

RULES of: The Biodynamic Land Trust Limited

*Registered under the Industrial and
Provident Societies Act 1965*

Register No. *Registered with the FSA as a Community Benefit
Society No 31448R*

BASED ON THE MODEL RULES 2011 (version 2)
National Housing Federation

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These rules are based on the National Housing Federation's Model Rules 2011. The rules are based on the National Housing Federation's 2010 Code of Governance and Good Practice.

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PART A**NAME AND OBJECTS****Name**

- A1 The name of the society shall be The Biodynamic Land Trust Limited ("the Society").

Objects

- A2 The Society is formed for the benefit of the community to operate as a land trust. Its objects shall be:
- A2.1 To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment particularly but not exclusively by using and/or promoting Rudolf Steiner's methods and principles of biodynamic agriculture and horticulture.
 - A2.2 To advance the education of the public (and particularly amongst farmers) in all aspects of biodynamic agriculture and horticulture with particular emphasis (but not exclusively) on Rudolf Steiner's methods and principles.
 - A2.3 To preserve, conserve and protect for the public benefit, the environment of the countryside through the prudent management, holding and farming of land and the use of natural resources including the promotion and use of biodynamic principles, processes and practices and related organic and sustainable land management activities.
 - A2.4 To advance the education of the public by the dissemination of research and best practice in developing viable forms of agricultural and horticultural land trusteeship which secure food growing land in perpetuity.

Non-profit

- A3 The Society shall not trade for profit.
- A4 Save as expressly provided in these rules nothing shall be paid or transferred by way of profit to shareholders of the Society.

PART B**POWERS OF THE SOCIETY, BOARD, AND SHAREHOLDERS****Powers**

- B1 The Society shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.
- B2 Without limiting its general powers the Society shall have power to:
- B2.1 purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, construct or carry out works to buildings;
 - B2.2 help any charity or other body not trading for profit in relation to similar objects of the Society;
 - B2.3 subject to rules F12, F13, and F14, borrow money or issue bonds, notes loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing;

- B2.4 enter into and perform any derivative transaction on such terms as the Society thinks fit for the purpose of hedging or otherwise managing any treasury risk or other financial exposure of the Society;
 - B2.5 subject to rule F15, invest the funds of the Society;
 - B2.6 lend money on such terms as the Society shall think fit.
 - B2.7 issue shares for special purpose funds or general purpose funds upon such terms as the law allows within its charitable objects and as the board in its absolute discretion shall determine;
 - B2.8 issue community bonds upon such terms as the law allows within its charitable objects and as the board in its absolute discretion shall determine;
 - B2.9 create, make, draw, accept, endorse, execute, issue, discount, buy, sell, negotiate and deal in bills, notes, warrants, coupons, debentures and other negotiable or transferable instruments;
 - B2.10 guarantee, enter into any contract of indemnity or suretyship or provide security for the borrowings or performance of a third party the Society shall think fit PROVIDED THAT such actions are in accordance with the Society's charitable objects and are subject to such charitable trusts as may be required;
 - B2.11 to insure and arrange insurance cover for the Society from and against all such risks as the board may think fit and to pay any premium in respect of such insurance;
 - B2.12 to insure and arrange insurance cover for and to indemnify its members, employees and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its board members, co-optees or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the Society PROVIDED THAT such insurance shall not extend to any liability in respect of an act or omission which such board member or board members, co-optee or co-optees knew was a breach of duty or trust or which was committed by such board member or board members, co-optee or co-optees recklessly without due regard as to whether such act or omission might be a breach of duty or trust;
 - B2.13 to invest any monies of the Society not immediately required for the furtherance of its objects in accordance with rule F15;
 - B2.14 to purchase or otherwise acquire or to encourage or promote or in any way support or aid the establishment and development of any subsidiary or associated association or company established for the purposes of carrying on any trade or business either for the purpose of raising funds for the Society or for the furtherance of the objects of the Society;
 - B2.15 to make donations, grants or loans or provide services or assistance to such persons and organisations and on such terms as the Society shall think fit to further the objects of the Society;
 - B2.16 to do anything else within the law which promotes or helps to promote the objects.
- B3 The Society shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and

Markets Act 2000 or any other authority required by statute unless it has such authorisation.

Powers of the board

- B4 The business of the Society shall be directed by the board.
- B5 Apart from those powers which must be exercised in general meeting:
- B5.1 by statute; or
- B5.2 under these rules
- all the powers of the Society may be exercised by the board for and in the name of the Society.
- B6 The board shall have power to delegate, in writing, subject to rules D31-35, the exercise of any of its powers to committees and to employees of the Society on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

- B7 The Society in general meetings can only exercise the powers of the Society expressly reserved to it by these rules or by statute.

General

- B8 The certificate of an officer of the Society that a power has been properly exercised shall be conclusive as between the Society and any third party acting in good faith.
- B9 A person acting in good faith who does not have actual notice of these rules or the Society's regulations shall not be concerned to see or enquire if the board's powers are restricted by such rules or regulations.

PART C

SHAREHOLDERS AND GENERAL MEETINGS

Founding Shareholders

- C1 The first shareholders of the Society shall be the signatories to the application for registration (the "**Founding Shareholders**") and the Custodian Trustee.

Admission of Shareholders

- C2 The Society's share capital shall be raised by the issue of withdrawable shares.
- C3 Each share has a nominal value of one pound and shall carry no right to interest, dividend or bonus.
- C4 The shares shall be issued to such persons and on such terms as the law allows and as the Board in its absolute discretion shall determine PROVIDED ALWAYS that such share issues shall be for the purpose of furthering the charitable objects of the Society and shall carry no right to interest, dividend or bonus.
- C5 The Society will send correspondence, notices and the share certificate only to the first person named in the Society's register of shareholders, unless that person gives the Society different written instructions.

Obligations of Shareholders

- C6 All shareholders agree to be bound by the obligations on them as set out in these rules. They shall act at all times in the interests of the Society and for the benefit of the community as guardians of the objects of the Society.
- C7 The ability of a shareholder to end their shareholding is governed by rules C15-C17.
- C8 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees).
- C9 A share cannot be sold to any other person. Shares shall not be transferable except on death or bankruptcy.

Eligibility for shareholding membership

- C10 A shareholder of the Society is a person or body whose name and address is entered in the register of shareholders. The register shall record the name and address (including email address where given) with details of their shareholding
- C11 The following cannot be shareholders:
- C11.1 a minor under the age of 16 years;
- C11.2 a personal representative on the death of the shareholder save for the ability to vest or realise the shareholding on behalf of the deceased's beneficiary;
- C11.3 a trustee in bankruptcy or insolvency practitioner save for the ability to deal with any shareholding.
- C12 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.
- C13 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings and may remove or replace such person. Any such appointment, removal or replacement shall be in writing, and given to the secretary.

Share Capital

- C14 The shares of the Society shall be of the nominal value of £1.00. The minimum shareholding required of a shareholder shall be defined as such number of fully paid shares as the Board may determine subject to the Act, or as may be required by a particular offer of shares, or – failing such determination or requirement – shall be one share.
- C14.1 Application for shares shall be made to the Board of the Society who shall allot to shareholders, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted shall not exceed the maximum shareholding permitted by law.
- C14.2 Shares shall be paid for in full on allotment.
- C14.3 Shares shall be withdrawable only in accordance with the provisions of these Rules.

Ending of a shareholding

- C15 Subject to rules C18–C22 a shareholder may withdraw their shares. In the case of joint shareholders all of them must sign an application form to withdraw the shares unless the Society has previously received written notification of a different arrangement.
- C16 A shareholder may surrender all their shares and end their shareholding. On surrender the Society may (but does not have to) pay some or all of the money paid for the shares.
- C17 A shareholder's right to withdraw their share(s) may be suspended in whole or in part by the Society in accordance with rule C22.

Terms and method of withdrawal of shares

- C18 The board will set the terms of the notice period for withdrawal but where no notice period has been given it shall be 180 days subject to rule C22.
- C19 A withdrawal notice can be served on or at any time after the third anniversary of the shares being issued or such other period as the board sets at the time of issue, if different.
- C20 All withdrawals shall be in the order in which the notices are received by the Society;
- C21 When shareholders apply to withdraw their shares they will need to:
- C21.1 complete a withdrawal notice (as set out by the Society's board);
 - C21.2 comply with any procedures the Society's board may set; and
 - C21.3 produce evidence of identity.

Reduction in value of shares and/or suspension of right of withdrawal

- C22 The Society may reduce the value of the shares and/or suspend the right of withdrawal but will only do so where the Society's liabilities (plus issued share capital) become more than the Society's assets. This shall be determined by the Board after having taken appropriate financial advice and having obtained a financial report from a suitably qualified accountant or auditors.

Death of a shareholder

- C23 On the death of a shareholder holding a share in their own name but not exceeding the value of £5,000, the Society will do one of the following:
- C23.1 transfer the shares to the registered nominee; or
 - C23.2 in the absence of a registered nominee, transfer the shares to a personal representative who has proof of the grant of probate or letters of administration; or
 - C23.3 in the absence of a registered nominee or personal representative as described in C23.1 and C23.2 above, the Society may transfer the shares to the person who seems to the Society (acting in its absolute discretion) to have a legal right to the shares.
- C24 On the death of a shareholder holding a share in their own name where the value exceeds £5,000, rule C23 will apply to the first £5,000 worth of shares but thereafter whether or not there is a nominee, the Society will transfer the remaining shares to the personal representative upon proof of the grant of probate or letters of administration.
- C25 In the case of joint shareholders, rules C23-C27 will not apply and unless the joint shareholders have given the Society written instructions to the

contrary the Society will treat the surviving owner (or owners) as the only owner of that share and register that person's name in place of the deceased.

C26 After the Society has transferred the deceased's shares to their personal representative, the personal representative may apply to withdraw the shares but cannot exercise any other membership rights for that share.

C27 Any person other than a personal representative to whom shares are transferred under rules C23-C26 will have all the shareholding rights previously enjoyed by the shareholder. The total combined shareholding for such a person must not exceed the maximum value allowed by law.

Bankruptcy and/or mental incapacity of a shareholder

C28 Where the Society receives written proof that a shareholder is mentally incapacitated and/or bankrupt the appropriate guardian or the trustee of the estate (as appropriate) may apply to withdraw their shares. The guardian/trustee cannot exercise any other shareholding rights.

C29 Where the Society receives written proof that a joint shareholder is mentally incapacitated and/or bankrupt, the Society will substitute the interest of the guardian/trustee of their estate for the name of that joint shareholder and substitute the guardian/trustee as the last named person of the joint holders of that share. The Society will automatically cancel any written instructions that vary the effect of rule C5.

Annual general meeting

C30 The Society shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years or such later date as may be permitted by law.

C31 The functions of the annual general meeting shall be:

C31.1 to receive the annual report which shall contain:

- the revenue accounts and balance sheets for the last accounting period
- the auditor's report (if one is required by law) on those accounts and balance sheets
- the board's report on the affairs of the Society;

C31.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law);

C31.3 to elect (or re-elect) board members if applicable;

C31.4 to transact any other general business of the Society set out in the notice convening the meeting including any business that requires a special resolution.

Special general meetings

C32 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:

C32.1 upon an order of the board; or

C32.2 upon a written requisition signed by one-tenth of the shareholders (to a maximum of twenty-five but not less than three) stating the business for which the meeting is to be convened; or

C32.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting.

C33 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

Calling a general meeting

C34 All general meetings shall be convened by at least fourteen clear days' written notice posted or delivered or sent by fax or electronic communication to every shareholder at the address, fax number or electronic communication address given in the share register. The notice shall state whether the meeting is an annual general meeting or special general meeting, the time, date and place of the meeting, and the business for which it is convened.

C35 Any accidental failure to get any notice to any shareholder shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived two days after being posted and any sent by fax or electronic communication shall be deemed to have been served when received provided that in respect of a fax it is legible and in respect of an electronic communication, it is in a readable form.

C36 Seventy-five per cent of shareholders may agree, by consenting in writing, or by electronic communication, to a general meeting being held with less notice than required by rule C34.

Proceedings at general meetings

C37 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all shareholders or five shareholders whichever is the lower number. As part of the quorum at least two shareholders must be present in person.

C38 A meeting held as a result of a shareholder's requisition will be dissolved if too few shareholders are present half an hour after the meeting is scheduled to begin.

C39 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If less than the number of shareholders set out in C37 are present within half an hour of the time the adjourned meeting is scheduled to have started, those shareholders present shall carry out the business of the meeting.

C40 Shareholders may attend the meeting in person or by proxy and speak and vote on any resolution.

C41 The chair of any general meeting can:

C41.1 take the business of the meeting in any order that the chair may decide; and

C41.2 adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.

- C42 At all general meetings of the Society the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the vice chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

Proxies

- C43 Any shareholder entitled to attend and vote at a general meeting may appoint another person, whether or not a shareholder, as their proxy to attend and vote on their behalf. A proxy can be appointed by delivering a written appointment which may be electronic, to the registered office, or such other place as may be selected by the board and stated in the meeting notice, at least two days before the date of the meeting at which the proxy is authorised to vote. It must be signed or approved and sent by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final.

Voting

- C44 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.
- C45 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- C46 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of that fact.
- C47 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- C48 A ballot on a resolution may be demanded by any three shareholders at a meeting (in person or by proxy) or directed by the chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.
- C49 A ballot shall be taken at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the Society in general meeting.
- C50 A resolution in writing signed or approved by letter, fax or by electronic communication by or on behalf of the requisite majority of shareholders, for the time being, entitled to vote on the relevant resolution shall be as valid and effective as a resolution passed at a properly called and constituted meeting of shareholders provided that a copy of the proposed resolution has been delivered in accordance with these rules to all shareholders and the requisite majority of shareholders referred to in rule C45 has delivered their agreement in accordance with these rules. Such resolution when signed or approved may comprise more than one document in the same form, each signed or approved, by one or more shareholders.
- C51 For the purposes of rule C50 the requisite majorities are:

- in the case of an ordinary resolution, a simple majority of shareholders who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting;
- in the case of a resolution requiring a two-thirds majority of shareholders, at least two-thirds of the shareholders who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting; or
- in the case of a resolution requiring a three-quarters majority of shareholders, at least three-quarters of the shareholders who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting.

PART D

THE BOARD

Functions

- D1 The Society shall have a board (in these rules referred to as "the board") which shall direct the affairs of the Society in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- D1.1 define and ensure compliance with the values and objectives of the Society and ensure these are set out in each annual report;
 - D1.2 establish policies and plans to achieve those objectives;
 - D1.3 approve each year's accounts prior to publication and approve each year's budget;
 - D1.4 establish and oversee a framework of delegation and systems of control;
 - D1.5 agree policies on all matters that create significant financial risk to the Society or which affect material issues of principle;
 - D1.6 monitor the Society's performance in relation to these plans, budget, controls and decisions;
 - D1.7 appoint (and if necessary remove) the chief executive (if any);
 - D1.8 satisfy itself that the Society's affairs are conducted in accordance with generally accepted standards of performance and propriety;
 - D1.9 decide whether to issue shares and the terms on which they are issued;
 - D1.10 decide whether to issue community bonds and the terms on which they are issued;
 - D1.11 determine the procedures and forms to be used for persons applying for shares and for the minimum allowable shareholding;
 - D1.12 decide whether to set up a Surplus and/or Reserve Fund;
 - D1.13 designate funds to Special Purpose or General Purpose; and
 - D1.14 take appropriate advice.

Composition of the board

- D2 D2.1 The Board shall consist of at least 3 Board Members (excluding co-optees) and shall include the nominee of the Custodian Trustee. The initial Directors of the Society from incorporation until the first

- annual general meeting shall be appointed by the Founding Shareholders. If the number of Board Members shall fall below the number required for a full Board, the remaining Board Members may continue to act. The Board will use all reasonable endeavours to find replacements as soon as possible.
- D2.2 No employee may be appointed (or co-opted) to the board if, following their appointment (or co-option), more than one-third of the board will at that time be employees.
- D3 Except for the Custodian Trustee's nominee, co-optees and employees only shareholders can be board members.
- D4
- D4.1 The board shall make available the obligations (including the expected standards of conduct) of every board member (including co-optees) to the board and to the Society. The board shall review and may amend the obligations of board members from time to time.
- D4.2 No board member (including co-optees) may act as such until they have signed and delivered to the board a statement, confirming that they will meet their obligations (including the expected standards of conduct) to the board and to the Society. The board may vary the form of statement from time to time.
- D4.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the board or, if later, within one month of adoption of these rules, shall immediately cease to be a board member.
- D5
- D5.1 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations nor vote on the election of officers of the Society nor any matter directly affecting shareholders.
- D5.2 Not more than five co-optees can be appointed to the board or to any committee at any one time.
- D6 For the purposes of these rules and of the Act, a co-optee is not included in the expression "board member" or "member of the board".
- D7
- D7.1 At every annual general meeting each board member (other than the Custodian Trustee's nominee) who has served their fixed term shall retire from office. Any board member who retires from office at an annual general meeting under this rule D13 shall be eligible for re-election subject to any restrictions contained in these rules.
- D7.2 Any board member retiring under rule D13.1 having completed nine years' continuous service on either the board of the Society and/or the board of a group member shall not be eligible for re-election until the next following annual general meeting or, if later, for at least twelve months after completing such service.
- D7.3 Save for the Custodian Trustee's nominee, Board Members shall be elected in accordance with a procedure set out by the Board (who may vary or amend it from time to time). The Board may set selection criteria for candidates wishing to stand for election as Board Members and these may provide for prospective candidates to be approved by the Board before the become eligible to stand for election as Board Members.

- D7.4 The Custodian Trustee shall be entitled to select and/or remove such nominees as it shall decide (acting reasonably) and taking into account the operational needs of the Society.
- D7.5 The chosen candidates shall be put forward to the relevant annual general meeting as the candidates for election as Board Members. The Members shall vote on the election of the candidates put forward at the relevant annual general meeting. In doing so, the Members shall use their reasonable endeavours to ensure that the successful candidates have the requisite skills and experience as may be requested by the Board. Each successful candidate shall become a Board Member and serve for a term of three years, expiring at the annual general meeting in their third year of office.
- D7.6 A vacancy for a Board Member arising because there were insufficient candidates elected at the relevant annual general meeting, or because of a retirement or for whatever other reason may be filled by the Board and such replacement shall hold office for the remainder of the period of office of his/her predecessor. If a Board Member retires at an annual general meeting in accordance with these Rules and the meeting does not fill the vacancy, the retiring Board Member shall, if willing, be deemed to have been reappointed unless a resolution for his/her reappointment is put to the meeting and lost.
- D8 No one can become or remain a board member or co-optee at any time if:
- D8.1 they are disqualified from acting as a director of a company for any reason; or
- D8.2 they have been convicted of an indictable offence which is not, or cannot be, spent; or
- D8.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- D8.4 they are not a shareholder (unless they are the Custodian Trustee's nominee, a co-optee or employee of the Society or any other body whose accounts must be consolidated with those of the Society); or
- D8.5 they have absented themselves from three consecutive meetings of the board in one rolling twelve-month period without special leave of absence from the board; or
- D8.6 a registered medical practitioner who is treating that person gives a written opinion to the Society stating that that person has become physically or mentally incapable of acting as a board member and may remain so for more than three months; or
- D8.7 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- D8.8 they are an employee and their contract of employment is terminated;
- and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.
- D9 A board member (other than the Custodian Trustee's nominee) may be removed from the board:
- D9.1 by a special resolution at a general meeting; or
- D9.2 by a resolution passed by two-thirds of the board members, excluding the board member subject of the proposed removal and

excluding co-optees and employees, provided the following conditions are satisfied:

- at least fourteen days notice of the proposed resolution has been given to all board members; and
- the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with rule D4.1; and
- the board is satisfied that the allegation(s) is or are true.

D10 Whenever the number of board members and co-optees is less than permitted by these rules, the board may appoint a further board member in addition to the board's power to co-opt. Any board member so appointed shall retire at the next annual general meeting.

Terms of office and election to the board

D11 In every notice for an annual general meeting the board shall state those board members continuing in office and those candidates intending to offer themselves for election.

D12 Save for the Custodian Trustee's nominee, each board member elected under rule D14 shall be elected for a fixed term of office expiring at the conclusion of an annual general meeting (each a "fixed term"). The fixed term shall be for a term of three annual general meetings unless the board has set a lower number of annual general meetings for the relevant board member on their election. No fixed term shall be set which would cause the relevant board member to serve beyond their ninth consecutive annual general meeting.

D13 D13.1 At every annual general meeting each board member who has served their fixed term shall retire from office. Any board member who retires from office at an annual general meeting under this rule D13 shall be eligible for re-election subject to any restrictions contained in these rules.

D13.2 Any board member retiring under rule D13.1 having completed nine years' continuous service on either the board of the Society and/or the board of a group member shall not be eligible for re-election until the next following annual general meeting or, if later, for at least twelve months after completing such service.

D14 D14.1 Board members will be elected in accordance with election procedures set from time to time by the board save for the Custodian Trustee's nominee.

D14.2 The board shall set and publish selection criteria in relation to candidates wishing to stand for election as board members including a statement of the skills, qualities and experience required by the board amongst its members. These may provide for prospective candidates to be approved by the board before they are eligible to stand to election as board members.

D14.3 The board, in accordance with the election procedures set under rule D14.1 shall endeavour to ensure that the board possesses the quality, skills, competencies and experience which the board has from time to time determined that it requires.

D14.4 If at elections for board members the number of candidates for election as board members does not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates exceeds the number of vacancies the meeting shall elect the board members by

ballot in such a manner as the chair directs and in accordance with the procedures set under rule D14.1.

- D14.5 In an election for candidates wishing to be board members at a general meeting every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate.
- D15
- D15.1 Any candidate for election to the board as a board member under Rule D14 shall submit a written statement to the Society in such form as the board from time to time determines. It shall set out the candidate's full name, address, and occupation, whether or not they are a resident and the reasons for their suitability to be a board member.
- D15.2 In addition, a candidate who is not retiring as a board member must be nominated in writing by a community shareholder.
- D15.3 The statement and nomination shall be delivered to the Society in accordance with the procedures set under rule D14.

Quorum for the board

- D16
- D16.1 Subject to the provisions of rule D16.2 three board members or half of the board (whichever is the lower) shall form a quorum. The board may determine a higher number or impose additional requirements.
- D16.2 The board is quorate if the majority of the board members present are not employees of the Society.
- D16.3 If the number of board members falls below the number necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months and the provisions of D16.2 shall be suspended for that time. At the end of that time the only power that the board may exercise shall be to bring the number of board members up to that required by these rules.

Board members' interests

- D17 No board member, co-optee or member of a committee shall have any financial interest in any contract or other transaction with the Society or with any other group member, or be granted a benefit by the Society, unless such interest or benefit:
- D17.1 is expressly permitted by these rules; or
- D17.2 would not be in breach of, and would not be inconsistent with, any code of conduct and/or governance policy adopted by the board.
- D18 Any board member, co-optee or member of a committee, having an interest in any arrangement between the Society and someone else shall disclose their interest, before the matter is discussed by the board or any committee. Such disclosure must comply with any code of conduct and/or governance adopted by the board from time to time. Unless it is expressly permitted by these rules they shall not remain present (unless requested to do so by the board or committee), and they shall not have any vote on the matter in question.
- D19 Subject to rule D20, if a question arises at a meeting of board members or of a committee of board members as to the right of a board member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be

- referred to the chair, whose ruling in relation to any board member other than the chair is to be final and conclusive.
- D20 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the board members at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- D21 Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- D22 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of:
- D22.1 all other bodies in which they have an interest as:
- a director or officer or
 - a member of a firm or
 - an official or elected member of any statutory body or
 - the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company;
- D22.2 any property owned or managed by the Society which they occupy;
or
- D22.3 any other significant or material interest.
- D23 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time as the board directs.
- D24 Notwithstanding rule D17, the Society may:
- D24.1 pay properly authorised expenses to board members, co-optees and members of committees when actually incurred on the Society's business;
- D24.2 pay insurance premiums in respect of insurance taken out to insure officers and employees;
- D24.3 pay remuneration, fees, allowances or recompense for loss of earnings to board members, co-optees and members of committees; and
- D24.4 grant benefits to board members, co-optees and members of committees; provided that any such payment or benefit is in accordance with any code of conduct and/or governance adopted by the board from time to time.
- D25 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D17 to D22 as a board member, director or officer of any other group member.
- D26 Board members, co-optees or members of committees who are residents of the Society or any other group member shall be deemed not to have an interest for the purpose of rules D17 to D22 in any decision affecting all or a substantial group of residents of the Society.
- D27 The grant of a tenancy, licence or lease by the Society or by any other group member at the direction of another body or on a basis which is consistent with any code of conduct and/or governance of the board from time to time, adopted by the board to a board member, co-optee or member of a committee is not the grant of a benefit for the purpose of rule D17.

Meetings of the board

- D28 The board shall meet at least three times every calendar year. At least seven days' written notice (sent by post, fax or electronic communication) of the date and place of every board meeting shall be given by the secretary to all board members and co-optees. The board may meet on shorter notice where not less than seventy-five per cent of the board members so agree.
- D29 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members and co-optees to the board as soon as possible after receipt of such a request. Pursuant to the request, the secretary shall call a meeting on at least seven days' notice but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

Availability of certain board statements

- D30 The board shall agree and make available:
- the board's statement of the values and objectives of the Society;
 - a statement of the current obligations of board members to the board and the Society;
 - the policy for admitting new shareholders.
- The board may vary the form of these statements from time to time.

Management and delegation

- D31 The board may delegate any powers under written terms of reference to its committees or to officers or employees. Those powers shall be exercised in accordance with any written instructions given by the board.
- D32 The board may reserve to itself certain significant matters that cannot be delegated to committees or employees.
- D33 The membership of any committee shall be determined by the board. Every committee shall include one board member or co-optee to the board. The board will appoint the chair of any committee and shall specify the quorum.
- D34 All acts and proceedings of any committee shall be reported to the board.
- D35 No committee can incur expenditure on behalf of the Society unless at least one board member or co-optee of the board on the committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.

Miscellaneous provisions

- D36 All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- D37 A resolution sent to all board members or all members of a committee and signed, or confirmed electronically by three-quarters of the board members (including the Custodian Trustee's nominee) or three-quarters of the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or

- committee and may consist of documents in the same form and signed or confirmed electronically by one or more persons.
- D38 Meetings of the board or a committee can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting and whether or not all are assembled in one place.
- D39 Notice may be given to board members by post, fax or electronic communication at the last address for such communication given to the secretary. The accidental failure to give notice to a board member or the failure of the board member to receive such notice shall not invalidate the proceedings of the board.

PART E **CHAIR, VICE CHAIR, CHIEF EXECUTIVE, SECRETARY** **AND OTHER OFFICERS**

The chair

- E1 The Society shall have a chair, who shall chair board meetings, and shall be elected by the board on such terms as the board determines. The Society may also have a vice chair who, in the chair's absence, shall act as the chair and have the chair's powers and duties and who shall be elected by the board. The arrangements for election and removal of any vice chair shall be determined by the board.
- E2 The first item of business for any board meeting when there is no chair (or vice chair) or the chair (or vice chair) is not present shall be to elect a chair for the purpose of the meeting. The chair shall at all times be a shareholder and a board member and cannot be an employee.
- E3 In a case of an equality of votes, the chair shall have a second vote.
- E4 The chair of the Society may be removed at a board meeting called for that purpose provided the resolution is passed by at least two-thirds of the members of the board present and voting at the meeting.

The chair's responsibilities

- E5 The chair shall seek to ensure that:
- E5.1 the board's business and the Society's general meetings are conducted efficiently;
 - E5.2 all board members are given the opportunity to express their views;
 - E5.3 a constructive working relationship is established with, and support provided to, the chief executive (if any);
 - E5.4 the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the Society to be carried on effectively between board meetings;
 - E5.5 the board receives professional advice when needed;
 - E5.6 the Society is represented as required;
 - E5.7 the Society's affairs are conducted in accordance with generally accepted codes of performance and propriety; and
 - E5.8 there is a clear division of responsibilities between the board and the paid staff, and/or managing agent (if any).

- E6 The board shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

The chief executive

- E7 The Society may have a chief executive appointed by the board. The chief executive shall be appointed with a written and signed contract of employment, which shall include a clear statement of the duties of the chief executive.

The secretary

- E8 The Society shall have a secretary who shall be appointed by the board and who may be an employee. The board may also appoint a deputy secretary (who may also be an employee) to act as secretary in the secretary's absence. The secretary shall in particular:
- E8.1 summon and attend all meetings of the Society and the board and keep the minutes of those meetings;
 - E8.2 keep the registers and other books determined by the board;
 - E8.3 make any regulatory returns on behalf of the Society to the registrar;
 - E8.4 have charge of the seal (if any) of the Society; and
 - E8.5 be responsible for ensuring the compliance of the Society with these rules.

Other officers

- E9 The board may designate as officers such other executives, internal auditor and staff of the Society on such terms (including pay) as it from time to time decides.

Miscellaneous

- E10 Every officer or employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of their duty.
- E11 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the Society.

PART F**FINANCIAL CONTROL AND AUDIT****Auditor**

- F1 The Society, if required by law to do so, shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 7 of the Friendly and Industrial and Provident Societies Act 1968 as amended by the Companies Act 2006.
- F2 The following cannot act as auditor:
- F2.1 an officer or employee of the Society;
 - F2.2 a person employed by or employer of, or the partner of, an officer or employee of the Society.
- F3 The Society's auditor may be appointed by the board or by a resolution of shareholders.
- F4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current years as well unless:
- F4.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
 - F4.2 the auditor does not want to act and has told the Society so in writing; or
 - F4.3 the person is not qualified or falls within rule F2 (above); or
 - F4.4 the auditor has become incapable of acting; or
 - F4.5 notice to appoint another auditor has been given.
- F5
- F5.1 No less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed;
 - F5.2 the Society shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible;
 - F5.3 if not, the Society shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to its shareholders under Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

Auditor's duties

- F6 The findings of the auditor shall be reported to the Society, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968.
- F7 The board shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, at each annual general meeting. The board shall also produce its report on the affairs of the Society which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

- F8 The end of the accounting year must be a date allowed by the registrar.
- F9 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.

- F10 The Society shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- F11 Every year, within the time period specified by legislation, the secretary shall send the Society's annual return to the registrar. The return shall be prepared in accordance with the period specified in the Act, or such other date allowed by the registrar and shall be lodged within the period required by law. The annual return shall be accompanied by the auditor's report, if required, for the period of the return and the accounts and balance sheets to which it refers.

Borrowing

- F12 The total borrowings of the Society at any time shall not exceed £500 million (five hundred million) pounds sterling or such a larger sum as the Society determines from time to time in general meeting. For the purpose of this rule F12, any amount of the Society's borrowings in any currency other than pounds sterling (as may be permitted or not prohibited by the regulator from time to time) shall be converted to sterling at the exchange rate or rates applicable under the related derivative transaction or transactions by which the Society has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowings.
- F13 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.
- F14
- F14.1 In respect of any proposed borrowing, for the purposes of rule F12 and in relation to the amount remaining un discharged of any deferred interest or index-linked monies or amounts on any deep discounted security previously borrowed by the Society, the amount of such pre-existing borrowing shall be deemed to be the amount required to repay such pre-existing borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing;
- F14.2 for the purposes of rule F13 in respect of any proposed borrowing intended to be on deferred interest or index-linked terms or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the Society at the time of the proposed borrowing; and
- F14.3 no person dealing in good faith with the Society shall be concerned to know whether rule F12 or F13 or this rule F14 have been complied with.

Investment

- F15 The funds of the Society may be invested by the board in such manner as it determines.

PART G**MISCELLANEOUS AND STATUTORY****Registered office and name**

G1 The Society's registered office is:

Painswick Inn Project, Gloucester Street, Stroud, GL5 1QG

G2 The Society's registered name must:

G2.1 be placed prominently outside every office or place of business; and

G2.2 be engraved on its seal; and

G2.3 be stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

Disputes

G3 Any dispute on a matter covered by the rules shall be referred by either party to a suitably qualified independent mediator for settlement. The mediator shall be appointed by agreement between the parties or, in default of agreement, by the Centre for Effective Dispute Resolution whether the disagreement be as to the qualifications, the identity of the mediator or otherwise. The mediation will be conducted in accordance with the requirements of the mediator. Both parties will be obliged to comply and co-operate with this procedure at each stage and to share equally the costs of appointment of the relevant mediator as referred to above. Costs thereafter will be borne as the mediator will determine. Where the dispute is not resolved by mediation, any claim shall be dealt with in the county court which shall have sole jurisdiction over any dispute arising under the rules.

Minutes, seal, registers and books

G4 The minutes of all general meetings and all board and committee meetings shall be recorded, agreed at the relevant subsequent meeting and signed by the chair of the subsequent meeting and stored safely.

G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves. The board may in the alternative authorise the execution of deeds in any other way permitted by law.

G6 The Society must keep at its registered office:

G6.1 the register of shareholders showing:

- the names and addresses of all the shareholders and
- a statement of all the shares held by each board or committee member and the amount paid for them and
- a statement of other property in the Society held by the shareholder and
- the date that each shareholder was entered in the register of shareholders;

G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders;

- G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate;
- G6.4 a register of holders of any loan;
- G6.5 a register of mortgages and charges on land; and
- G6.6 a copy of the rules of the Society.
- G7 The Society must display a copy of its latest balance sheet and auditor's report (if one is required by law) at its registered office.
- G8 The Society shall give to all shareholders on request copies of its last annual return with the auditor's report (if one is required by law) on the accounts contained in the return, free of charge.
- G9 The secretary shall give a copy of the rules of the Society to any person on demand who pays such reasonable sum as permitted by law.

Statutory applications to the registrar

- G10 Ten shareholders can apply to the registrar to appoint an accountant to inspect the books of the Society, provided all ten have been community shareholders of the Society for a twelve-month period immediately before their application.
- G11 The shareholders may apply to the registrar in order to get the affairs of the Society inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

- G12 G12.1 The rules of the Society may be rescinded or amended, but not so as to stop the Society being a charity.
- G12.2 The rules may only be amended by a resolution put before the shareholders by the board and approved by the Custodian Trustee and at least two-thirds of the board prior to approval by the shareholders.
- G12.3 Rules A2; A3; A4; B1; B2; B3; C2; C3; D16; D28; G12 and G14 can only be amended or rescinded with the agreement of the Custodian Trustee and by way of a written resolution or by three-fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two-thirds of the votes cast at a general meeting or by way of a written resolution.
- G12.4 Amended rules shall be registered with the registrar as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

Dissolution

- G13 The Society may be dissolved by a three-fourths majority of shareholders who sign an instrument of dissolution in the prescribed format by winding-up under the Act.
- G14 G14.1 Any property that remains, after the Society is wound-up or dissolved and all debts and liabilities dealt with shall be transferred to the Custodian Trustee;

- G14.2 if no such institution exists, the shareholders may resolve to give or transfer the property to another charitable body with objects similar to the Society;

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context is inconsistent:
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;
- G15.3 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;
- G15.4 "the Act" shall mean the Industrial and Provident Societies Acts 1965 to 2003;
- G15.5 "amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;
- G15.6 "board" shall mean the board appointed in accordance with Part D and "board member" or "member of the board" shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D5;
- G15.7 "chair" shall, save in rule E1 and where applicable, include the vice chair;
- G15.8 "shares" means shares that are withdrawable;
- G15.9 "Custodian Trustee" is The Biodynamic Association, a registered charity (No 269036).
- G15.10 "derivative transaction" means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these transactions.
- G15.11 "Founding Shareholders" are the signatories to these rules;
- G15.12 "officer" shall include the chair and secretary of the Society and any board member for the time being and such other persons as the board may appoint under rule E9;
- G.15.13 "persons claiming through a shareholder" shall include their personal representatives and also their nominees where a nomination has been made;
- G15.14 "property" shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.15 "register of shareholders" means the register kept in accordance with rule G6.1;
- G15.16 "registrar" means the Financial Services Authority or any statutory successor to or any assignee of any or all of its relevant functions from time to time;

- G15.17 "resident" means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the Society's premises for land stewardship or the premises of anybody whose accounts must be consolidated with the Society's or any other group member;
- G15.18 "these rules" shall mean the registered rules of the Society for the time being;
- G15.19 "secretary" means the officer appointed by the board to be the secretary of the Society or other person authorised by the board to act as the secretary's deputy;
- G15.20 "shareholder" shall mean a shareholder of the Society;
- G15.21 "the Society" shall mean the Biodynamic Land Trust Limited of which these are the registered rules;
- G15.22 "special resolution" means a resolution at a general meeting passed by a two-thirds majority of all shareholders who vote in person or by proxy;

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgement of Registration of Society

Register No.....R

..... Limited

is this day registered under the Industrial and Provident Societies Act 1965.

Dated (Seal of Central Office)

Copy kept Registrar

1. Shareholder

2. Shareholder

3. Shareholder

..... Secretary