



## Rules of the

## LleyN Sheep Society Ltd.

affiliated to

**The Welsh Agricultural Organisation Society Ltd.**

## RULES OF THE LLEYN SHEEP SOCIETY LIMITED NAME, OBJECTS, ETC.

1. **Name.** - The name of the Society shall be LleyN Sheep Society Limited. In the Welsh language the name Cymdeithas Defaid LleyN Gyfyngedig shall be used.
2. **Registered Office.** - The registered office of the Society shall be at Gwyndy, Bryncroes, Sarn, Pwllheli, Gwynedd. The situation of the registered office may be changed by a resolution of Council. If any such change is made, the Secretary shall within fourteen days of the resolution give the Registrar notice of the change in the form for the time being prescribed by law.
3. **Objects.** - The objects of the Society shall be for the benefit of its members:
  - (a) to encourage, promote, co-ordinate and assist the improved production of the LleyN Sheep.
  - (b) to encourage, promote, co-ordinate and assist the orderly and co-operative marketing of the LleyN Sheep.
  - (c) to provide such services as procurement, marketing, market research, information, planning and public relations as may seem desirable.
  - (d) so far as may be necessary or expedient for the purpose aforesaid, to carry on the trades, industries or businesses of commercial and general advisers, publishers, advertisers and any other trades, industries, or businesses which may seem to the Society to be conducive to the more profitable production or marketing of agricultural produce.

### MEMBERSHIP

4. **Members.-**
  - (a) The Society shall consist of the persons who are members of the Society as at the time of this complete amendment of rules and such other persons as Council may admit to membership.
  - (b) The admission of any person other than the Organisation Society to membership shall constitute an undertaking by that person to make such contracts with the Society as Council shall from time to time prescribe for members of the Society and if any member fails to make such contract within

3 months of the giving to him of notice requiring him to do so, his membership shall be terminated.

(c) The rights of members shall be subject to the provisions of these Rules relating to subscriptions.

5. **Shares.** - Shares shall be neither transferred nor withdrawn. They shall be of the nominal value of £1.00 (One Pound) which shall be payable on application.

6. **Shares to be held by members.** - Every member shall hold one share and only one share, which shall be forfeited on cessation of membership from whatever cause.

A share may be held by two or more persons jointly, any one of whom may give a valid receipt for any interest, dividend, or bonus payable in respect thereof. All notices relating to such share given to the one appointed by notice in writing by all the joint holders, or in default of such notice to the one whose name stands first in the register, shall be and be deemed to be properly given.

7. **Division of profits.** - After setting aside to reserve or to the wiping out of any accumulated loss out of the net profits from the business of the Society in any year so much of the remaining profits as the members of the Society may by ordinary resolution in Annual General Meeting decide, not exceeding the amount recommended by Council, shall be divided amongst the members of the Society as on the last day of the preceding financial year. Such division shall be made in proportion to the use made by the members during such year or previous 3 years, as the members of the Society may by ordinary resolution in Annual General Meeting decide not exceeding the amount recommended by Council, of the facilities provided by the Society, such use to be calculated on the basis of the amounts payable by them respectively during such year or previous 3 years in respect of their use of such facilities in accordance with the contract for the time being in force as between the Society and such members during such year or previous years. No interest or dividend shall be payable on shares of the Society.

## LOANS AND INVESTMENTS

8. **Loans.** - Deposits shall not be taken either from members or non-members. The Society may obtain loans and issue loan stock on such security, if any, and

such terms of repayment, and may secure the payment of any trading debt or the repayment of any money borrowed in such manner as Council may think fit, provided that

(a) the amount of any overdraft or loan obtained from the Society's bankers at any time shall not exceed Fifty Thousand Pounds or, with the authority of a General Meeting, One Hundred Thousand Pounds;

(b) the amount of monies borrowed otherwise than by way of overdraft or loan from the Society's bankers and for the time being remaining undischarged shall not exceed twice the then issued capital of the Society, or with the authority of a General Meeting five times the then issued capital of the Society;

(c) save as provided in paragraph (d) hereof the rate of interest shall not exceed seven and a half per cent per annum, or two per cent above the base lending rate of the National Westminster Bank plc, whichever is the higher;

(d) the limitation laid down by paragraph (c) hereof shall not apply to money borrowed from the Society's bankers or from any finance house or other institution approved by resolution of the Council of the Organisation Society.

9. **Investments.** - Council may invest any funds of the Society

(a) in narrow-range or wider-range investments as defined in Section 1 (4) of the Trustee Investment Act, 1961;

(b) in any security authorised by Section 31 (a) or (b) of the Act;

(c) in any other security in which societies of a class or description to which the Society belongs are for the time being authorised to invest their funds; but not otherwise.

## POWERS, NAME AND SEAL

10. **Powers.-**

(a) The Society shall have full power to do all things necessary or expedient for the accomplishment of its objects including the power to deal in any way with land or buildings.

(b) Without prejudice to the generality of paragraph (a) hereof, the Society shall have power to require any member, as a condition of receiving service of any particular kind from the Society to enter into a contract limiting the member's right to seek service of that kind elsewhere.

(c) Nothing in these Rules shall authorise the Society to take part in its corporate capacity in any parliamentary, county council, municipal or other

local government election, nor shall any political or sectarian discussion be permitted at any General Meeting or any meeting of Council.

11. **Use of Name.**- The registered name of the Society shall be kept painted or affixed on the outside of every office or place in which the business of the Society is carried on, in a conspicuous position, in letters easily legible, and shall be engraved in legible characters on its seal, and shall be mentioned in legible characters in all business letters of the Society, notices, advertisements, and other official publications of the Society, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society, and in all bills, invoices, receipts and letters of credit of the Society.
12. **Seal.** - The Society's seal shall be engraved and of steel. It shall bear the Society's name in legible characters and shall be kept in the custody of the Secretary or such other officer as Council may direct. It shall not be impressed on any document save as directed by a resolution of Council or of the Society in General Meeting which resolution shall be recorded in the minutes of the meeting concerned. The impression of the seal on any document shall be attested by the signatures of two members of Council and the Secretary.

## CODE OF CONDUCT AND DISCIPLINARY PROCEDURE

13. **Code of Conduct and Disciplinary Procedure.** –
- (a) The Society will publish from time to time (1) a Code of Conduct and (2) Disciplinary Procedures drawn up by the Council which summarise the standards to which members are expected to conform.
- (b) The conduct of members of the Society will be governed by the Code of Conduct. If any member shall be accused of conduct detrimental to the Society, or it is alleged that he is in breach of the Code, the Council shall investigate the allegation and, if necessary, initiate the Disciplinary Procedures.

## CESSATION OF MEMBERSHIP

14. **Cessation of Membership.** - The membership of any member shall cease if he is expelled, resigns or dies, or if his subscription or any part thereof shall

be in arrear for more than three months, whether or not any demand shall have been made for the payment thereof.

15. **Expulsion of Members.** – If a member is expelled from the Society, his share shall be cancelled.
16. **Resignation of Members.**- A member may resign from the Society by written notice sent to the Society at its registered office at any time being not less than three days before or seven days after the Annual General Meeting. Such resignation shall take effect immediately, but shall not relieve the member from the obligation to pay any subscription which has already become due.
17. **Subscription.**- Every member shall, immediately after the Annual General Meeting in each year, pay to the Society such subscription (if any) not exceeding £1,000 (One Thousand Pounds) as the Society at such Annual General Meeting shall determine. A member who has not paid his subscription within seven days after it has become due shall be considered in arrear, and a member whose subscription is in arrear shall not be entitled to speak or vote at any General Meeting.

## REGISTRATION

18. **Register of Members.**-
- (1) The Society shall keep at its registered office a register of members and enter therein the following particulars:
- (a) the names and addresses of the members;
- (b) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member;
- (c) the date at which each person was entered in the register as a member, and the date at which each person ceased to be a member;
- (d) the names and addresses of the officers of the Society, with the offices held by them respectively, and the dates on which they assumed office.
- (2) The Society shall either
- (a) keep at its office a duplicate register containing the particulars specified in clauses (a), (c), and (d) of paragraph (1) of this Rule, or

(b) so construct the Register that it is possible to open to inspection the particulars specified in clauses (a), (c) and (d) of paragraph (1) of this Rule without opening to inspection the particulars specified in clause (b) thereof.

(3) Every member shall at the time of his becoming a member notify the Society in writing of his address and subsequently of any change therein.

## GENERAL MEETINGS

19. **Annual General Meeting.** - The Annual General Meeting shall be held at such time and place as Council shall determine, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. The business to be done at the Annual General Meeting shall be the receipt of the Report of Council, and the audited accounts and the report of the Auditor thereon for the preceding financial year; the appointment of the President and Vice-President, the members of Council, and the Auditor; and such other business as may be specified in the notice calling the meeting.
20. **Special General Meeting.** - A Special General Meeting shall be called by the Secretary upon the direction of Council or of the Society in General Meeting or upon the receipt by him of a requisition signed by or on behalf of not less than five members, which requisition shall specify the business it is proposed to transact at such meeting. If the Secretary shall fail to convene a Special General Meeting within twenty one days after delivery to him of a requisition, any five of the members signing such requisition may convene such meeting by giving due notice thereof.
21. **Convening of Meetings.** - Save as otherwise provided by these Rules, every General Meeting shall be convened by written notice, given not less than twenty one days before the date fixed for such meeting and specifying the time and place thereof and the business intended to be transacted thereat, left at or posted to the registered address of every member provided that:
- (i) the accidental non-receipt of such notice by any particular member shall not invalidate the proceedings at any General Meeting;
  - (ii) a General Meeting not so convened shall be deemed to have been duly convened if all members of the Society are present thereat and agree that it shall be deemed to have been so convened;
- (iii) notice shall be deemed to have been properly given to the joint holders of a share or shares if left at or posted to the registered address of the holder first named in the register.
22. **Conduct of General Meetings.**- At any General Meeting the President or, if he be not present or be unwilling to preside, the Vice-President, or if he be not present or be unwilling to preside, a person elected by such General Meeting for the purpose shall preside. Except on the election of officers, voting on any matter shall be by show of hands unless three members (either before any vote is taken on the matter or after the declaration of the result of a vote by show of hands) require that a vote be taken by ballot, when the vote shall be taken by ballot in a manner directed by the chairman of the meeting. The Society in General Meeting may from time to time make Standing Orders governing the proceedings at General Meeting, provided that nothing contained in any orders shall authorise the transaction at any Special General Meeting of any business other than that specified in the notice calling such meeting.
23. **Voting at General Meetings.** - Save as provided in Rule 17, each member shall have one vote on any matter at any General Meeting. In the case of joint holders of a share the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register. The chairman of any General Meeting may exercise any vote to which he may be entitled as a member or as the proxy or representative of a member, and when the votes cast in any matter are equal he shall exercise a casting vote.
24. **Voting by Proxy.** - Any member of the Society may appoint a person (whether a member of the Society or not) to attend any meeting of the Society as his proxy and to speak and vote on his behalf. Every such appointment shall be in writing signed by the member making it and shall on demand be produced by the proxy to the Secretary or a person authorised by him before the authority given by it is exercised. No person shall act as proxy for more than one member, and on a vote by show of hands or in the calculation of a quorum or of the number of persons demanding a poll a member of the Society who is also a proxy shall be counted only once.
25. **Quorum at General Meetings.**- Unless a larger quorum shall have been determined by a previous General Meeting, a quorum at General Meetings

shall consist of five members. If no quorum has been obtained before the expiry of one hour from the time fixed for any General Meeting, such General Meeting shall stand adjourned for fourteen days to the same hour and place, provided that if such General Meeting be a Special General Meeting called on the requisition of members it shall be absolutely dissolved. Notice of such adjournment shall be given to every member in the same manner as notice of a General Meeting. If a quorum be not obtained before the expiry of half an hour from the time fixed for such adjourned meeting, the members present may proceed to business notwithstanding the want of a quorum.

26. **Representation at General Meetings.**- Any society or company being a member shall be deemed to be present at any General Meeting if it is represented thereat by any officer or member of such society or company appointed for the purpose in such manner and form as Council shall from time to time prescribe, and such officer or member may vote and otherwise act for such society or company at such General Meeting as if he were the holder of the share or shares held by such society or company. The Society in General Meeting may make regulations to permit the attendance at General Meetings of more than one representative of any society or company being a member, provided that only one vote shall be cast on any matter on behalf of such society or company, and that for the purpose of determining whether a quorum is present the attendance of any number of representatives of any one society or company shall be reckoned as the attendance of one member. If any such regulations are made, they shall provide for the designation by such society or company of one of its representatives to cast the vote of such society or company on any matter.

## OFFICERS

27. **Officers.** - The Officers of the Society shall be the President, the Vice-President and the members of Council.
28. **President and Vice-President.** - The President and Vice-President shall be elected by the Society at its Annual General Meeting. They shall be members of Council ex officio and shall hold office until the next Annual General Meeting and shall be eligible for re-election.
29. **Council of Management** - The Society shall have a Council of Management called the Council which shall conduct the business of the Society. The Council shall consist of such number of members appointed by

the Society in Annual General Meeting, having such qualifications and retiring at such times and in such order as the Society in General Meeting shall from time to time determine; provided that no such determination shall be made at any General Meeting unless the notice of such General Meeting specifies such determination as part of the business to be transacted thereat. Every such determination shall take effect at the Annual General Meeting next following the General Meeting at which the said determination was made.

Council shall have power at any time to appoint any member to be an additional member of Council; provided that the total number of such additional members serving as members of Council at any one time shall not exceed three. Such members shall attend meetings of Council but shall not be entitled to vote thereat. Every such additional member shall retire from office at the Annual General Meeting next following his appointment, and shall then be eligible for election to Council.

30. **Casual Vacancies.** - Any casual vacancy in the membership of Council may be filled by Council, provided that no casual vacancy arising more than nine months after the date of the last preceding Annual General Meeting shall be so filled unless Council resolves that by reason of the reduction in the number of members Council is not able to fulfil its functions. Every person appointed to fill a casual vacancy shall retire from office at the Annual General Meeting next following his appointment and shall then be eligible for election to Council.
31. **Cessation of Membership of Member of Council.** - A person shall cease to be a member of Council if –
- (a) he is absent from six successive meetings of Council without the consent of Council as expressed by a resolution recorded in the minutes; or
  - (b) he becomes a business competitor of the Society as defined in Rule 4(b); or
  - (c) he is removed from office in accordance with the provisions of this Rule, or
- he resigns.

Any officer may be removed from office by two-thirds of the votes cast at a Special General Meeting, of which notice, specifying the intention to propose his removal, shall have been duly given not less than twenty one days before the date fixed for such meeting.

32. **Remuneration and Expenses.** - Any member of Council may be paid such reasonable expenses incurred by him in connection with his office as Council may determine, and such remuneration for his service as the Society in General Meeting may direct.
33. **Powers of Council.**- Subject to the provisions of these Rules, Council shall have full power to do all things which may be necessary for the due conduct of the Society's business but Council shall have no power to dispose of the Society's business, or any part thereof, except in pursuance of a direction given by the votes of two-thirds of the members present and voting at a Special General Meeting of which written notice, specifying the part of the business of which it is proposed to dispose, shall have been left at or posted to the registered address of every member not less than twenty one days before the date fixed for such meeting. The foregoing limitation shall not affect or limit the powers conferred on Council by Rule 8 and shall not operate to prevent the sale of any investment or tangible asset of the Society unless such sale would have the effect of precluding the Society from carrying on business in the same manner or within the same areas as it was carrying on business before such sale.
34. **Secretary.** - Council shall appoint and may remove a Secretary who shall perform such duties as are imposed on him by these Rules and such other duties as Council may assign to him or as may be required to be performed by him by law, and shall receive such remuneration and allowances as Council shall assign to him. He shall attend the meetings of Council but shall not be entitled to vote thereat if he be not a member of Council.
35. **Other Servants.** - Council shall appoint and may remove such other servants as it shall think necessary and expedient and shall determine their duties and the remuneration and allowances to be paid to them. Council may delegate the powers given to it by this Rule to such person or persons to such extent and subject to such conditions as it shall think fit. Such person or persons may attend the meetings of Council but shall not be entitled to vote thereat if he be not a member of Council.
36. **Conduct of Meetings of Council.** - Council shall appoint and may remove its own Chairman and Vice-Chairman, one of whom shall preside at all meetings of Council. If the Chairman be not present or be unwilling to preside at any meeting of Council, and if the Vice-Chairman be not present

or be unwilling to preside, the members present shall appoint one of their number to preside thereat. All matters shall be decided by a majority of votes, and if the votes cast in any matter are equal, the chairman of the meeting shall exercise a casting vote in addition to any vote which he may have exercised as a member of Council.

37. **Meetings of Council.**- The Secretary may call a meeting of Council at any time, and shall do so at the request of the Chairman of Council or the President or upon the receipt by him of a requisition signed by not less than five members of Council.
38. **Quorum at Meetings of Council.** - The Society in General Meeting may appoint a quorum, not being less than five members, for meetings of Council. In default of such appointment a quorum shall consist of five members.
39. **Sub-committees.**- Council may appoint special sub-committees consisting of one or more members of Council together with such other persons as it shall think fit, and shall determine their terms of reference, membership and the time for which the sub-committee will operate. Such matters will be reviewed by Council from time to time. No such sub-committee shall have executive powers except so far as such powers are specified in their terms of reference.

## **ASSOCIATION WITH THE ORGANISATION SOCIETY**

40. **Membership of the Organisation Society.**- The adoption of these Rules shall constitute an application to the Council of the Organisation Society (if the Society is not already a member of the Organisation Society) for membership thereof and for the issue of one share therein and an undertaking to pay to the Organisation Society (until the expiry of any notice of resignation duly given in accordance with the Rules of the Organisation Society) such subscriptions as shall from time to time be prescribed by the Organisation Society in General Meeting.
41. **Allotment of Share to the Organisation Society.**- The adoption of these Rules shall constitute an undertaking to allot immediately to the Organisation Society (if the Organisation Society does not already hold a fully-paid ordinary share in the Society) one such share, and accordingly the name of the Organisation Society shall be entered in the register, the Organisation Society shall be admitted to all the privileges of membership,

whether or not such share shall have been allotted, and written notice of every General Meeting shall be left at or posted to the registered office of the Organisation Society.

## **AUDIT, ACCOUNTS, RETURNS**

42. **Audit.** - Every year and within the period prescribed by statute, the Secretary shall send to the Registrar the annual return, in the form prescribed by the Registrar, relating to the Society's affairs for the period required under the Industrial and Provident Societies Acts 1965. The return shall be sent together with:
- (a) a copy of the report of the auditor on the Society's accounts for the period included in the return **or** a copy of such other report (if any) as is required by statute for such period **and**
  - (b) a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person on that balance sheet as required by statute.
43. **Accounts, Returns, etc.-** It shall be the duty of the Society, Council, and the Officers to make such returns, to publish such accounts, and to do all such other things as are for the time being required of them respectively by law.
44. **Inspection of Accounts.-** Any member or person having an interest in the funds of the Society shall be allowed to inspect his own account and the books containing the names of the members, including the particulars in the register of members, except those mentioned in clauses (b) and (c) of paragraph (1) of Rule 18, at all reasonable hours at the registered office of the Society or at any place where they are kept, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the Society in General Meeting.
45. **Statutory Applications to the Registrar.** - It shall be the right of one-tenth of the whole number of members, or if the number of members shall at any time exceed One Thousand, it shall be the right of One Hundred members by an application in writing to the Chief Registrar, signed by them in the forms respectively prescribed by the Treasury Regulations in that behalf:
- (a) to apply for the appointment of an inspector or inspectors to examine into the affairs of the Society and to report thereon;

(b) to apply for the calling of a Special Meeting of the Society.

Any such application shall be made upon such notice to the Society and shall be supported by such evidence for the purpose of showing reasonable cause for the application as the Chief Registrar shall direct.

46. **Statutory Application: Inspection of Books.** - Any ten members of the Society each of whom has been a member of the Society for not less than twelve months immediately preceding the date of the application may apply to the Registrar in the form prescribed by the Treasury Regulations to appoint an accountant or actuary to inspect the books of the Society and to report thereon, pursuant to the Act.

## **NOMINATIONS AND PROCEEDINGS ON DEATH OR BANKRUPTCY**

47. **Payment of Member's Interest on Death or Bankruptcy.-**
- (1) On receiving a claim from the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member, to any property of such member in the Society, Council shall transfer such property, to which the personal representative or trustee in bankruptcy has become entitled, as the personal representative or trustee in bankruptcy may direct.
  - (2) Any member may in accordance with the Act nominate a person or persons to whom any of his property in the Society at the time of his death shall be transferred, but such nominations shall not be effective so as to transfer any such property in excess of the amount for the time being authorised by the Act.
  - (3) On receiving satisfactory proof of the death of a nominator, Council shall in accordance with the Act either transfer or pay the value of the property validly comprised in the nomination to the persons entitled thereunder.
  - (4) Every transfer or payment made by Council under the above provisions to any person who at the time appears to Council to be entitled thereunder, shall be valid and effectual against any demand made upon Council or Society by any other person.

## ARBITRATION

48. **Arbitration.**- If any dispute shall arise between the Society or any of its Officers and any member or person claiming on account of a member or under the Rules or if any complaint shall be made against any member that can not in the opinion of the Council be properly dealt with under procedures set out in Rule 13 of these rules (Code of Conduct and Disciplinary Procedures), application may be made to Council for redress and if Council shall not bring the parties to agreement, the matter in dispute may be submitted to the arbitration of three persons, one appointed by each of the parties concerned, and the third by the Council of the Organisation Society. The award of the arbitrators shall be final, and the costs of such arbitration shall be borne by the disputing parties in such proportions as the arbitrators may determine. In this rule the word “member” includes any person aggrieved who has for not more than six months ceased to be a member.

## DISSOLUTION

49. **Dissolution.** - The Society may at any time be dissolved by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution in the form provided by the Treasury Regulations or by winding-up in manner provided by the Act.

In the event of the Society being dissolved by instrument of dissolution or by voluntary winding-up any surplus remaining after the satisfaction of all its debts and liabilities and the repayment of the paid up capital shall be divided between the members of the Society in proportion to the use made by them of the facilities provided by the Society during the period of three complete years immediately preceding the commencement of such dissolution or winding-up, such use to be calculated on the basis of an aggregate of the amounts paid or payable by them respectively during the previous 3 years, in respect of their use of such facilities in accordance with the contract for the time being in force as between the Society and such members during the previous 3 years.

## RULES

50. **Amendment.** - These rules may be amended (whether by addition or deletion or substitution) by a resolution carried by two-thirds of the votes cast at a Special General Meeting of which notice, specifying how it is proposed that the Rules be amended, has been given not less than twenty one days before the date fixed for such meeting; and in no other way. No such amendment of Rules shall have effect until it is registered.
51. **Copies.** - The Secretary will provide a copy of the Rules to members, on request. Additional copies will be provided on demand on payment of a sum not exceeding Ten Pence.
52. **Interpretation.**- In these Rules, unless the context requires otherwise, the following terms shall have the following meanings respectively, that is to say: “company” shall mean any body corporate, other than a society registered under the Act; “person” shall include society, company, corporation or other body corporate; “the Act” shall mean the Industrial and Provident Societies Act, 1965, and any other Act or Acts amending or in substitution for the same and for the time being in force; “Council” shall mean the Council of Management appointed in accordance with the provisions of Rule 29; “the Organisation Society” shall mean the Welsh Agricultural Organisation Society Limited or any other body to which its functions shall have been duly transferred; “the register” shall mean the register which is required by Rule 18 to be kept by the Society; “the Registrar” and “the Chief Registrar” shall have the same meanings respectively as in the Act; “the Society” shall mean the society of which these are the registered Rules; “these Rules” shall mean the registered Rules of the Society for the time being.