

Supporters *Direct*

the supporters trusts initiative

MODEL RULES

FOR A

SPORTS CLUB COMMUNITY MUTUAL

Chester City Supporters' Society Limited

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was promoted and funded by

Supporters Direct

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Supporters *Direct*

the supporters trusts initiative

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RULES
OF
Chester City Supporters' Society
Limited

Registered Under the Industrial
And Provident Societies Acts 1965–78

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RULES

NAME AND DEFINITIONS

1. The name of the Society is to be Chester City Supporters' Society Limited and it is called "the Club" in the rest of these Rules; Chester, West Cheshire, South Wirral and North East Wales is called "the Area".

OBJECTS

2. The Club's objectives are, either itself or through a subsidiary company or society trading for the benefit of the community and acting under its control;
 - i. To strengthen the bonds between the Club and the community which it serves and to represent the interests of the community in the running of the Club;
 - ii. To benefit the present and future members of the community served by the Club by promoting, encouraging and furthering the game of football as a recreational facility, sporting activity and focus for community involvement;
 - iii. To further the development of the game of football nationally and internationally and the upholding of its rules;
 - iv. To take proper account of the interests of its supporters and of the community it serves in its decisions;
 - v. To ensure the control of the Club remains with the supporters and that strategic direction is determined by a board of directors that has been democratically elected by the members;
 - vi. To promote, develop and respect the rights of members of the community served by the Club and people dealing with the Club as set out in the Charter of Fundamental Rights of the European Union, having regard in particular to the need to provide information to members and conduct the affairs of the Club in accessible and appropriate ways;
 - viii. To play at the highest level possible, but always operating in a framework of responsible and prudent financial management;

- ix. To promote equality and diversity within football and the community regardless of sex, orientation, race or religious beliefs.

POWERS

- 3. The Club may achieve these objects in whole or in part through an interest or interests in companies or societies provided that the objects of the companies or societies are consistent with the Club's Objects.
- 4. In order to achieve its objects the Club may either itself or through a subsidiary company or society acting under its control:
 - a. Buy, sell and lease property;
 - b. Borrow;
 - c. Grant security over its property and assets;
 - d. Establish promote and maintain for the purposes of the Club any lawful fund raising schemes;
 - e. Promote means to give supporters greater opportunity to invest in the Club;
 - f. promote means to give supporters greater opportunity to donate to the Club;
 - g. Award pensions, allowances, gratuities and bonuses to past and present employees (including their dependants and people connected with them) of:
 - (i) The Club;
 - (ii) Any descendants of the Club; and
 - (iii) Any subsidiary company or society of the Club;
 - h. set up and maintain itself or with funds others trust funds or schemes (whether contributory or non-contributory) intended to provide pension or other benefits for the people referred to in Rule 4(f);
 - i. indemnify or take out and maintain insurance for the benefits of the people who are or were:

- (i) members of the Club Board or the Executive Board; or
- (ii) officers; or
- (iii) employees; or
- (iv) trustees of a pension fund

of the Club or any subsidiary company or society of the Club against any liability which they may have as a result of their involvement with the Club or its subsidiaries;

- j. indemnify or take out and maintain insurance for the benefit of people who are or were elected or nominated by the Club to serve on the board of any company owning or controlling the Club;
- k. so far as permitted by these Rules take out and maintain insurance against any risks to which the Club may be exposed;
- l. co-operate with other supporters organisations, co-operatives and societies conducted for the benefit of the community at local, national and international levels;
- m. do anything else which is necessary or expedient to achieve its objects.

- 5. The business of the Club is to be conducted for the benefit of the community served by the Club not for the profit of its members.

APPLICATION OF PROFITS

- 6. The profits or surpluses of the Club are not to be distributed either directly or indirectly in any way whatsoever among members of the Club but shall be applied;
 - a. To maintain prudent reserves;
 - b. On expenditure to achieve the Club's objectives.

MEMBERSHIP

- 7. The members of the Club are the people whose names are entered in the register of members.
- 8. The first members are the people who sign these rules in applying for registration.

9. Membership is open to any person, firm or corporate body who or which:
 - a. Is a supporter of the club; or
 - b. Has an interest in the game of football in the Area and is in sympathy with the objects of the Club; and
 - c. Agrees to be bound by these rules and Rules 6 and 106 in particular.

The Club Board shall have the power to refuse membership to any person who does not in the opinion of the Club Board meet these requirements.

10. Every member holds one share in the Capital of the Club.
11. The Club Board will decide and issue a form of application for membership. Members are to pay an annual subscription of such reasonable sum as the Club Board shall decide, the first payment to be made at the time of application for membership. The sum of £1 from the first payment shall be applied to purchase a share in the Club.
12. The Club Board will have the power to offer associate or affiliate status with or without payment or subscription to corporate or unincorporated bodies which support the aims of the Club and may recognise that a share in the capital of the Club is held on behalf of any unincorporated organisation but no-one shall be entitled to vote at any general meeting of the Club who is not a registered holder of a fully paid up share of the Club.
13. The Club Board shall have the right to offer a class of junior membership with or without payment to minors under the age of 16 but no person under the age of 16 shall be entitled to a share in the Club or be entitled to vote at any general meeting of the Club.
14. No person under the age of 18 may be an officer of the Club.
15. A corporate body or firm who is a member may by resolution of its governing body appoint any person it thinks fit to be its deputy and revoke such appointment. A copy of any such resolution signed by two members of the governing body and in the case of a local authority by the authorised officer of the Council shall be sent to the Secretary of the Society. The deputy will be entitled to exercise all rights of membership on behalf of the corporate body including

seeking election as an officer and speaking and voting at any general meeting. References in these Rules to a member being present in person include members which are corporate bodies being present through their deputy.

16. No member should hold more than one share in the Club either individually or jointly.

SHARES

17. The shares of the Club have a nominal value of £1 each and may not be transferred or withdrawn.
18. If a member ceases to be a member, the share registered in the name of that member is to be cancelled and the amount subscribed for the share is to become the property of the Club.
19. Shares do not carry any rights to interest, dividends or bonus.

REMOVAL OF MEMBERS

20. A member shall cease to be a member if they:
 - a. Fail after written demand to pay their annual subscription;
 - b. Die (in the case of an individual);
 - c. Cease to exist (in the case of a body corporate);
 - d. Are the nominees of an unincorporated society or firm which is wound up or dissolved;
 - e. Are the nominee of unincorporated organisation or firm which removes or replaces them as nominee;
 - f. Are not the holder of a fully paid up share;
 - g. Are expelled under these Rules; or
 - h. Withdrawn from membership by giving at least one month's written notice to the Secretary;
21. A member may be expelled by a resolution carried by the votes of not less than two-thirds of the members present in person or by proxy and voting on a poll at an annual or special general meeting of the Club of which notice has duly been given. The following procedure will be adopted:

- a. A written complaint must be made to the Club Board that the member has acted in a way detrimental to the interests of the Club;
- b. Details of the complaint must be sent to the member in question not less than one calendar month before the meeting with an invitation to answer the complaint and attend the meeting.
- c. At the meeting the members will consider evidence in support of the complaint and such evidence as the member may wish to place before them.
- d. If the member fails to attend the meeting without due cause the meeting may proceed in their absence.
- e. A person expelled from the membership will cease to be a member immediately following the vote at which the resolution to expel them is carried.
- f. 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 the members present in person or by proxy and voting on a poll at any general meeting of which notice has been properly given.

ORGANISATION

22. The powers of the Club are to be exercised by the members, the Club Board and the Executive Board of the Club as set out in the Rules which follow.

RIGHTS AND POWERS OF MEMBERS

23. The members have the right and powers available to them under the law relating to Industrial and Provident Societies and are to decide in particular the issues specifically reserved to them by these Rules.
24. The members by a resolution carried by not less than two-thirds of the members voting at a general meeting but not otherwise give directions to the Club Board. The following provisions apply to any directions given:
 - a. Any direction given must:
 - (i) Be consistent with these Rules and with the Club's contractual, statutory and other legal obligations; and

- (ii) Not affect the powers and responsibilities of the Club Board, Chief Executive and Executive Board under Rules 26, 27 and 28
 - b. Any person who deals with the Club in good faith and is not aware that a direction has been given may deal with the Club on the basis that no decision has been given.
25. The functions of the annual general meeting shall include:
- a. Receiving:
 - (i) The revenue account and balance sheet for the previous year; and
 - (ii) A report on the Club's performance in the previous year,
 - b. Appointing:
 - (i) Financial auditors;
 - (ii) Auditors of any other aspect of the performance of the Club.
 - c. Electing officers of the Club:

DUTIES AND POWERS OF CLUB BOARD

26. The Club Board is to ensure that the business of the Club is conducted in accordance with these Rules and with the interests of the community and in accordance with any relevant Statements of Best Practice published by Supporters Direct, and may appoint and supervise the Chief Executive and the Executive Board. The Club Board:
- a. May exercise all the Club's powers which are not required by these Rules or by statute to be exercised by the Club in a general meeting;
 - b. May delegate any of its powers to committees consisting of such of its own number (and others provided by the Club Board members remain in the majority on such committees) as it thinks fit who shall, in the function entrusted to them, conform in all respects to the instruction given to them by the Club Board. The following provisions apply in any such delegation:

- (i) The Club Board may retain or give to deal itself with issues delegated;
 - (ii) Any delegation may be revoked and its terms may be varied;
 - (iii) The proceedings of any sub-committees shall be governed by the rules regulating the proceedings of the Club Board so far as they are capable of applying;
- c. May call upon the Chief Executive and/or Secretary to report or procure a report in writing upon any aspects of the affairs of the Club;
- d. Shall appoint and dismiss the Chief Executive and other members of the Executive Board and the Secretary and decide and fix the terms of their employment and have the power to act in place of the Chief Executive or the Executive Board where they cease to act or are unwilling or unable to act;
- e. Shall approve the policies or strategies to be followed by the Executive Board and all budgets and other financial plans;
- f. Shall determine from time to time the categories of transaction which require the approval of the Club Board.

DUTIES AND POWERS OF CHIEF EXECUTIVE AND EXECUTIVE BOARD

- 27. If a Chief Executive is appointed, he or she will, subject to the duties and powers of the Club Board as set out in these Rules, manage the Club's business in accordance with these Rules and will have the power to act in the name of the Club.
- 28. If other members of an Executive Board are appointed they together with the Chief Executive will, subject to duties and powers of the Club Board as set out in these Rules and to directions as to their responsibilities given by the Club Board, manage the Club's business in accordance with these Rules and will have the power to act in the name of the Club.
- 29. Any person acting in good faith and without prior notice of any irregularity is not to be considered to see or enquire whether the powers of the Chief Executive or the Executive Board have been properly exercised.

SECRETARY

30. The Club is to have a Secretary whose functions will include:
- a. Acting as Secretary to the Club Board;
 - b. Attending all meetings of the Executive Board;
 - c. Acting as Secretary of any subsidiary company or society of the Club;
 - d. Summoning and attending all general meetings of the Club and keeping the minutes;
 - e. Keeping the register of members and other registers required to be kept by these Rules;
 - f. Monitoring the conduct of the Club's affairs to ensure that it is conducted in accordance with these rules;
 - g. Arranging for members of the Club Board to obtain independent legal, accounting tax or other professional advice if he or she considers it appropriate;
 - h. Publishing to members in appropriate form information which they should have about the affairs of the Club;
 - i. Preparing and sending all returns required to be made to the Financial Services Authority.
31. The Secretary shall not be a member of:
- a. The Executive Board; or
 - b. Any board or committee of any management or subsidiary company or society of the Club;

GENERAL MEETINGS

32. The Club is to hold a general meeting (called the annual general meeting within six months of the end of each financial year. The first annual general meeting may be called by the Club Board at any time within this period.
33. All general meetings other than annual general meetings are called special general meetings and are to be convened by the Secretary either:

- a. By order of the Executive Board;
- b. If a written requisition signed (except where these Rules say otherwise) by not less than 20 members or 10% of the membership, whichever is the higher, is delivered to the Club's registered address. 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 general meeting any Club Board member may call a general meeting.

34. A special general 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.

35. Notice of a general meeting is to be given either:

- a. In writing; or
- b. By notice in any newspaper circulating in the Area; or
- c. Where a member has agreed to receive notice in this way, by such electronic means as the Club Board shall decide

at least 14 clear days before the date of the meeting. The notice must:

- i. To be given to all members and to the members of the Club Board and to the auditors;
- ii. State whether the meeting is an annual or special general meeting;
- iii. Give a time, date and a place of the meeting; and
- iv. Indicate the business to be dealt with at the meeting.

36. Any notice to a member may be given either:

- a. Personally; or
- b. By sending it by post in a prepaid envelope addressed to the member at their registered address; or
- c. By leaving at their address;

- d. Or (if a register of e-mail addresses is maintained by the Club and the member has notified the Club of their e-mail address) by e-mail to the registered e-mail address.

Notice or communications sent by first class post to members at their registered address are deemed to be duly served 48 hours (excluding Sundays) after being posted. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. The proceedings at a general meeting are not invalid if:

- i. There has been an accidental omission to send a notice to a member or members; or
- ii. The notice is not received by a member or members.

- 37. A member present either in person or by proxy at any meeting of the Club shall be deemed to have received notice of the meeting and where requisite, of the purposes for which it was called.
- 38. Before a general 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.
- 39. The Club Board must decide where a general meeting is to be held and may also in the interests of democracy:
 - a. Arrange for the annual general meeting to be held in a different part of the Area each year;
 - b. Make provision for a general meeting to be held at different venues either simultaneously or at different times. In making such provisions the Club Board shall also fix an appropriate quorum for each venue, provided that the aggregate of the quorum requirements shall not be less than the quorum set out in the previous Rule.
- 40. It is the responsibility of the Club Board, the Chair of the meeting and the Secretary to ensure that at any general meeting:
 - a. The issues to be decided are clearly explained;
 - b. Sufficient information is provided to members to enable rational discussion to take place;
 - c. Where appropriate, members of the Executive Board, experts in

relevant fields or representatives of special interest groups are invited to address the meeting.

41. If the Chair of a general meeting or the Secretary considers that steps should be taken to ensure:
- a. The safety of people attending a general meeting; or
 - b. The proper and orderly conduct of the meeting:

They may take whatever steps are necessary to deal with the situation. They may in particular, if they think it necessary:

- i. Require people to prove their identity;
 - ii. Arrange security searches;
 - iii. Stop certain things being taken into the meeting;
 - iv. Refuse to allow members into or have members removed from the meeting, where the behaviour of those members is likely to be violent or disruptive.
42. The Chair of the Club board or in his or her absence some other Club Board member nominated by the members of the Club Board shall preside at the general meetings of the Club. If neither the Chair nor such other Club Board member is present and willing to act, the Club Board members present shall elect one of their number to be Chair and if there is only one Club Board member present and willing to act he or she shall be Chair. If no Club Board member is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chair.
43. If no quorum is present within half an hour of the time fixed for the start of the meeting:
- a. If the meeting was convened on a requisition of the members, it is to be dissolved;
 - b. In any other case 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 Club 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 the quorum.

44. Subject to these Rules and to any Act of Parliament, a resolution put the vote at a general meeting shall, except where a poll is demanded or directed, be decided upon by a show of hands.
45. On a show of hands every member present in person, and on a poll every member present in person or by proxy is to have one vote. In the case of equality of votes the Chair of the meeting is to have a second or casting vote.
46. Unless a poll is demanded, the result of any vote will be declared by the Chair and entered in the minute book. The minute book shall be conclusive evidence of the result of the vote.
47. 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 (in person or by proxy).
48. A poll demanded on the election of a Chair or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such a time and place as the Chair directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn by or on behalf of those who demanded it, the meeting shall continue as if the demand had not been made. The result of the poll will be treated as the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
49. Unless these Rules or an Act of Parliament say otherwise, all resolutions are to be decided by a simple majority of the votes cast.
50. The Chair of any meeting may with the consent of the majority of the members present adjourn the meeting. The following are the arrangements for adjourned meetings:
 - a. No business is to be transacted at any adjourned meeting other than the business not reached or left unfinished;
 - b. An adjourned meeting is to be treated as a continuation of the original meeting but any resolution passed at an adjourned meeting is to be treated as having been passed on the date on

which it was passed;

- c. When a meeting is adjourned for fourteen days or more at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise no notice need to be given of an adjournment or of the business to be transacted at an adjourned meeting.

51. A proxy is to be appointed as follows:

- a. in writing;
- b. in any usual form or any other form which the Club Board may approve;
- c. under the hand of the appointor or of their attorney duly authorised in writing; and
- d. by depositing the appointment document at the registered office of the Club or at such other place within the United Kingdom as the Club shall specify not less than two clear days before the day fixed for the meeting at which the proxy is authorised to vote. Where the appointment document is exercised by an attorney on behalf of the appointor, the authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Club Board is to be lodged with the appointment document. If this procedure is not followed the appointment of the proxy will be invalid.

52. The following further rules apply to proxies:

- a. No person other than the Chair of the meeting can act as proxy for more than 3 members.
- b. Any question as to the validity of a proxy is to be determined by the Chair of the meeting whose decision is final.
- c. A proxy need not be a member of the Club.

53. A vote given or poll demanded by proxy or by the duly authorised deputy of a corporate body, shall be valid unless notice of termination of the authority is received by the Club at the registered office or at any other place at which the instrument of proxy was duly deposited before the commencement of the meeting at which the vote is given or the poll demanded.

54. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered. Any objection made in due time about any vote whether tendered personally or by proxy is to be determined by the Chair of the meeting, whose decision is final. Every vote not disallowed at the meeting will be valid.

POSTAL BALLOTS

55. Where the Club Board considers that a significant issue has arisen which should be determined by the members of the Club the issue shall be determined by a postal ballot of the members of the Club conducted in accordance with such procedure as the Club Board shall determine subject to the following principles:
- i. Notice of the ballot shall be given to each member of the Club in the same way as notice of a meeting is to be given;
 - ii. The notice must set out clearly the issue to be decided;
 - iii. Sufficient information must be provided to members to enable an informed decision to be made; and
 - iv. The date of which the voting papers are to be returned must be clearly stated.

In any case where a postal ballot is appropriate the Board may make such a provision as it thinks fit to permit notice of the ballot to be given and voting to be conducted by electronic means.

CONSTITUTION OF THE CLUB BOARD

56. With effect from the Club's first annual general meeting, the Club Board is to have not less than 6 members and not more than 14 members and will be made up as follows:
- a. 4 members of the Club Board or such higher number as shall be required so that elected members of the Board are in a majority over co-opted members will be elected by the members in accordance with such arrangements as shall be determined by the Club Board.
 - b. Not less than 1 member will be co-opted by the Club Board in accordance with a Board membership policy which it will develop and adopt and shall be required, if they are not already members to become members of the Club. The purpose

of the Board Membership Policy will be to ensure that:

- i. The Club Board has the skills and experience which it needs to operate effectively;
- ii. The interests of the community served by the Club are adequately represented;
- iii. The level of representation of different groups on the Club board strikes an appropriate balance having regard to their legitimate interests in the Club's affairs.

The following people in particular should be co-opted:

- 1) A representative or representatives of the Borough Council for the Area on behalf of itself and the neighbouring local authorities;
- 2) A representative or representatives of the young;
- 3) A representative of disabled supporters;
- 4) A representative of local business;
- 5) A representative or representatives of any supporters group or groups of the Club;
- 6) A representative or representatives of employees at the Club;
- 7) A representative or representatives of the Sports Council and any community schemes run in association with the Club;
- 8) A representative of the players at the Club through a professional association or otherwise;

57. If at any time and for any reason after the first annual general meeting the number of members of the Club Board shall drop below 6 the remaining Club Board members may act but only for the purpose of filling vacancies or calling a general meeting.
58. Until the first annual general meeting the members of the Club Board will be the people who sign these Rules in applying for registration and such other people as they co-opt.
59. Members of the Club Board will normally serve for periods of 3 years in

accordance with the Board Membership policy. Co-opted Club Board Members may be re-appointed for a further period subject to these Rules.

60. Members of the Club Board will not receive any payment for serving on the Club Board other than;
 - a. The payment of expenses incurred in the carrying out of their duties; and
 - b. Nominal Club board fees approved by members in general meetings;

61. No person shall be a member of the Club Board who:
 - a. Has been a member of the Society Board for 12 consecutive years
 - b. Is subject to a bankruptcy order or has in place a composition with creditors;
 - c. Is subject to a disqualification order made under the Company Directors Disqualification Act ;
 - d. Has been convicted on indictment for an offence (other than a spent conviction as defined by the Rehabilitation of Offenders Act 1974);
 - e. Fails to abide by any Rules for the conduct of elections set by the Club Board;

62. Any member of the Club Board who:
 - a. Ceases to comply with the criteria set out in these Rules; or
 - b. Ceases to be a member of the Club; or
 - c. Resigns.

Is to vacate the office of Club Board member.

63. Any member of the Club Board who:
 - a. Fails without good cause to attend 3 consecutive Club Board meetings; or
 - b. Fails without good cause to participate in Board training;

Is to vacate the office of Club Board member if required to do so by a majority of the other members of the other Club board members.

64. At the second and third annual general meeting, half of the members of the Club Board first elected by the members (to be chosen by lot) will resign from office. Thereafter, the one third of the members of the Club Board elected by the members who have served the longest at the date of the annual general meeting will resign. If at any time the number of elected directors is not divisible by three, the Club Board shall decide the number of elected directors to resign in accordance with this rule, which shall be approximately one-third of the total number.
65. Casual vacancies arising amongst the members of the Club Board elected by the members shall be dealt with as follows:
 - a. If a vacancy is caused by retirement or removal is not filled at the meeting at which they retire or are removed, the vacancy may be filled by the Club Board.
 - b. A vacancy occurring by death or resignation may be filled by the Club Board;
 - c. In each case the member appointed to fill the vacancy is to retire at the next annual general meeting and the Club Board will make provision for an election to be held. For the avoidance of doubt the retiring member may stand for re-election at the next meeting at which they retire.
66. A Club Board member may be removed from office by a resolution carried by the votes of not less than two-thirds of the members present in person or by proxy and voting on a poll at an annual or special general meeting of the Club which notice has duly been given. A Club Board member may be suspended from office by a resolution of the other members of the Club Board on the grounds of conduct detrimental to the Club subject to such Club Board member having been provided with a fair opportunity to be heard. Such suspension shall be for a period not exceeding 4 months.

CLUB BOARD MEETINGS

67. The Club Board will elect a Chair from amongst its members.
 - a. If a candidate for the Chair is an elected Board member, a simple majority of the Club Board is required; or
 - b. if a candidate for the Chair is a co-opted member of the Board,

they shall require a simple majority of the Club Board, and a simple majority of the elected members of the Club Board.

The Club Board will meet at least 4 times in every calendar year at such times and places as they think fit. Seven clear calendar day's notice of the date and place of each meeting is to be given in writing by the Secretary to all members of the Club Board to the Chief Executive and to other members of the Executive Board as the Club Board desire to attend the meeting. 50% of Club Board members including at least four members of the Club Board elected by the members or such higher number as the Club Board may decide will form a quorum. A Club Board meeting may be called by shorter notice if it is agreed by all the Club Board members entitled to attend and vote at the meeting. For the purposes of this rule, notice may be sent via email to an address registered with the Secretary or such other electronic means as may be preferred by Directors.

68. Unless the Club Board decides otherwise, the Chief Executive (if appointed) is to be invited to attend each meeting of the Club Board. Other members of the Executive Board are to attend other meetings of the Club Board when requested to do so.
69. Meetings of the Club Board may be called by either the Secretary, or by notice in writing given to the Secretary by the Chair of the Club Board. Or by two Club Board members who are not both elected by members of the Club or both co-opted Board members, specifying the business to be discussed. The Secretary is to communicate every such notice to all Club 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. Should the Secretary fail to convene the meeting, the Chair or two Club Board members who have given the notice in writing may call the meeting. No business is to be done at the meeting other than the business specified in the notice.
70. The Club 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.
71. The Club 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 Club Board.
72. Subject to the following provisions of this Rule, questions at a Club Board meeting may be decided by a majority of votes. In case of an

equality of votes at a Club Board meeting the Chair shall have casting vote. No resolution may be passed if it does not have the support of one or more members of the Club Board elected by the members.

73. A resolution in writing signed by all members or by a majority of the Club Board will have the same effect as a resolution passed at a meeting of the Club Board and may consist of several identical copies of a document each signed by one or more Club Board members. For the purpose of this rule, email sent declaring a preference on an issue, sent from an address registered with the Secretary shall be deemed a valid indication by a Board member.
74. Save for the exceptions listed below, no Club Board member is to have any material financial interest personally or as a member of a firm or company or as a director or other officer of a business trading for profit or any other way whatsoever in any contract or other transaction with the Club. For the purposes of this rule, an interest of a person who is connected with a Club Board member shall be treated as an interest of the Club Board member. The exceptions are that Club Board members may:
- a. Buy tickets or season tickets for matches and use the facilities of any club in which the Club is interested;
 - b. Be paid expenses including travelling expenses;
 - c. Receive Club Board fees;
 - d. If they are co-opted members of the Club Board be employees of the Club;
 - e. Declare an interest in a particular contract or issue and;
 - (i) Not be present except with the permission of the Club Board in any discussion of the contract or issue;
 - (ii) Not vote on the contract or issue (and if by inadvertence they do remain and vote, their vote is not counted).
75. Any member of the Club Board who discloses a financial interest as described in the preceding Rule must vacate their office either for a period or permanently if requested to do so by a majority of the remaining members of the Club Board. Any member of the Club Board who fails to disclose any interest required to be disclosed under the preceding Rule must permanently vacate their office if required to do so by a majority of remaining Club Board members.

COMMITTEES OF THE CLUB BOARD

76. The Club Board may delegate any of its powers to committees of the Club Board.
77. The Club Board will:
 - a. Decide the membership of each committee;
 - b. Appoint the Chair of each committee;
 - c. Lay down the procedure to be adopted by each committee (including the quorum);

Produce a written record and auditory of each committee;

- e. Determine the budget for the Chair of each committee

CONSTITUTION OF THE EXECUTIVE BOARD

78. The Executive Board may have the following members who will be full or part time employees of the Club:
 - a. A Chief Executive;
 - b. A Finance Director;
 - c. A Human Resources Director;
 - d. Such other Executives as the Club Board thinks appropriate.
79. If the Club Board carries out part of the business through a trading subsidiary company or society trading for the benefit of the community members of the Executive Board or the Club Board shall be the directors or board of the management of the subsidiary.
80. The members of the Executive Board will be appointed by the Club Board on terms agreed and approved by the Club Board. The members of the executive board may be removed by the Club Board.
81. No person shall be a member of the Executive Board who;
 - a. Has been declared bankrupt or compounded with their creditors;
 - b. Is subject to a disqualification order made under the Company Directors Disqualification Act;

- c. Has been convicted on indictment for an offence (other than a spent conviction as defined in the Rehabilitation of Offenders Act 1974).
 - d. Is or may on the basis of medical evidence be suffering from a mental disorder.
82. The Executive Board if appointed will meet at least once a month at such times and places as it thinks fit. Where practicable, seven day's clear notice of the date and place of each meeting is to be given in writing by the Secretary to all members of the Executive Board. A resolution in writing signed by all the members of the Executive Board shall be valid and effectual as if had been passed at a meeting of the Executive Board duly convened and held and may consist of several documents in the like form each signed by one or members of the Executive Board members.
83. The Executive Board may agree that members can participate in its meetings by telephone, video or computer link. Participation in a meeting this manner shall be deemed to institute presence in person at the meeting.
84. Save for the exceptions referred to below, no Executive Board member is to have any material financial interest personally or as a member of a firm or company or as a director or other officer of a business bidding for profit or in any other way whatsoever in any contract or other transaction with the Club. For the purposes of this rule an interest of a person connected with an Executive Board member shall be treated as an interest of the Executive Board member. The exceptions are that Executive Board members may:
- a. Receive a salary and other benefits under a service contract with the Club;
 - b. Buy tickets or season tickets for matches and use the facilities of any club in which the Club is interested;
 - c. Have an interest in a particular contract or issue if they shall have first have explained their interest to the Executive Board and the Club Board and;
 - (i) Are not present except with the permission of the Executive Board in any discussion on the contract or issue;
 - (ii) Do not vote on the contract or issue (and if by inadvertence they do remain and vote, their vote is not to be counted).

85. Any member of the Executive Board who discloses a financial interest as described in the preceding rule must vacate their office either for a period or permanently if requested so to do by the Club Board. Any member of the Executive Board who fails to disclose any interest required to be disclosed under the preceding Rule must permanently vacate their office if required to do so by the Club Board.

FINANCIAL AUDIT

86. The Club Board in respect of each year of account ending on 28th May:
- a. Cause to be prepared a revenue account or revenue accounts which:
 - (i) Singly or together deal with the affairs of the Club and any subsidiary company or society as a whole for that year; and
 - (ii) Give a true and fair view of the income and expenditure of the Club and any subsidiary society or company for that year;
 - b. Cause to be prepared a balance sheet giving at that date a true and fair view of the state of the affairs of the Club and any subsidiary company or society.
87. The Club Board is to lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon before each annual general meeting, accompanied by a report by the Club Board on the position of the affairs of the Club, as the case may be. Every revenue account and balance sheet published is to be signed by the Secretary and by two Club Board members acting on behalf of the Club Board.
88. The Club Board is not to cause to be published any balance sheet unless it has previously been audited by the auditor and it incorporates a report by the auditor that it gives a true and fair view of the income and expenditure, or the state of affairs of the Club, as the case may be. Every revenue account and balance sheet published by is to be signed by the Secretary and by two Club Board members acting on behalf of the Club Board.
89. A qualified auditor must be appointed to audit the Club's account and balance sheet for each financial year. In this rule "qualified auditor" means 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 1985.

90. The auditor shall, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968, make a report to the Club on the accounts examined by the and on the revenue account or accounts and the balance sheet of the Club for the year in question.
91. None of the following people can be appointed as auditor for the Club:
 - a. An officer or servant of the Club; or
 - b. A person who is a partner or close relative of or in employment or who employs an officer or servant of the Club.
92. Save as provided in this Rule any appointment of an auditor is to be made by resolution of a general meeting of the Club. The exceptions are:
 - a. The first appointment of an auditor is to be made within three months of the registration of the Club and is to be made by the Club Board if no general meeting of the Club is to be held within that time.
 - b. The Club Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Club.
93. An auditor appointed to audit the accounts and balance sheet of the Club for the preceding year of account (whether by a general meeting or by the Club Board) is to be re-appointed as auditor of the Club for the current year of account (whether or not any resolution re-appointing them has been passed) unless:
 - a. A resolution has been passed at a general meeting of the Club appointing somebody instead of them or providing expressly that they are not to be re-appointed; or
 - b. They have given to the Club notice in writing of their unwillingness to be re-appointed; or
 - c. They are not permitted by these Rules to be the auditor; or
 - d. They have ceased to be an auditor of the Club by reason of incapacity; or
 - e. Proper notice of an intended resolution to appoint another

person in their place has been given but the resolution cannot be preceded with because of the health or incapacity of that other person.

94. A resolution at a general meeting of the Club:
- a. Appointing another person as auditor in place of a retiring auditor; or
 - b. Providing expressly that a retiring auditor is not to be re-appointed

will not be effective unless notice of the intention to move it has been given to the Club not less than twenty-eight days before the meeting at which it is to be moved.

If such notice is given the following procedure will be adopted:

- (i) The Club will send a copy of the notice to the retiring auditor.
- (ii) If it is practicable to do so the Club will give notice of the intended resolution to the members with notice of the meeting.
- (iii) If that is not practicable, the Club will publish details of the notice by advertisement not less than seven days before the meeting in a newspaper circulating in the area in which the Club conducts its business.
- (iv) If the retiring auditor makes any representations in writing to the Club in response to the notice or notifies the Club that they intend to make such representations, the Club will notify the members as required by Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

PERFORMANCE AUDIT

95. A general meeting of the Club may require the Club Board to appoint appropriate people to act as auditors of the achievement of the Club of its objects or any aspect of the Club's performance under these Rules.

ANNUAL RETURNS

96. The Club will make an annual return to the Financial Services Authority as required by the Act.

97. The Club will supply a copy of the last annual return with all supporting documents to any member on request and without charge.

AMMENDMENT TO RULES

98. 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 in person or by proxy at a general meeting. No change to these Rules shall be valid until registered.
99. The following Rules may only be changed by a majority of at least 95% of the members who vote in person or by proxy at a general meeting:
- a. Rules 1 – 6 inclusive
 - b. This Rule
 - c. Rule 100
 - d. Rule 101
 - e. Rule 106
100. In the case of this Rule, Rule 6 and Rule 106 the quorum at any general meeting called to consider a resolution to amend shall not be less than one half of the members entitled to vote at the meeting if the Club has up to 200 members when the meeting is called; not less than one third of the members entitled to vote at the meeting if the Club has more than 200 members but less than 1000 members when the meeting is called; and not less than one quarter of the members entitled to vote at the meeting if the Club has more than 1000 members when the meeting is called.

CHANGES TO THE CONSTITUTION

101. The Act provides that the Club may by special resolution:
- a. Amalgamate with another Club or company registered under the Companies Acts.
 - b. Transfer its engagements to another society or company registered under the Companies Acts
 - c. Convert itself into a company registered under the Companies Acts.

The quorum of any general meeting called to consider such a

resolution shall be 50% of the members entitled to attend and vote at the meeting unless the resolution proposes an amalgamation with or transfer of engagements to another industrial and provident society trading for the benefit of the community and having provisions in its rules substantially identical to Rule 6, Rule 106 and this Rule.

INVESTMENT AND BORROWING

102. The funds of the Club, may to the extent permitted by the law for the time being in force and with the authority of the Club Board, be invested:

- a. In the shares of any company or society;
- b. In any manner expressly authorised by the Act;

But these are not to be invested otherwise.

103. The Club may borrow money on such terms as the Club Board shall authorise.

104. A duly appointed receiver or manager of whole or part of the Club's property may assume such powers of the Club Board or the Executive Board as he or she considers necessary to carry out his or her duties under the instrument of appointment.

DISSOLUTION

105. The Club may be dissolved by the consent of three-quarters of the members who sign an instrument of dissolution in the form provided by Treasury Regulations or by winding-up in the manner provided by the Act.

106. If on the winding-up or dissolution of the Club there remains, after the satisfaction of all its debts and liabilities any property whatsoever the same is to be transferred to:

- a. A sporting charity or sporting charities operating in the Area and/or;
- b. One or more societies established for the benefit of the community operating in the Area;
- c. One or more societies established for the benefit of the community

in each case as determined by the members at a meeting called to

decide the issue. Nothing belonging to the Club shall be transferred to any other society unless that society has in its rules a rule substantially in the terms of this Rule.

INDEMNITY

107. Officers are entitled to be indemnified by the Club against all costs, losses and expenses which they may reasonably incur in discharge of their duties, including travelling expenses, and the amount for which the indemnity is provided will immediately attach as a charge on the property of the Club.
108. No officer is to be held liable for any loss happening to the Club through the execution of the duties of their office, unless the loss be consequence of their own dishonesty or gross negligence. Subject to the provisions of the Act every officer is to be indemnified out of the assets of the Club against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgement is given in his or her favour or in which he or she is acquitted or in any connection with any application in which relief is granted to him or her by the Court from liability for negligence, default, breach of duty or breach of Club in relation to the affairs of the Club.

MISCELLANEOUS ADMINISTRATIVE PROVISIONS

109. Anything done in good faith by any meeting of the Club Board or the Executive Board shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any Board member or Board members or that any one or more of them were disqualified and shall be as valid as if every Board member has been duly appointed and was duly qualified to serve.
110. The Club will not be entitled to rely against other persons on any alteration in its Rules if the alteration had not been registered at the material time and is not shown by the Club to have been known at that time to the person concerned.
111. Minutes of every general meeting, of every meeting of the Club and Executive Boards and of every meeting of a committee appointed by the Club Board are to be kept. Minutes of meetings will be read 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.
112. The Club's registered office is at Exacta Stadium, Bumpers Lane, Chester, CH1 4LT. The Club is keep at the registered office:

- a. A register in which the Secretary is to enter the following particulars:
 - (i) The name and addresses of the members;
 - (ii) Details of the share held by each member and the amount paid or agreed to be considered as paid for that share;
 - (iii) A statement of other property in the Club whether in loans or loan stock held by each member;
 - (iv) 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;
 - (v) Details of any deputy appointed by any corporate member;
 - (vi) The names and addresses of the members of the Club and Executive Boards with the offices held by them and the dates on which they assumed office.
- b. A duplicate register in which the Secretary is to enter all the particulars in the original register of members other than those referred to in (a) (ii) and (iii) above;
- c. A register of the holders of loan stock in which the Secretary is to enter such particulars as the Club Board direct and register all transfers of loan stock;
- d. A register in which the Secretary is to enter such particulars of all mortgages and charges on land of the Club as the Club Board directs.

113. Subject to the provisions of the Data Protection Act the registers are to be maintained by the Club may be kept in electronic form.

114. 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 the Club.

115. The Club is to keep proper books of account with respect to its transactions and its assets and liabilities in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.

116. Members are entitled to inspect:
- a. Their own account;
 - b. The duplicate register.
- at the registered office at any reasonable time.
117. The Secretary is to deliver a copy of these Rules to every person on demand on payment of amount fixed by Club Board subject to the Statutory maximum.
118. Notice of any change in the address of the registered office is to be sent by the Secretary to the Financial Services Authority in the form prescribed by the Treasury Regulations within fourteen days of the change.
119. The registered name of the Club is to be displayed on the outside of the registered office and every other office or place in which the business of the Club is carried out. The registered name of the Club is also to be mentioned in all legible characters in all:
- a. Business letters, notices, advertisements and other official publications
 - b. Bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Club
 - c. Bills, invoices, receipts and letters of credit of the Club.
120. The Club is registered under the Industrial and Provident Societies Acts 1965-78 (referred to as the "Act" in these Rules). Any references to the Act include reference to any statutory re-enactment and/or modification. Any reference to the Chief Registrar, Registrar, Central Office, Assistant Registrar or the Registry of Friendly Societies includes reference to the statutory successor carrying on the relevant function of any of them.

DISPUTES

121. Every unresolved dispute which arises out of these Rules between the Club and:
- a. A member; or
 - b. Any person aggrieved who has ceased to be a member within

the six months prior to the date of the dispute; or

- c. Any person claiming through such member or person aggrieved;
or
- d. Any person bringing a claim under the Rules of the Club; or
- e. An officer of the Club

Is to be submitted to an arbitrator agreed by the parties or nominated by the Chief Executive of Co-operatives UK. The arbitrator's decision will be binding and conclusive on all parties.

122. Any person bringing a complaint must deposit with Club the sum of £500 or such other reasonable sum as the Club Board shall decide. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

ASSETS – RESTRICTION ON USE

123. Pursuant to regulations made under section 1 of the Co-operatives and Community Benefit Societies Act 2003:
- a. all of the Society's assets are subject to a restriction on their use;
 - b. the Society must not use or deal with its assets except:
 - i. where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;
 - ii. to pay a Member of the Society the value of their withdrawable share capital or interest on such capital;
 - iii. to make a payment pursuant to section 24 (proceedings on death of nominator), 25 (provision for intestacy) or 26 (payments in respect of mentally incapable persons) of the Industrial and Provident Societies Act 1965;
 - iv. to make a payment in accordance with the Rules of the Society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated;
 - v. where the Society is to be dissolved or wound up, to pay its creditors;
or
 - vi. to transfer its assets to one or more of the following:
 - 1) a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;

- 2) a community interest company;
- 3) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
- 4) a charity (including a community benefit society that is a charity); or
- 5) a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.

Any expression used in this Rule which is defined for the purposes of regulations made under section 1 of the 2003 Act shall have the meaning given by those regulations.

SIGNATURES OF MEMBERS

FULL NAMES

DATE

1.

2.

3.

SIGNATURE OF SECRETARY

FULL NAME

DATE