

## Changes made to BDCU Rulebook

The following outlines the major changes that have been made to the BDCU Rulebook (last updated in 2018) which is being tabled at the Annual General Meeting on 26 January 2024:

1. **Plain English Review** – The content of the Rulebook was put through a plain English Review to ensure that it is as understandable as possible, removing some jargon and legalese wording that might not be clear for Members.
2. **Formatting and version control** – The whole of the Rulebook has been reformatted to make it easier to read. This has included the addition of an “Introduction” section at the start to provide a brief outline of the purpose of the Rulebook, etc. Some Rules have been reordered or even split into more than one rule to make them easier to understand.
3. **Becoming Gender Neutral** – all gendered terms have been changed to ‘they/them’ to ensure a more gender neutral approach throughout the document.
4. **Removal of duplications** – A small number of duplications were found in the Rulebook which have now been removed.
5. **Regulatory and Legislative Updates** – It was found that some of the regulations and legislation covered in the Rulebook were out of date, so these were brought up to date and amended to reflect the new regulation and legislation. These included:
  - a. Changing the references to the Industrial and Provident Societies Act 1965 to the Co-operative and Community Benefits Act 2014
  - b. Changing all references to the Data Protection Act 1998 to the Data Protection Act 2018, plus including references to the General Data Protection Regulations.
  - c. Updating where some regulations have been changed, such as the maximum shareholding is now £15,000 or 1.5% of the total overall shareholding of the BDCU (whichever is the greater) rather than the previous £10,000 or 1.5%.
  - d. Changing all references to the Money Laundering Regulations 2007 (MLR 2007) to the Money Laundering Regulations, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017)
  - e. Addition of a specific responsibility for the Board to the Consumer Duty Rules which are the new regulations introduced by the FCA in 2023 designed to further protect consumers of financial services.
  - f. Changing references to various different legislative acts related to mental health with the singular ‘Mental Health Act’.

6. **Addition to Common Bond Rule** – ‘Membership via Specific Services’ has been added to Rule 7 to allow the BDCU the flexibility to pursue expansion of their common bond by when they have an opportunity to do so, such as offering a specific product in other regions.
7. **Removal of the Map depicting Common Bond Regions** – It was noted that the map previously included in the Rulebook did not cover the correct areas and it proved difficult to obtain one that could accurately reflect all the areas covered by the BDCU’s Common Bond. The decision has therefore been taken to remove it to avoid any confusion.
8. **Updates where Rules referred to old products** – Rules that referred solely to products which have been closed and which have been confirmed there are no current members holding those products have been either removed or, where appropriate, amended to be more generalised and cover all previous and current products.
9. **Amendment to the Term of Office of Directors** – In line with best practice, the terms of office of Directors of the BDCU has been restricted to two terms of 3 years, with an option to extend the last term for an additional year at the agreement of the Board. Directors will also not be eligible for re-election until 3 years have passed since the end of their last term in office. If a Director resigns during a term of office, they will be considered to have served their full terms and will not be eligible for re-election for 3 years following their resignation.
10. **Change to Rule around Attendance of Directors to Board meetings** – Directors must attend at least 75% of all duly convened Board meetings during any 12 month period. If they fail to do so, without having prior approval from the Board, they will be deemed to have vacated their office and be removed from the Board.
11. **Removal of the Supervisory Committee** – the Rules previously mentioned the requirement to have a Supervisory Committee if the Board deemed it appropriate. The BDCU has not had a Supervisory Committee in place and has no intention of introducing one in the short or long term. It was therefore agreed that the references to the Supervisory Committee would be removed from the Rulebook.
12. **Addition of Internal Audit** – As The BDCU does not have a Supervisory Committee, it has appointed Internal Auditors who carry out specific functions, as required by the FCA regulations. The details of this function has been included in the Rulebook.