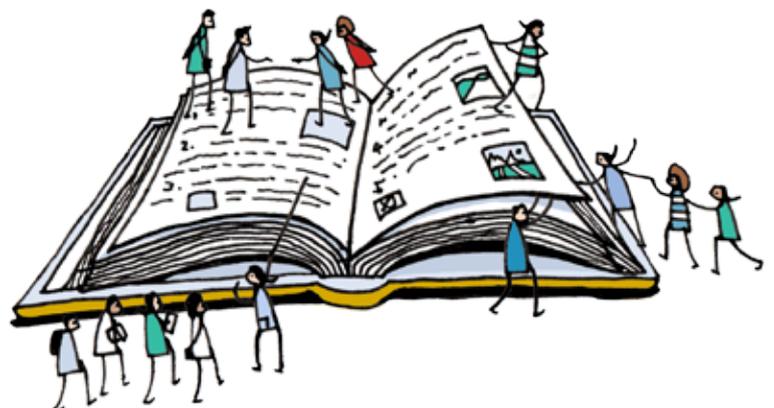


# Co-operative Corporate Governance Code



# Foreword

**At the heart of the co-operative model is the idea of member participation – the idea that a business can be run with a focus on the interests of members; people who in one way or another are involved directly in the business. So, while good governance takes care and effort in any enterprise, however large or small, it has particular importance in a co-operative.**

Some of the principles of good governance are the same as other organisations, including the accountability of a board to the owners, the role that a board has in directing but not managing activity, the duty a board has in relation to setting culture and values, managing risk... Other principles are unique to co-operatives, such as member voice, engagement and operating in accordance with the co-operative values and principles. In drafting this code we considered the UK Corporate Governance Code and the Wates Corporate Governance Principles – and applied those elements that apply to most organisations, while also ensuring that the code acknowledges the co-operative difference.

This code is a tool to help you chart what good practice can look like. It was first launched by Co-operatives UK in 1996 and it has evolved since then. This new iteration reflects a twin focus on best practice in terms of democracy and the quality of leadership that emerges through good governance. For the first time, the code is applicable to all types and sizes of co-ops, although some may choose to use it differently to others. It offers a set of principles that all co-ops can reflect upon and use to encourage and enable good governance practice – operating on a comply or explain basis.

We appreciate that good governance needs a toolkit and not a single tool. Extensive guidance accompanies this code; designed to enable co-ops to adopt policies and processes to assist them to develop their governance practices.

I would like to acknowledge the author of this code, Emma Laycock Head of Advice at Co-operatives UK. Also, the members of the Co-operative Governance Expert Reference Panel and John Sandford, Chair of the Co-operative Performance Committee, for their oversight and thoughtful feedback.

This is a code for your co-operative and we look forward to how its application aids and improves your organisation's governance.



**Nick Money**  
**Chair**  
**Co-operative Governance Expert Reference Panel**

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# 1. Member Voice, Participation and Engagement

## Principles

- A Co-operatives are member-owned and controlled democratic organisations that demonstrate a clear chain of accountability between the members and the board.**
- B Members have clearly defined democratic rights and responsibilities and should collectively and pro-actively hold the board to account for the performance and success of the co-operative – and that the co-operative operates in line with the International Co-operative Alliance (ICA) Values and Principles.**
- C The board should promote a vibrant democracy and should communicate with members in ways that encourage active, democratic member participation. It should implement policies and procedures that encourage members to use their democratic rights and actively engage with and influence the co-operative.**

## Provisions

1. A statement explaining the democratic structure of the co-operative and the relationships within that structure should be clear and accessible, set out in writing and communicated to members.
2. The co-operative should develop documentation that clearly defines the role of a member; their democratic rights; any decisions that must be brought to and voted on at members meetings; the information members should expect to receive to enable them to hold the board to account; and their rights to request information and call meetings.
3. The chair should ensure that the board as a whole has a clear understanding of the views of the members. In addition to formal general meetings, the membership should be enabled to engage with the board in a variety of ways in order that the board understands and considers members' views on governance, performance against the strategy and the application of the ICA Values and Principles.
4. The board should consider which procedures and activities are appropriate to maximise and enable member participation in the co-operative's governance. All boards should ensure that:
  - the democratic rights of members are clear and transparent in all communications
  - a variety of voting methods have been considered including postal and electronic
  - a variety of methods have been considered to enable attendance at meetings, including those which enable members to participate remotely
  - participatory tools, such as consensus and deliberative decision making, have been considered in order to inform key decisions for the co-operative

- provision is made for members with specific needs
  - appropriate notice of any general meetings and forthcoming elections is communicated in a timely manner, using a variety of methods
  - processes are in place to ensure that elections, including canvassing activity, are fair and transparent and free from fraud and undue influence
  - members can participate outside of formal governance processes, for example, through member groups, social media, questionnaires and attendance at events
5. The board should monitor and evaluate all activities and efforts designed to maximise member participation. In monitoring member participation the board should take note of the following:
- the number of members joining and leaving the co-operative
  - the number of members attending members' meetings
  - the number of members' committees and/or other member groups and schemes and levels of attendance
  - the turnout at elections to ascertain whether the electoral turnout is representative of the membership
  - the extent of member economic involvement with the co-operative
  - the number of employees becoming members of the co-operative
  - participation of members in training and education
6. Any uncontested elections for positions on the board should be documented in the annual report, along with the efforts made by the board to enhance member participation in the co-operative's elections.
7. If the board is considering a transfer of engagements to, or amalgamation with, another co-operative it must satisfy itself that members' interests are safeguarded during negotiations. It must provide members with all of the information they need to make an informed choice as to whether or not to approve the transfer.
8. If the board is considering the acceptance of a transfer of engagements from, or amalgamation with, another co-operative, and where this transaction is equivalent in value to one-third or more of the accepting co-operative's net assets on its last published balance sheet, it must be mindful of the interests of members and should consult and provide them with all of the information they need to express an informed preference as to whether or not the transfer should be approved.

## 2. Co-operative Leadership and Purpose

### Principles

- A** Every co-operative should be led by an effective and entrepreneurial board, which is accountable to and creates and preserves value and impact for its membership and is collectively responsible for the long-term sustainable success of the business in accordance with the ICA Values and Principles. The board should act as custodians of the co-operative to secure the business for current and future generations of members.
- B** In consultation with members, the board should set the purpose, strategy and values<sup>1</sup> of the co-operative, having regard to the ICA Values and Principles, and satisfy itself that these, the co-operative's policies and procedures and its culture are aligned. All directors must act with integrity, lead by example, live the values in a meaningful way and promote the desired culture.
- C** The board should ensure that the necessary resources are in place for the co-operative to meet its strategic aims and objectives, measure performance against them and capitalise on opportunities. The board should establish a framework of prudent and effective controls which enable risk to be identified, assessed and managed.

(The board may choose to recruit and subsequently delegate to executive leadership, if appropriate, using a clear and appropriate framework of delegation including ensuring regular reporting by the executive leadership on the performance of the co-operative.)

- D** Directors should ensure that policies and processes are consistent with the co-operative's values. Members, employees and wider stakeholders should be able, and encouraged, to raise any matters of concern.

### Provisions

1. The board should state in the annual report how opportunities and risks to the future success of the co-operative have been considered and addressed; the sustainability of the co-operative's business model; how its democratic governance and member ownership and control contributes to the delivery of its strategy; and how the ICA Values and Principles have affected its decision making practices.
2. The board should include a statement in the annual report that provides details of the value that the co-operative generates for its current members and its strategy to continue to do so over time.

<sup>1</sup> Lower case values refers to the organisational values of the co-operative. Upper case Values refers to the ICA Values

3. The board should include a statement in the annual report that provides plans for the long term sustainability of the co-operative.
4. The board should develop its purpose, strategy, culture and values. The board shall ensure that different methods of consultation are used to gain the views of members, and the co-operative's wider stakeholders, when setting the purpose, strategy and values and to communicate them to the members once agreed by the board.
5. The board should assess and monitor the co-operative's culture – using a variety of techniques including employee surveys, employee wellbeing, diversity and inclusion information, absenteeism rates, member retention and board feedback sessions – and should ensure that practices and behaviours throughout the co-operative are aligned to its purpose, strategy and values. The annual report should explain the board's activities in relation to culture and any actions it has taken to address dissatisfaction with alignment.
6. All directors should sign and abide by a code of conduct that sets out expected behaviours and conduct.
7. The board should ensure that the co-operative has a budget that it has approved and allocates resources effectively to deliver the co-operative's strategy.
8. There should be a documented whistle-blowing procedure for the members, workforce and stakeholders to raise concerns in confidence and – if they wish – anonymously. The board should routinely review the procedure and any concerns raised and ensure a policy is in place to ensure proportionate and independent investigation and follow up.
9. Where directors have concerns about the operation of the board or management of the co-operative that cannot be resolved in other ways, their concerns should be recorded in the minutes. If a director resigns due to such concerns they should be requested to provide a written statement to the secretary and the chair for circulation to the board detailing their concerns.

## 3. Roles and Responsibilities

### Principles

- A** Directors must promote the success of the co-operative and act in the best interests of the co-operative as a whole, for the benefit of its members and should discharge their duties in ways that are consistent with the ICA Values and Principles. Directors should act objectively and fairly and serve the interests of the members, including the protection of the assets of the co-operative and its members.
- B** The chair leads the board and is responsible for its overall effectiveness and its obligations to the co-operative's members. The chair should demonstrate independent and objective judgement throughout their term of office and promote a culture of openness, challenge, debate and effective decision making. The chair facilitates constructive board relations, engagement and participation and acts as the primary link between the board, the secretary and the chief executive (if the co-operative has one).
- C** All directors should have sufficient information and enough time to meet their board responsibilities, discharge their duties and take an active role in decision making.
- D** There should be a clear division of responsibilities between the leadership (role) of the board and the operational activity of the co-operative. Where the co-operative has an executive leadership, the directors should provide them with constructive challenge, review and support.
- E** The board, supported by the secretary, should ensure that it has the policies, processes, information, time, resources and assurance it needs in order to function effectively and efficiently.
- F** The board should establish committees and delegate specific aspects of its remit to them. The scope of such committees should be clear and include confirmation that they operate under the delegated power of the board.

## Provisions

1. The board should understand the views of its membership and other key stakeholders, and should include a section in the annual report that sets out how they have been considered in board discussions and decision making. Irrespective of legal form, and in addition to considering the purpose of the co-operative and adhering to the ICA Values and principles, directors should have regard to section 172(1) of the Companies Act when drafting this section of the annual report.
2. The board should keep member engagement mechanisms under review so they remain effective and enable members to hold the board to account.
3. The board must ensure that its obligations to its other stakeholders, such as employees, users, suppliers and the community, are understood and met. The board should ensure effective engagement with, and encourage participation from, these parties.
4. A conflict of interest policy should be in place and should be provided to all directors, executive leadership and senior employees. All conflicts of interest should be dealt with appropriately and recorded in a register that is available for inspection by members.
5. The annual report should include a list of external directorships of each director (and members of executive leadership if applicable).
6. The responsibilities of the chair, chief executive (if applicable), board and any sub-committees of the board should be clear, set out in writing, agreed by the board and made available to members.
7. The board should appoint a chair and a vice-chair (if appropriate). Individuals should be selected on the basis of their chairing skills and ability to demonstrate the responsibilities required by the role.
8. If not appointed from its own number, the process for appointing a non-elected chair should be accessible, clear, set out in writing and agreed by the board. The appointment of a non-elected chair should be ratified by the members in a general meeting, or at the annual general meeting following their appointment.
9. An elected chair should have served at least one year of office as a director before being elected to the role. The term of office of the chair should be three years or less and may be renewed up to a total maximum service of six years consecutively.
10. The board should be provided with appropriate information to support agenda items, including good quality, accurate, up to date performance and monitoring data. The board should regularly review the quality and relevance of the information it receives.
11. The board should receive information to enable it to fully participate in board matters and make decisions to discharge its duties effectively at least five working days before any board meeting and should have access to appropriate ancillary information outside of board meetings.
12. The board should meet sufficiently regularly to carry out its duties, and individual directors should attend meetings of the board wherever possible. The annual report should set out the number of meetings of the board and any sub-committees and individual director attendance.
13. Before undertaking their appointment, directors should satisfy themselves that they will have enough time to fulfil their role to the best of their ability and additional external appointments should not be undertaken without the prior approval of the board.
14. A letter of appointment should be provided to new directors (not executive directors) with a broad indication of the time involved and work and responsibilities expected of directors.
15. Persons closely associated with the co-operative's competitors, or with suppliers, which in the opinion of the board are dependent on the co-operative's patronage to a material extent should not serve on the board.
16. There should be a formal schedule of matters specifically reserved to the board.
17. (Where the board has executive directors) From time to time the chair and the rest of the board should have discussions without the executive directors present.

## Roles and Responsibilities Continued...

18. (Where the co-operative has executive leadership) From time to time the board should have discussions without executive leadership being present.
19. All directors should have access to the advice of the secretary, who is responsible for advising the board and offering assurance on all governance matters. Both the appointment and removal of the secretary should be a matter for the whole board.
20. The responsibilities of the secretary should be accessible, clear, set out in writing, and agreed by the board.
21. The board should regularly consider the committees required, based on the co-operative's size, complexity and risk profile, to enable the board to carry out its role effectively.
22. Each committee should have agreed terms of reference that set out its scope and remit, agreed delegation and how they report back on activities to the board. Committee terms of reference should be available to members and regularly reviewed by the board.

## 4. Board Composition, Succession and Evaluation

### Principles

- A The board is elected by (either directly or indirectly), and accountable to, the members who own and control the co-operative. The board should ensure that there is a rigorous, active, transparent and democratic approach to renewal of the board and consideration should be given to the length of service of the directors to ensure independence of thinking and approach.
- B The election and appointment process should be formal and transparent and ensure that the democratic rights of members can be exercised and should be based on merit and objective criteria. Directors should be comprehensively inducted into their role and the co-operative, and there should be opportunities for ongoing professional learning and development through the establishment of a structured programme.
- C The board should engage in active discussions around composition and succession planning, including ensuring that the board is of an appropriate size, to ensure successful leadership and so it can represent the co-operative's membership.
- D The board should ensure that its composition reflects the diversity of its membership; is structured so that no one individual, or group, dominates it; has a balance of newly elected and experienced directors; and promotes diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. To ensure that the board can fulfil its role properly and act to its full potential, the board should consider the value of recruiting directors with differing relationships with the co-operative, including independent non-executive appointed directors and executive appointments.
- E The board and its committees (where they have been established) should demonstrate a high level of collective competence and should have a combination of skills, knowledge, experiences and democratic connection to the membership relevant to the co-operative's business needs and members.
- F The board should undertake a formal and rigorous annual evaluation of its performance. Evaluation of the board should consider its composition, diversity and how effectively directors work together to achieve the objects of the co-operative and generate value for its membership. Individual evaluation should demonstrate whether each director continues to contribute effectively and their commitment to the role.

## Board Composition, Succession and Evaluation Continued...

### Provisions

1. Directors should be subject to election by the members, and to re-election thereafter by members, at intervals of no more than three years. No director should serve more than three consecutive three-year terms and should step down for a period of at least one year before becoming eligible for election for a further term.
2. Where election to the board is undertaken by a member council, supervisory body, or other two tier structure, the election process should be included in the relevant terms of reference. It should be accessible, clear, set out in writing, agreed by the board and made available to the members.
3. There should be a documented succession plan for the board, its chair (and executive leadership if applicable) that is regularly reviewed, revised and ensures an appropriate balance of skills, knowledge and experience can be maintained within the co-operative and on the board.
4. Appropriate information should be provided to members, using a variety of methods, to enable them to make an informed decision whether to stand for election, including the responsibilities of a director, time commitment and any (mandatory) skills and experience required.
5. Sufficient information should be given to members to enable them to make an informed decision on their vote, including details of the candidates' skills, knowledge and experience that lays out why their contribution will be important to the long term success of the co-operative.
6. The board should develop a comprehensive and formal induction programme that is tailored to the needs of the co-operative and its directors, and should be completed by each director.
7. The board should develop a structured training and development programme that should be completed by all directors. The programme should be informed by and reflect the results of the annual evaluation of the board, its committees and its directors. The board may also develop a programme for prospective directors to enable them to gain the skills they need to stand for election.
8. The board should regularly review its composition, succession plans and size to ensure it reflects the nature, diversity and scale of the co-operative, the complexity of the risks faced by it and the need to ensure appropriate member representation.
9. The board may establish a search committee that is proportionate to the size, complexity and risk profile of the co-operative. The search committee should comprise:
  - a minimum of three board members
  - no more than 50% of the total number of board members
10. The terms of reference of the search committee should include the following main roles and responsibilities (if there is no search committee, this would be the role of the whole board):
  - determining the co-operative's succession plan
  - determining the process for appointment of independent non-executive appointed directors (if any)
  - recommending the board evaluation process and whether it should be conducted by an external facilitator
  - monitoring the co-operative's policy on diversity and inclusivity

11. The process for appointment of independent non-executive appointed directors should be accessible, clear, set out in writing, agreed by the board and made available to the members. The process should include:
  - appointments for a specified term and continuing appointment reviewed at least every three years and reaffirmed by the members in general meeting
  - confirmation that the number of independent non-executive appointed directors on the board shall always be in the minority
12. The appointment of independent non-executive appointed directors should be ratified by the members in general meeting or at the annual general meeting following their appointment.
13. The board should regularly review and document the skills, experience and diverse backgrounds required by the board. Election processes should ensure that the needs of the co-operative and its members can be met. The board should collectively demonstrate a high-level of understanding relevant to the co-operative's business and the needs of members.
14. There should be an annual, formal and rigorous evaluation of the performance of the board, and/or its chair, and/or committees and/or individual directors. To ensure objectivity and independence, the board should consider having a regular externally facilitated evaluation at least every three years.
15. The chair, with the support of the secretary, should act on the results of the evaluation by recognising the strengths and development needs of the board, its committees and individual directors. Each director should engage with the evaluation process and take appropriate action when development needs have been identified.
16. The board should state in the annual report how performance evaluation of the board, its committees and individual directors has been conducted and how any development needs are being addressed. If conducted by an external facilitator, the annual report should include identify the facilitator and a statement about any connection it has with the co-operative or individual directors.

## 5. Risk, Financial Management and Internal Controls

### Principles

- A The board should establish formal and transparent policies and procedures to promote the viability and long-term success of the co-operative and to ensure the independence and effectiveness of internal (if applicable) and external audit functions, and satisfy itself on the integrity of financial and narrative statements. In scrutinising such statements the board should ensure that its obligations to members are met.
- B The board should present a fair, balanced and understandable assessment of the co-operative's position, viability and prospects and communicate it to members in a transparent way.
- C The board is responsible for and should establish procedures to manage risk, oversee the internal control framework, and (with input from the executive leadership if applicable) identify the nature and extent of the principal risks the co-operative is willing to take in order to achieve its long-term strategic objectives and success in accordance with the ICA Values and Principles.
- D If the co-operative is part of a group structure, or has any subsidiaries or related businesses, the board should ensure it has appropriate means of controlling and receiving information on them and must satisfy itself that it has spent an appropriate amount of time discussing reports on the performance of any subsidiaries and related businesses.
- E If the co-operative has issued withdrawable share capital, the board must ensure that the co-operative conforms to the principles and requirements of Co-operatives UK's Code on Withdrawable Share Capital and/or the guidance provided in the Community Shares Handbook.
- F Interest payable on member shareholdings and loans from members, and any distribution of surplus, including dividends, are equitable and align with the ICA Values and Principles.

## Provisions

1. The board should establish an audit & risk committee that operates under delegation from the board, and is proportionate to the size, complexity and risk profile of the co-operative. The audit committee should comprise:

- a minimum of three board members
- no more than 50% of the total number of board members
- at least one member with recent and relevant financial experience
- as a whole, members that have competence relevant to the sector in which the co-operative operates

No director that is a current employee, superannuated employee or the chair of the board shall be a member of the audit & risk committee (this provision does not apply to worker co-operatives).

2. If the co-operative does not have an audit & risk committee then its function will be carried out by the board as a whole.

3. The terms of reference of the audit & risk committee should include the following main roles and responsibilities:

- Monitor the integrity of financial statements and any other formal announcement relating to financial performance
- Manage the principal risks of the co-operative and oversee the internal control framework
- Review financial statements and ensure the board is made aware of any significant financial reporting issues and judgements having regard to matters communicated to it by the auditor
- Review and challenge where necessary:
  - » any changes to significant accounting policies and practices
  - » the methods used to account for significant or unusual transactions where different approaches are possible and judgement may be required
  - » whether relevant accounting standards and legal requirements have been complied with, taking into account the views of the external auditor
  - » the clarity and completeness of disclosure in the co-operative's financial reports and the context in which statements are made; including the statement of going concern
  - » all material information presented within the financial statements
- Monitoring and reviewing the effectiveness of any internal audit function (if appropriate)
- Conducting the tender process and recommending to the board the appointment, reappointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and reviewing and monitoring the external auditor's independence and objectivity

4. A statement from the directors should be included in the annual report that:

- outlines how, having taken account of the co-operative's current position and principal risks, the board has assessed the prospects of the co-operative and whether it has reasonable expectation that it is expected to continue in operation and meet its liabilities and obligations to its members
- explains their responsibility for preparing the annual reports and accounts, and includes a statement that confirms their belief that the annual report and accounts are fair, balanced and understandable and provides the necessary information for members to assess the co-operative's financial position, performance against strategic objectives and hold the board to account

## Risk, Financial Management and Internal Controls Continued...

5. The board should, or the audit & risk committee could be delegated to, carry out a robust assessment of the co-operative's emerging and principal risks. The board should confirm in the annual report that it has done so and should include information detailing:
  - a description of its principal risks
  - confirmation of the procedures in place to identify emerging risks
  - an explanation of how risks are being managed and/or mitigated.
6. The audit & risk committee, or the whole board if there is no audit & risk committee, should annually conduct a review of the effectiveness of the co-operative's system of internal controls and risk management and should report to members, in the annual report, that it has done so and the method it has used.
7. The agendas for board meetings should include regular scheduled items and reports related to the performance of material subsidiaries and group businesses.
8. A report of the performance of material subsidiaries and related businesses should be set out in the annual report.
9. A statement verifying the co-operative has conformed with Co-operatives UK's Code on Withdrawable Share Capital and/or the guidance provided in the Community Shares Handbook should be set out in the annual report, including explanations of any areas of non-compliance and the alternative practice adopted.
10. The maximum rate of interest payable on member shareholdings and/or loans from members of the co-operative, is the lowest rate sufficient to obtain the necessary funds from members who are committed to furthering the society's objects.
11. Dividends should be based on the members' participation in the co-operative and should be paid in equitable proportion to their trade with the co-operative.
12. In the event of a solvent dissolution any surplus arising should be distributed in accordance with the ICA Values and Principles.

## 6. Remuneration of the Board and Executive Leadership

### Principles

- A The board will ensure that the co-operative's approach to remuneration and other contractual terms are equitable, transparent and align with the ICA Values and Principles.
- B Remuneration policies and practices should be formal and transparent and should ensure that any remuneration is sufficient to recognise the input and effort of directors (and members of the executive leadership if applicable) of the appropriate calibre and should be aligned to the purpose and values of the co-operative and successful delivery of its strategy.
- C The members of the co-operative have responsibility for approving the levels of remuneration of all directors, and should do so using independent judgement and discretion. No director should determine their own remuneration.

### Provisions

1. Details of the individual remuneration packages of the chair, chief executive (if applicable), secretary and members of the executive leadership (if applicable), and the process by which their remuneration fees have been determined, should be provided in the annual report.
2. The levels of remuneration and the contractual terms of directors and the executive leadership, should be appropriate and take into account expectations of commitment, responsibilities held and the size, complexity, risk profile and business sector of the co-operative.
3. A review of director remuneration is included in the governance calendar of the co-operative and should occur at least every three years, or more regularly as appropriate.
4. Any policy of remuneration must be agreed by the members in general meeting.
5. The board should establish a remuneration committee that is proportionate to the size, complexity and risk profile of the co-operative. The remuneration committee should comprise:
  - a minimum of three board members
  - no more than 50% of the total number of board members
  - as a whole, members that have competence relevant to the sector in which the co-operative operates.

No director that is a current employee, superannuated employee or has a paid contract to deliver services for the co-operative shall be a member of the remuneration committee (this provision does not apply to worker co-operatives).

6. The terms of reference of the remuneration committee should include the following main roles and responsibilities (if there is no remuneration committee, this would be the role of the whole board):
  - determining the policy for executive director remuneration (if applicable)
  - recommending the remuneration levels for the chair of the board, directors (including independent non-executive appointed directors and executive directors, if applicable) the chief executive, secretary and other members of the executive leadership to the board
  - reporting annually to the members on the overall process by which director and executive leadership remuneration is determined
  - approving the design and determining targets for any director or executive leadership performance-related pay schemes, and approving the total annual payments made under such schemes
  - determining the policy for compensation commitments to directors and members of the executive leadership upon early termination of appointment on a transfer of engagements or amalgamation mid-term.
7. The members shall have the responsibility for approving the remuneration levels for all directors (including independent non-executive appointed directors and executive directors, if applicable) in general meeting. The board shall ensure that the members have sufficient information and time to scrutinise it before making a decision.
8. The remuneration committee's report should be subject to an advisory vote by the members at the annual general meeting.

## 7. Glossary and notes

**Board:** The governing body of an organisation that is made up of the directors. If an organisation is operating as a collective then all its members make up the board.

**Chair:** A person elected or appointed to chair a meeting of an organisation. If an organisation appoints a different chair at every meeting that person should still demonstrate the behaviours set out in this code. However, the leadership role of the board will be undertaken collectively by all directors.

**Collective:** An organisation where all of the members are also members of the board and vice versa.

**Consensus decision making:** A way of reaching agreement between all participants. Instead of simply voting for an item settling on a majority vote, using consensus participants are committed to finding solutions that everyone actively supports, or can at least live with.

**Co-operative:** An organisation that meets the International Co-operative Alliance Statement of Co-operative Identity which defines a co-operative as "an autonomous association of persons united voluntarily to meet their needs and aspirations through a jointly owned and democratically controlled enterprise."

**Deliberative decision making:** An approach to decision-making that allows participants to consider information from multiple points of view to enable them to discuss the issues and options and to develop their thinking together before coming to a view, taking into account the values that inform people's opinions.

**Director:** A member of the board defined as "any person occupying the position of director, by whatever name called." If a co-operative operates as a collective then all its members are directors.

**Electoral turnout:** The number of members, eligible to vote, that voted for a candidate(s) in an election.

**Executive leadership:** The senior management of a co-operative that is accountable to the board. It may include a chief executive, head of finance, etc.

**General meeting:** A meeting of a co-operative to which the entire membership is invited.

**International Co-operative Alliance (ICA) Values and Principles:** Internationally recognised values and principles laid down by the ICA which define co-operatives.

**Members:** The people or organisations which own and control a co-operative.

**Members' meetings:** A meeting which is attended by some or all of the members of a co-operative. Such meetings could be formal general meetings, focus groups or specific interest groups.

**Secretary:** The secretary is responsible for the efficient administration of an organisation, particularly to ensure compliance with statutory and regulatory requirements and that decisions of the board of directors are implemented. If an organisation is not required by law to have a secretary, these tasks will still need to be undertaken by an individual or by the board as a whole.

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Co-operatives UK is the network for Britain's thousands of co-operatives. Together we work to promote, develop and unite member-owned businesses across the economy. From high street retailers to community owned pubs, fan owned football clubs to farmer controlled businesses, co-operatives are everywhere and together are worth £37.7 billion to the British economy.

