

The Companies Acts 1985 & 1989

COMPANY LIMITED BY GUARANTEE

Articles of Association of

Co-operatives South East Limited – company number 5386537

Interpretations

1. In these Articles:-
 - "the Act" means the Companies Act 1985 as amended by the Companies Act 1989 and any other amendments from time to time in force.
 - "the Co-operative" means the above-named Company.
 - "the Seal" means the Common Seal of the Co-operative.
 - "Secretary" means any person appointed to perform the duties of the Secretary of the Co-operative.
 - "employee" means a person for the time being holding a contract of employment with the Co-operative or any subsidiary of the Co-operative.
 - "the Board [of Management]" means the board of directors of the Co-operative.
2. Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, photocopying and other modes of representing or reproducing words in visible form including electronic communication.
 - Words importing the singular number shall include the plural and vice versa unless a contrary intention appears.
 - Unless the context requires otherwise, words or expressions contained in these Articles shall bear the same meaning as in the Act.
 - Any statutory instruments or regulations from time to time in force shall be deemed to apply to this Co-operative, whether or not these Articles have been amended to comply with such instrument or regulation.

Membership

3. The Committee may admit to membership any person or corporate body, or the nominee of any unincorporated organisation or firm, who or which is living, working or active within the region served by the Co-operative and who or which has agreed to pay to the Co-operative any subscription or other sum due in respect of membership and has undertaken to support the objectives set out in clause 3A of the Memorandum of Association
4. All potential Members of the Co-operative may be required to serve such reasonable probationary period as may be agreed by the Co-operative in General Meeting before becoming eligible to be admitted into Membership.
5. The Co-operative shall maintain a Register of Members in which shall be recorded the name and address of every Member, and the dates on which they became a Member and on which they ceased to be a Member. A Member shall notify the Secretary in writing of a change to their name or address.

Revised by Special Resolution 9-11-05

Second revision by Special Resolution 9-10 -12

6. Every applicant for admission shall be considered by the Board at its first meeting after it was made or as soon thereafter as is practicable; if the application for membership is approved, then the member's name shall be entered in the Register of Members. All Members shall be supplied at no charge with a copy of the Memorandum & Articles of Association of the Co-operative.
7. A member shall cease to be a member immediately that s/he/it:
 - (a) fails in the opinion of the Board unreasonably to pay any fee or other monies due to the Co-operative; or
 - (b) resigns in writing to the Secretary; or
 - (c) is expelled by a Special Resolution carried in accordance with Article 11(a) at a Special General Meeting called to consider the matter; or
 - (d) dies or becomes bankrupt, if an individual person; or
 - (e) is wound up or goes into liquidation, if a corporate body, firm or association.

General Meetings

8. The Co-operative shall in each calendar year hold a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it, providing that every Annual General Meeting shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting. Provided that the first Annual General Meeting shall be held within eighteen months of incorporation, it need not be held in the year of incorporation nor in the following year. The business of an Annual General Meeting shall comprise:
 - (a) the consideration of the Report and Accounts presented by the Board;
 - (b) the election of Board members (or the announcement of the results if held previously by ballot);
 - (c) the appointment and the fixing of the remuneration of the auditor or auditors;
 - (d) a decision on the application of profits in accordance with Article 63;
 - (e) such other business as may have been specified in the notices calling the meeting.
9. In addition to the Annual General Meeting, Ordinary General Meetings shall be held at such level of frequency as may be decided from time to time by the Co-operative in General Meeting.
10. The Board may whenever they think fit convene an Extraordinary General Meeting, or an Extraordinary General Meeting may be convened by ten per cent of the Members of the Co-operative, as provided by section 368 of the Act.
11. Decisions at General Meetings shall be made by passing resolutions as follows:-
 - (a) Decisions involving an alteration to the Memorandum and Articles of Association of the Co-operative, the expulsion of a Member of the Co-operative, or the winding up of the Co-operative shall be made by Special Resolution. Other decisions so required from time to time by statute shall be made by Special or Extraordinary Resolution. A Special or an Extraordinary Resolution is one passed by a majority of not less than three-fourths of votes cast at a General Meeting.
 - (b) Decisions to dispense with the requirement to hold Annual General Meetings, to re-appoint auditors annually, or to lay accounts before the Co-operative in General Meeting shall be made by Elective Resolution. An Elective Resolution is one passed

by all the Members of the Co-operative for the time being testified by their signatures. Any Elective Resolution once passed may be revoked by a subsequent Ordinary Resolution.

- (c) All other decisions shall be made by Ordinary Resolution requiring a simple majority of votes cast.

Notices

12. An Annual General Meeting and any General Meeting which is to consider a Special or an Elective Resolution or which is to consider a proposal to remove the auditor or a member of the Board shall be called by at least twenty-one clear days' notice. Any other General Meeting shall be called by at least fourteen clear days' notice.
13. Notice of every General Meeting shall be given in writing to every Member of the Co-operative and to the auditors and to such other persons who are entitled to receive notice and shall be given personally or sent by post to each Member at the address recorded in the Register of Members and to other persons at their Registered Office.
14. Notice of all meetings shall be given exclusive of the day on which it is served and shall specify the exact time and place of the meeting. In the case of a General Meeting which is to consider a Special or an Elective Resolution or a proposal to remove the auditor or a member of the Board, such resolution shall be specified in the notices calling that meeting, and in the case of all other General Meetings the general nature of the business to be raised shall be specified.
15. Where notice is sent by post, notice shall be deemed to have been served by properly addressing, prepaying and posting the notice and to have been served forty-eight hours after the notice has been posted.
16. The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate proceedings at that meeting.

Proceedings at General Meetings

17. Every Member and such other persons as receive notice shall be entitled to attend and speak at a General Meeting.
18. A corporate body, firm or association 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 body corporate, firm or association would exercise if it were an individual person. Each such Member organisation shall supply written notification to the Secretary of its choice of representative.
19. Each Member shall have one vote on any question to be decided by a General Meeting. Votes may only be cast personally by individual Members and by the duly appointed representatives of organisation which are Members. A member who is absent from a general meeting may appoint any Person to act as their proxy, providing that no person shall hold a proxy for more than five members at any one time in any general meeting.

Proxies may only validly be appointed by a notice in writing which:

- (a) States the name and address of the Member appointing the proxy;

- (b) Identifies the Person appointed to be that Members' proxy and the general meeting in relation to which that Person is appointed;
- (c) Is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
- (d) Is delivered to Co-operative South East in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

Proxy notices may specify how the proxy notice shall be treated so allowing the Person appointed the discretion as to how to vote on any matter. An appointment using proxy notice may be revoked by delivering to the Co-operative a notice in Writing given by or on behalf of the Person by whom or on whose behalf the proxy notice was given. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

20. No business shall be transacted at a General Meeting unless a quorum of Members is present. Unless and until otherwise decided by the Co-operative in General Meeting, one-tenth of the Membership or three whichever is greater, for the time being shall be the quorum.
21. If within half an hour from 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 such date as the Board may decide and all Members shall be given as much notice as is practicable of the time, date and place of such an adjourned meeting. The Members present at a meeting so adjourned shall constitute a quorum for that meeting only.
22. Each General Meeting shall elect a Chairperson whose function will be to conduct the business of the meeting in an orderly manner.
23. The Chairperson may with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and place to place but no business shall be transacted at an adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
24. Where a meeting is adjourned for thirty 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.
25. 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. A secret ballot may not be demanded on any question concerning the selection of a Chairperson for a meeting or on any question of adjournment. 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 and an entry to that effect in the book containing the minutes of the proceedings of the Co-operative shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolutions.

26. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that each Member shall have only one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. 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. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson of the meeting shall not have a second or casting vote and the resolution shall be deemed to be lost.
28. Subject to the provisions of the Act, a resolution in writing signed by all the Members of the Co-operative for the time being 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 similar form, each signed by or on behalf of one or more Members.
29. The Co-operative may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

The Board of Management

30. Unless and until otherwise determined by the Co-operative in General Meeting the number of members of the Board shall not be less than two or more than fifteen. For the avoidance of doubt, members of the Board are the directors of the company within the meaning of the Act.
31. The initial members of the Board from incorporation until the first Annual General Meeting shall be determined in writing by the subscribers of the Memorandum of Association.
32. The qualification required to be a member of the Board shall be that s/he is a Member of the Co-operative, or the duly appointed representative of an organisation which is a Member, and there shall be no other qualification required.
33. One third of the Board of Directors shall retire from office each year. 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 Directors to retire shall be decided by lot. A retiring Director shall be eligible for re-election.
34. New Board members shall be elected individually at (or prior to) the Annual General Meeting by and from the Membership. Nominations shall be sought and elections conducted in such manner as the Board may from time direct provided that all Members of the Co-operative shall be eligible to stand for election and to vote (except that if the election is held at the Annual General Meeting, only those Members present shall be entitled to vote).
35. The Board may at any time co-opt any Member of the Co-operative to fill a casual vacancy in the Board. A casual vacancy shall exist when the number of members of the Board is less than the maximum permitted of fifteen. Such co-opted individuals must be Members of the Co-operative and will hold office as Director only until the next annual general meeting.
36. A Board member shall not vote in respect of any contract in which s/he has a direct or indirect personal interest or any connected matter and if s/he does so vote her/his vote

shall not be counted, except that nothing in this Article shall prevent a member of the Board voting in respect of the general terms of contract between the Co-operative and its Members, or in respect of dividend or other payments to Members.

37. Any remuneration of Board members shall only be in respect of services actually rendered by that member to the Co-operative. A Board member may act in a professional capacity for the Co-operative, and s/he or his/her firm shall be entitled to remuneration for professional services as if s/he were not a Board member; provided that nothing shall authorise a Board member or his/her firm to act as Auditor to the Co-operative.
38. The office of a member of the Board shall be vacated if s/he:
 - (a) resigns her/his office in writing to the Co-operative; or
 - (b) ceases to be a Member of the Co-operative or is the representative of an organisation which ceases to be a Member; or
 - (c) in the opinion of a majority of the Board, fails to declare her/his interest in any contract as referred to in Article 36; or
 - (d) is absent from three successive meetings of the Board without good cause and the Board resolves by a majority that the office is to be vacated by reason of such absence; or
 - (e) becomes bankrupt or, in the opinion of a majority of the Board, incapable on medical or psychological grounds of carrying out the duties of a Board member, or is otherwise prevented by law from continuing as a company director; or
 - (f) is removed from office by Ordinary Resolution of the Co-operative in General Meeting in accordance with section 303 of the Act.

Powers and Duties of the Board

39. The business of the Co-operative shall be managed by the Board who may pay all expenses of the formation of the Co-operative as they think fit and may exercise all such powers of the Co-operative and do all such acts on behalf of the Co-operative as may be exercised and done by the Co-operative and as are not by statute or by these Articles required to be exercised or done by the Co-operative in General Meeting, provided that no contract or agreement to dispose of assets of the Co-operative amounting in value to one-third or more of the last published balance sheet of the Co-operative may be entered into without the prior approval of the Co-operative in General Meeting.
40. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money 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 determine.
41. 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 thereof 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.
42. 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.

Proceedings of the Board

43. Members of the Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes cast. In the case of an equality of votes the Chairperson of the meeting shall not have a second or casting vote and the resolution shall be deemed to be lost, but the Board may by a majority vote decide to refer the matter to a General Meeting for resolution. 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.
44. The Secretary shall on the requisition of two or more Board members summon a meeting of the Board by giving reasonable notice to all its members.
45. The quorum necessary for the transaction of business of the Board shall be one half of its members or two members, whichever is the greater.
46. If the Board shall at any time be reduced in number to less than the minimum prescribed in these Articles or by the Co-operative in General Meeting, the remaining members may act as the Board for the purpose of filling vacancies in their body, or of summoning a General Meeting of the Co-operative, but for no other purpose.
47. At every Board meeting the Board members present shall choose one of their number to be Chairperson of the meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
48. The Board shall cause proper minutes to be made of the proceedings of all meetings of the Co-operative, of the Board and of any sub-committee and all business transacted at such meetings. All such minutes shall be open to inspection by any Member of the Board at any reasonable time.
49. A resolution in writing signed by all Board members for the time being who are entitled to vote shall be as valid and effective as if it had been passed at a meeting of the Board and may consist of several documents in similar form each signed by one or more Board members.
50. The Board may delegate any of its powers to sub-committees consisting of such Members of the Co-operative as it thinks fit. Any sub-committee so formed shall conform to any regulations that may be imposed on it by the Board.
51. All acts done by any meeting of the Board or by any person acting as a member of the Board shall, even if it be afterwards discovered that there was some defect in the appointment of any Board member or person acting as such, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Board member.
52. The Board may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

Secretary

53. The Board shall appoint a Secretary of the Co-operative, who may but need not be also a member of the Board, for such term, at such remuneration and upon such conditions as they think fit; and any Secretary so appointed may be removed by them.

54. Anything which has to be done by or to a Board member and the Secretary shall not be done by or to one person acting in both capacities.

The Seal

55. If the Co-operative has a Seal, it shall only be used by the authority of the Board acting on behalf of the Co-operative. Every instrument to which the Seal shall be attached shall be signed by a Board member and countersigned by a second member, the Secretary, or a Member of the Co-operative appointed by the Board for the purpose.

Accounts

56. The Board shall cause proper accounts to be kept in accordance with the law for the time being in force with respect to:
- (a) all sums of money received and expended by the Co-operative and the matters in which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Co-operative;
 - (c) the assets and liabilities of the Co-operative.

Proper accounts shall be deemed to be kept if they give a true and fair record of the state of the Co-operative's affairs and explain its transactions.

57. The accounts shall be kept at the Registered Office of the Co-operative or, subject to section 222 of the Act, at such other place or places as the Board thinks fit, and shall always be open to the inspection of all Members and officers and by other persons authorised by the Co-operative in General Meeting.
58. The Board shall from time to time in accordance with their statutory obligations cause to be prepared and laid before the Co-operative in General Meeting such profit and loss accounts, balance sheets and reports as are required by statute.
59. In addition the Board shall prepare and present the Members with such regular trading accounts showing so far as is possible the current financial results of the Co-operative as the Co-operative in General Meeting shall require to be laid before them.
60. A copy of every balance sheet (including every document required by law to be annexed thereto) which is laid before the Co-operative in General Meeting, together with the auditor's report, shall not less than twenty-one days before the date of the meeting be sent or delivered to every Member, the auditors and every holder of loan stock or debentures of the Co-operative, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Co-operative is not aware or to more than one of the joint holders of any debenture.

Audit

61. Subject to any statutory exemptions and regulations as may be in force, once at least in every year the accounts of the Co-operative shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified auditor or auditors.

62. Auditors shall be appointed and their duties regulated in accordance with Sections 384 to 392 of the Act.

Profit of the Co-operative

63. The profit of the Co-operative shall be applied as follows, in such proportion and in such a manner as the General Meeting shall decide from time to time:-
- (a) First, to a general reserve for the continuation and development of the Co-operative.
 - (b) Second, to a dividend to all members, either equally or in proportion to the value of transactions between each member and the Co-operative during the relevant accounting period.
 - (c) Third, to make payments for social and charitable objects as provided in Clause 3 of the Memorandum of Association, and to the support of the Co-operative Movement.

Indemnity

64. Every Member or auditor or officer of the Co-operative shall be indemnified out of the assets of the Co-operative against all losses or liabilities incurred by her/him in or about the execution and discharge of the duties of her/his office, except to the extent that such losses or liabilities shall be attributed to:-
- (a) fraud or other matters in respect of which such person concerned shall be convicted of a criminal offence; or
 - (b) negligence; or
 - (c) actions knowingly beyond the scope of a specific authority or limit thereon on the part of such person.

Dissolution

65. Clause 8 of the Memorandum of Association relating to the winding up and dissolution of the Co-operative shall have effect as if its provisions were repeated in these Articles.

Regulations

66. The Co-operative in General Meeting or the Board 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 Co-operative and the proceedings and powers of the Board and sub-committees. No regulation shall be made which is inconsistent with these Articles or the Act. All Members of the Co-operative and the Board shall be bound by such regulations whether or not they have received a copy of them.