determine the actual number of Board members from time to time.
- 11.3 Non-executive Board members will be appointed through an independent recruitment and selection process (“the appointment process”).
- 11.4 One of the non-executive directors must be a practising or retired clinician, being a health professional engaged or formerly engaged in the care of patients (“Clinician”).

#### Term of Appointment

- 11.5 The appointment of a non-executive director under rule 11.1.1 (other than the Member Director) to the Board shall be for a period of three years (concluding on the third annual meeting following appointment). A Member Director’s appointment shall be for a period of two years (concluding on the second annual meeting following appointment) and the Member Director may be reappointed for a further two year term provided that such consecutive terms shall not exceed four years.
- 11.6 The Chair shall be a non-executive director and shall be appointed by the Board for a three year term. Non-executive Board members shall always be a majority on the Board.
- 11.7 At every annual meeting not less than one third of the non-executive Board members (appointed under rule 11.1.1) (other than the Member Director) shall retire from office. Board members who retire shall be those who have been longest in office since they were last elected or re-elected to the Board. If the choice is between people who became elected Board members on the same day those to retire shall be chosen by lot if not agreed. Any Board member retiring shall be eligible, subject to rule 11.14 to offer themselves for re-election.

#### Co-optees

- 11.8 The appointment process shall allow for the appointment of co-optees on such terms as the Board resolves (including to fill any vacancy and for the purposes of rule 11.10) provided that not more than two co-optees can be appointed to the Board at any one time. A co-optee so appointed:
- 11.8.1 shall act in all respects as a Board member;
- 11.8.2 shall retire at the next annual meeting following their appointment;
- 11.8.3 may offer themselves for re-election, subject to rule 11.14.
- 11.9 Whenever the number of Board members is less than the minimum permitted by these rules or the number of non-executive Board members falls below that required under rule 11.6, the Board may co-opt further Board members.

#### Member Director Appointment

- 11.10 In order to appoint or reappoint a non-executive director to the Board as a Member Director (under rule 11.1.1(b)), the LCD shall send a written notice (the “Notice”) to the members inviting them to apply to become a non-executive director of the Board and such Notice will set out the provisions of rule 11.11. The LCD shall then comply with the provisions of rule 11.11.
- 11.11 Members offering themselves for appointment or reappointment to the Board as a Member Director (pursuant to rule 11.1.1(b)) shall provide a written application (“Application”) to the LCD at its registered office (within a time prescribed in the

Notice) such appointment or reappointment shall be voted on by a postal vote of the members (if necessary) (or by such other means as agreed by the LCD) and such appointment or reappointment shall be announced at the annual meeting. Such Application must include the following:

- 11.11.1 a signed declaration that the person wishes to be appointed or reappointed as a director of LCD;
- 11.11.2 a brief summary of the persons' relevant qualifications and professional experience in support of such appointment or reappointment; and
- 11.11.3 any further information which may be reasonably required by LCD.

The Application referred to in this rule 11.11 shall be distributed to the members in advance of the annual meeting (such time shall be prescribed in the Notice).

#### Operation of the Board

- 11.12 It is the Board's responsibility to ensure that the Board has the skills and experience which it needs to operate effectively.
- 11.13 Non-executive members of the Board will receive payment for serving on the Board as agreed at appointment. They will also receive payment of reasonable expenses incurred in carrying out their duties. Payment shall be disclosed in the revenue account. Nothing in this rule shall affect the right of any Board member to receive remuneration for their services or employment in any other capacity.

#### Eligibility

- 11.14 No person can be a member of the Board who:
  - 11.14.1 is under 18 years old;
  - 11.14.2 refuses to sign a statement accepting LCD's rules and agreeing to adhere to LCD's policies;
  - 11.14.3 has been declared bankrupt or compounded with their creditors and has not been discharged;
  - 11.14.4 is subject to a disqualification order made under the Company Directors Disqualification Act;
  - 11.14.5 has been convicted of an offence where the conviction is not treated as spent under the Rehabilitation of Offenders Act 1974;
  - 11.14.6 is not a member of LCD;
  - 11.14.7 has absented themselves from four consecutive meetings of the Board without special leave of absence from the Chair; or
  - 11.14.8 has completed nine years or more continuous service, in whatever capacity, on the Board. Continuous service shall only be broken by a period of not less than the time between the end of one annual meeting and the start of the next annual meeting.

#### Removal of Board member

- 11.15 Non-executive Board members (rule 11.1.1) may be removed from the Board by the Chair on the grounds that:

- 11.15.1 their appointment or continued appointment is in breach of rule 11.14; or
  - 11.15.2 they have committed a serious breach of LCD's rules (other than rule 11.14) or LCD's policy; or
  - 11.15.3 their performance as a Board member, as determined through appraisal and agreed by the Chair, is unsatisfactory e.g. inability or failure to attend meetings, inadequate or inappropriate contribution; or
  - 11.15.4 they have acted in a manner detrimental to the interests of LCD; or
  - 11.15.5 and it is considered that it is not in the best interests of LCD for them to continue as a Board member.
- 11.16 A Board member may be removed from the Board by a special resolution at a general meeting.

## **12. Board Meetings**

- 12.1 The Board will meet at least four times in every calendar year at such times and places as they think fit. Seven clear days' notice of the date and place of each meeting is to be given in writing by the Secretary to all Board members. A Board meeting may be called at shorter notice if it is so agreed by the Chair and Chief Executive.
- 12.2 In the absence of the Chair, the Board will appoint one of its non-executive members to chair the meeting.
- 12.3 More than 50% of Board members must be present to form a quorum.
- 12.4 Meetings of the Board may be called either by the Secretary, or by a notice in writing specifying the business to be discussed, given to the Secretary by the Chair of the Board. The Secretary is to cause to be communicated every such notice to all Board members as soon as possible and the meeting is to be held at a venue decided by the Secretary not earlier than seven days and not later than fourteen days after the receipt by the Secretary of the notice.
- 12.5 The Board may agree that its members can participate in its meetings by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.
- 12.6 The Board may appoint specialist advisors to advise on any issue and may invite them to attend and speak (but not vote) at meetings of the Board.
- 12.7 Subject to the following provisions of this rule, questions arising at a Board meeting shall be decided by a majority of votes. In case of an equality of votes at a Board meeting the Chair shall have a second and casting vote.
- 12.8 A resolution in writing signed by all members of the Board will have the same effect as a resolution passed at a meeting of the Board and may consist of several identical copies of a document each signed by one or more Board members.
- 12.9 Any Board member who has a material interest in a matter as defined below shall declare such interest to the Board and:
  - 12.9.1 may be present in any discussion of the matter unless a majority of the Board members objects to their presence; but

- 12.9.2 shall not vote on the issue (and if by inadvertence they do remain and vote their vote shall not be counted).
- 12.10 Any Board member who fails to disclose any interest required to be disclosed under the preceding paragraph must vacate their office if required to do so by a majority of the remaining Board members.
- 12.11 A material interest in a matter is any interest (save for the exceptions referred to below) held by a Board member or their spouse or partner in any firm or company or business which, in connection with the matter, is trading with LCD, or is likely to be considered as a potential trading partner with LCD. The exceptions which shall not be treated as material interests are as follows:
  - 12.11.1 an employment contract with LCD;
  - 12.11.2 shares not exceeding 2% of the total shares in issue held in any company whose shares are listed on any public exchange.
- 12.12 The Secretary shall keep and maintain a register of declared interests and the nature of that interest and Board members shall be required to provide such information as is required to do so.
- 12.13 The Secretary shall ensure that the Register of Board Members' Declared Interests shall be available for examination to any member in accordance with rule 19.8.

### **13. Board Committees**

- 13.1 The Board shall appoint:
  - 13.1.1 a remuneration committee;
  - 13.1.2 an audit and risk committee; and
  - 13.1.3 a nominations committee.
- 13.2 The membership of any committee shall be determined by the Board. Every committee shall include one Board member. The Board will appoint the chair of any committee and shall specify the quorum. The Board will establish the role and responsibility of any committee and any powers, which are to be exercised in accordance with any instructions given by the Board.
- 13.3 All acts and proceedings of any committee shall be reported to the Board.

### **14. Financial Audit**

- 14.1 The Board will in respect of each year of account:
  - 14.1.1 cause to be prepared a revenue account or accounts which deal with the affairs of LCD and any subsidiary company or society for that year; and which give a true and fair view of the income and expenditure of LCD and any subsidiary company or society for that year; and
  - 14.1.2 cause to be prepared a balance sheet giving at that date a true and fair view of the state of the affairs of LCD and any subsidiary company or society.

- 14.2 The Board is to lay a revenue account and balance sheet (which shall if required be audited and signed by the financial auditor and incorporating the report of the financial auditor thereon) before each annual meeting, accompanied by a report by the Board on the position of the affairs of LCD and any subsidiary or holding company or society signed by the chair of the Board meeting at which the report is adopted.
- 14.3 The Board is not to cause to be published any revenue account or balance sheet unless it has if required been audited by the financial auditor and it incorporates a report by the financial auditor that it gives a true and fair view of the income and expenditure, or the state of the affairs of LCD, as the case may be. Every revenue account and balance sheet published is to be signed by two Board members acting on behalf of the Board.
- 14.4 The financial auditor shall, if required, be appointed to audit LCD's accounts and a balance sheet for each financial year. The financial auditor shall be a person who is a qualified auditor under Section 7 of the Friendly and Industrial and Provident Societies Act 1968 and Section 25 of the Companies Act 1989.
- 14.5 The financial auditor shall, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968, make a report to LCD on the accounts examined by them and on the revenue account or accounts and the balance sheet of LCD for the year in question.
- 14.6 Save as provided in this rule every appointment of a financial auditor is to be made by resolution of the annual meeting of LCD. The exceptions are:
- 14.6.1 the first appointment of a financial auditor is to be made within three months of the registration of LCD and is to be made by the Board if no members meeting of LCD is held within that time; and
- 14.6.2 the Board may appoint a financial auditor to fill any casual vacancy occurring between members' meetings of LCD.

## **15. Annual Returns**

- 15.1 LCD will make an annual return to the Financial Conduct Authority as required by the Act.
- 15.2 LCD will supply a copy of the last annual return with all supporting documents to any member on request and without charge.

## **16. Amending these Rules**

- 16.1 Unless these rules say otherwise any rule may be altered or rescinded, or any new rule may be made, by resolution of at least two thirds of the members who vote at a members meeting. No change to these rules shall be valid until registered by the Financial Conduct Authority. When submitting rule amendments for registration the Board, or any committee of the Board authorised for that purpose, may at their sole discretion accept any alterations required or suggested by the Financial Conduct Authority without reference back to a further meeting of the members of LCD.
- 16.2 Rules 2 and 5 and this rule may only be changed by a majority of at least three quarters of the members who vote at a members meeting.
- 16.3 Where a resolution to amend rule 2, rule 5 or this rule is to be proposed at a meeting called on a requisition of the members, such resolution will only be valid if it is passed as a special resolution as described in section 52 of the Act.

## **17. Dissolution**

- 17.1 LCD may be dissolved by the consent of three-quarters of the members who sign an instrument of dissolution in the directed form or by winding-up in the manner provided by the Act.
- 17.2 A duly appointed receiver or manager of the whole or part of LCD's property may assume such powers of the Board as they consider necessary to carry out their duties under the instrument of appointment.
- 17.3 On the winding up or dissolution of LCD, after the satisfaction of all its debts and liabilities including the repayment of any loan-stock, any property or funds whatsoever remaining must be applied by transfer:
- 17.3.1 to one or more other bodies with the same purpose as LCD; or
  - 17.3.2 where no such bodies exist, to another body or bodies established for exclusively charitable purposes with functions the same as or similar to the functions of LCD;
- in each case as determined by the members at a meeting called to decide the issue.
- 17.4 No funds or part of any funds remaining after satisfaction of all debts and liabilities may be distributed to members of LCD. This provision may not be altered or rescinded.

## **18. Indemnity**

Members of the Board and the Secretary who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their functions. Any costs arising in this way will be met by LCD. LCD may purchase and maintain insurance against this liability for its own benefit and for the benefit of the Board and the Secretary.

## **19. Administrative Provisions**

- 19.1 Anything done in good faith by any meeting of the Board shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any Board member, or that any one or more of them were disqualified and shall be as valid as if every Board member had been duly appointed and was duly qualified to serve.
- 19.2 Minutes are to be kept of every members meeting, of every meeting of the Board and any committee appointed by the Board. Minutes of meetings will be presented at the next meeting and signed by the Chair of that meeting. The signed minutes will be conclusive evidence of the events of the meeting.
- 19.3 LCD's registered office is at: Sheridan Teal House, Unit 2, Longbow Close, Pennine Business Park, Bradley, Huddersfield HD2 1GQ.
- 19.4 LCD is to keep at its registered office:
- 19.4.1 a register of members in which the Secretary is to enter the following particulars;
  - 19.4.2 the names and addresses of the members;

- 19.4.3 details of the share held by each member and of the amount paid or agreed to be considered as paid for that share;
  - 19.4.4 a statement of other property in LCD whether in loans or loan stock held by each member;
  - 19.4.5 the date at which each person was entered in the register as a member and the date at which any person ceased to be a member;
  - 19.4.6 a duplicate register of members containing the names and addresses of members;
  - 19.4.7 a register of the names and addresses of the members of the Board , the basis of their membership of the Board and the dates on which they assumed office;
  - 19.4.8 a register of the holders of loan stock in which the Secretary is to enter such particulars as the Board direct and register all transfers of loan stock;
  - 19.4.9 a register in which the Secretary is to enter such particulars of all mortgages and charges on land of LCD as the Board directs; and
  - 19.4.10 a register of interests declared by members of the Board.
- 19.5 Subject to the provisions of the Data Protection Act 1998 the registers to be maintained by LCD may be kept in electronic form.
- 19.6 The inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive evidence that such person is or is not a member of LCD.
- 19.7 LCD is to keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- 19.8 Members are entitled to inspect:
- 19.8.1 their own account;
  - 19.8.2 the duplicate register;
  - 19.8.3 the register of interests declared by Board members; and/or
  - 19.8.4 minutes of members' meetings and Board meetings (excluding any confidential matters);
- at the registered office at any reasonable time upon not less than 7 days notice.
- 19.9 The Secretary is to deliver a copy of these rules to every person on demand on payment of an amount fixed by the Board subject to the statutory maximum.
- 19.10 Notice of any change in the address of the registered office is to be sent by the Secretary to the Financial Conduct Authority in the directed form within fourteen days of the change.
- 19.11 Any notice required by these rules to be given shall be given in writing or shall be given using electronic communications to an address for the time being notified for that purpose. "Address" in relation to electronic communications includes any number or address used for the purposes of such communications.

- 19.12 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be treated as delivered 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, 48 hours after it was sent.
- 19.13 The registered name of LCD is to be displayed on the outside of the registered office and every other office or place in which the business of LCD is carried on. The registered name of LCD is also to be mentioned in legible characters in all:
  - 19.13.1 business letters, notices, advertisements and other official publications;
  - 19.13.2 bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of LCD; and
  - 19.13.3 bills, invoices, receipts and letters of credit of LCD.

**20. Disputes**

- 20.1 Every unresolved dispute which arises out of these rules between LCD and:
  - 20.1.1 a member; or
  - 20.1.2 any person aggrieved who has ceased to be a member within the six months prior to the date of the dispute; or
  - 20.1.3 any person claiming through such member or person aggrieved; or
  - 20.1.4 any person bringing a claim under the rules of LCD; or
  - 20.1.5 an office-holder of LCD;

is to be submitted to an arbitrator agreed by the parties or in the absence of agreement to be appointed by the President for the time being of the Law Society of England and Wales. The arbitrator's decision will be binding and conclusive on all parties.
- 20.2 Any person bringing a dispute must, if so required, deposit with LCD a reasonable sum (not exceeding £200) 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.

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Approved at AGM held 9 June 2014