

**Mutual Rules of  
Merthyr Valleys Homes Limited**

**Registered under the Co-operative and  
Community Benefit Societies Act 2014**

**Welsh Government Registration No. [ L150     ]  
Financial Conduct Authority Registration No. 30532R**

**These amended rules will become effective following registration of the rules with the  
Financial Conduct Authority**

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## 1 Introducing the Society and the rules

### 1.1 Name

1.1.1 The name of the Society is Merthyr Valleys Homes Limited.

### 1.2 Registration

1.2.1 The Society is a charity and a registered society under the Co-operative and Community Benefit Societies Act 2014.

### 1.3 Purpose and Objects

1.3.1 The purpose of the Society is to carry on business for the benefit of the community.

1.3.2 Its objects are to carry on for the benefit of the community:

- (a) the business of providing and/or managing housing, accommodation, and providing assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, people with disabilities, (whether physically or mentally) or chronically sick people; and
- (b) any other charitable object that can be carried out from time to time by a society registered with the **Regulator** as a registered social landlord.

### 1.4 Commitments

1.4.1 The Society is formed for and will conduct its business for the benefit of the community.

1.4.2 It shall:

- (a) retain any profit or trading surplus and apply them only for its purpose and objects, and shall not make any payment or distribution of any kind to Members;
- (b) treat all people with whom it does business fairly and with respect; and
- (c) show proper concern for the natural environment in which it operates.

### 1.5 Governing documents

1.5.1 The documents which govern the Society consist of these rules (which always take precedence), together with any written codes of conduct, standing orders and any other written policies or procedures adopted by the Society to achieve good governance in the running of its affairs.

1.5.2 In these rules:

- (a) words starting with a capital letter (like Society) have a specific meaning which is made clear in the rules, and the Appendix at the end identifies the rule which makes this clear; and

- (b) words and phrases which are also highlighted in italics (like ***Registrar***) have a special meaning and the Appendix lists all of these words and phrases and explains what they mean.

## 2 **Governance**

### 2.1 **Overview**

2.1.1 The Society has Members, a Democratic Body, a Board of Directors, a Chief Executive and a Secretary.

### 2.2 **Members**

2.2.1 Members have access to information, a voice in the Society, and the opportunity to play a representative role in its governance, as follows:

#### Information

2.2.2 Members are entitled to receive information about the Society and its affairs, as provided in these rules.

#### Voice

2.2.3 Members are entitled to have a voice in the Society as provided in these rules, by;

- (a) attending and speaking at certain meetings;
- (b) voting on certain resolutions;
- (c) electing Representatives onto the Democratic Body.

#### Representation

2.2.4 Members are entitled to stand for election to the Democratic Body as provided in these rules.

### 2.3 **Democratic Body**

2.3.1 The Democratic Body represents Members and the wider interests of the community in the governance of the Society's affairs.

2.3.2 The Democratic Body holds the Board of Directors to account for the performance of the Society.

2.3.3 The Democratic Body has certain specific functions as follows:

- (a) to appoint and remove the Chair of the Board of Directors, the other Directors and co-optees to the Board of Directors;
- (b) to approve an appointment and if necessary the removal by the Board of the Chief Executive;
- (c) to approve the appointment and if necessary the removal of the Secretary;
- (d) to decide the remuneration (if any) and other terms and conditions of office of the Directors;

- (e) to work with and support the Board of Directors and Chief Executive in developing the Society's business plan;
- (f) to approve the Society's corporate strategy, policy framework and programme of internal audit;
- (g) to monitor the performance of the Society and the Board of Directors against the corporate strategy;
- (h) to establish, maintain and monitor progress of the Membership Strategy;
- (i) to receive the annual report and accounts;
- (j) to appoint the Auditor;
- (k) to engage with any representative body of tenants and any young person's forum;
- (l) to provide advice, support and guidance to the Board of Directors when requested to do so;
- (m) to work with the Board of Directors to secure the good governance of the Society for the benefit of the community; and
- (n) to undertake such other tasks as the Board may request.

2.3.4 In carrying out their functions, Representatives on the Democratic Body have a duty to act at all times in the best interests of the Society in delivering its purpose and objects.

## 2.4 **Board of Directors**

2.4.1 The Board of Directors is responsible for the affairs of the Society and exercises all the powers of the Society subject to these rules.

2.4.2 The Board and the Chief Executive will develop and agree with the Democratic Body the Society's policy framework and strategy and will be accountable to the Democratic Body for the Society's delivery of that policy and strategy.

2.4.3 Responsibility for the management of the Society's affairs in accordance with the Society's policy framework and strategy is delegated by these Rules to the Chief Executive.

## 2.5 **Secretary**

2.5.1 The Secretary of the Society acts as secretary to the Board of Directors and the Democratic Body. In carrying out the role, the Secretary shall act in a neutral way in the best interests of the Society in fulfilling its purpose, and in particular shall act independently of the Chief Executive and any other party.

2.5.2 The Secretary is appointed by the Board of Directors, subject to the approval of the Democratic Body, which also approves the Secretary's job description. The Secretary may hold other responsibilities as an employee of the Society, but the



Democratic Body must be satisfied that the Secretary is sufficiently independent of the non-executive Directors.

2.5.3 The Board of Directors may appoint a deputy secretary (who may also be an employee) to act as secretary in the Secretary's absence.

2.5.4 The Secretary shall in particular:

- (a) call and attend all meetings of the Society, of the Board of Directors and of the Democratic Body, and keep the minutes of those meetings;
- (b) keep the registers and other books required by these rules;
- (c) make any returns on behalf of the Society to the **Registrar** and the **Regulator**;
- (d) have charge of the seal (if any) of the Society;
- (e) monitor the compliance of the Society with these rules; and
- (f) provide or secure the provision of professional support to the Democratic Body and/or the Board of Directors when it is needed.

### 3 **Members**

3.1 A Member of the Society is a person whose name and address is entered in the Register of Members.

#### 3.2 **Representative membership**

3.2.1 The Society shall at all times strive to ensure that taken as a whole its actual membership is representative of those eligible for membership.

3.2.2 To this end the Society shall at all times have in place and pursue a strategy for the recruitment, retention and development of Members (Membership Strategy) which shall be established, maintained and monitored by the Democratic Body, and shall be reviewed by it from time to time, and at least every three years.

#### 3.3 **Constituencies**

3.3.1 There are two constituencies of Members; Tenant Members and Employee Members, and

- (a) a person can only be a Member of one constituency;
- (b) a person who is eligible under these rules to be both a Tenant Member and an Employee Member may only be an Employee Member; and
- (c) an Employee Member who ceases to be an employee but is eligible to be a Tenant Member may then become a Tenant Member.

3.3.2 The constituency of Tenant Members and the constituency of Employee Members may each be sub-divided further if the Democratic Body decides that this would be in the best interests of the Society and the implementation of its Membership Strategy.

3.3.3 Any such sub-division may be based on geography or such other criteria as seem to be appropriate to the Democratic Body.

#### 3.4 **Criteria for membership**

3.4.1 Subject to the rules, membership is open to any person who is:

- (a) 16 years of age or older; and
- (b) eligible under these rules to be a Tenant Member or an Employee Member; and
- (c) completes an application for membership in whatever form the Democratic Body specifies.

3.4.2 In the event of any doubt as to whether a person is eligible to be a Member, the Democratic Body makes the final decision, but may delegate the operation of this to the Secretary.

### 3.5 **Tenant Members**

3.5.1 Subject to these rules, the following are eligible to be Tenant Members:

- (a) those persons named as a tenant in a tenancy agreement with the Society;
- (b) the spouse, partner and family members of any Tenant who are 16 years of age or older and who are living in the property as part of the Tenant's Household.

### 3.6 **Employee Members**

3.6.1 Subject to these rules, persons employed by the Society who have passed their probationary period, whether in full or part time employment (Employees) are eligible to be Employee Members.

3.6.2 For the avoidance of doubt, Employees include those who are employed as an apprentice and/or a trainee.

### 3.7 **Rules binding on Members**

3.7.1 All Members agree to be bound by these rules, and to support the purpose and objects of the Society.

### 3.8 **Cessation of membership**

3.8.1 A Member shall cease to be a Member if:

- (a) they die; or
- (b) they cease to be eligible to be a Tenant Member or Employee Member under these rules; or
- (c) they are expelled under these rules, or
- (d) they withdraw from membership by giving notice sent by post or email to the Secretary, which shall be effective on receipt by the Secretary.

### 3.9 **Expulsion from membership**

3.9.1 A Member must be expelled if, in the opinion of the Democratic Body, their conduct amounts to a breach of these rules or is detrimental to the interests of the Society, and it would be in the best interests of the Society that they should be expelled from membership.

3.9.2 A Member may only be expelled by a resolution approved at a meeting of the Democratic Body.

3.9.3 The Democratic Body must give the Member at least one month's notice in writing of the meeting. The notice for the meeting must set out the particulars of the complaint of conduct detrimental to the Society and must request the Member to attend the meeting to answer the complaint.

- 3.9.4 At the meeting the Democratic Body shall consider the evidence presented by the Society and by the Member (if any). The meeting may take place without the attendance of the Member.
- 3.9.5 If the resolution to expel the Member is passed in accordance with this rule 3.9, the Member shall immediately cease to be a Member.
- 3.9.6 A person expelled from membership may not become a Member again unless their application is approved by a resolution of the Democratic Body.
- 3.9.7 The Democratic Body may publish guidance permitting a Member to be accompanied by a third party at any meeting to consider their expulsion.

### 3.10 **Associates**

- 3.10.1 In addition to Members, the Society also has Associates.
- 3.10.2 The following are eligible to become an Associate:
- (a) a leaseholder of any lease of a dwelling granted for a period exceeding 20 years where the leaseholder occupies a dwelling as their only home;
  - (b) a person living in the property of a tenant as a lodger who is not a member of the tenant's family, provided that evidence of their residence for at least 12 months is given to the Society;
  - (c) non-profit distributing organisations based in Merthyr Tydfil.
- 3.10.3 Associates are not Members, but are entitled to play a part in the Society as provided in these rules.
- 3.10.4 Associates may attend and speak at Members Meetings, but shall have no right to vote at meetings or to take part in elections.

## 4 **Members Meetings**

### 4.1 **Members Meetings**

4.1.1 Members Meetings are either ordinary Members Meetings or Special Members Meetings.

4.1.2 Members Meetings 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.

### 4.2 **Ordinary Members Meetings**

4.2.1 The Society shall hold an ordinary Members Meeting called the Annual Members Meeting within six calendar months after the close of each financial year or such later date as may be allowed by law.

4.2.2 The functions of the Annual Members Meeting are:

- (a) to receive from the Board of Directors the Annual Report and Accounts ;
- (b) to receive from the Democratic Body a report of its activities for the last year;
- (c) to receive from the Democratic Body its report on the Membership Strategy which shall include the following:
  - i the steps which the Society has taken to secure that taken as a whole the actual membership of the Society is representative of those eligible for membership; and
  - ii progress in implementing the Membership Strategy; and
  - iii any changes to the Membership Strategy
- (d) to announce the results of elections to the Democratic Body; and
- (e) 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.

### 4.3 **Special Members Meetings**

4.3.1 All Members Meetings other than Annual Members Meetings shall be Special Members Meetings and shall be called either:

- (a) on an order of the Board of Directors; or

- (b) on a written requisition signed by the greater of three Members or one-tenth of the Members (to a maximum of twenty-five) stating the proposed resolutions for which the meeting is to be called.

4.3.2 If within twenty-eight days after delivery of a requisition to the Secretary a meeting is not called, the Members who have signed the requisition may call a meeting.

4.3.3 A Special Members Meeting shall not transact any business that is not set out in the notice convening the meeting.

#### 4.4 **Notice of Members Meetings**

4.4.1 All Members Meetings shall be called by at least fourteen clear days' written notice to every Member, Associate, Representative and Director, the Chief Executive and to the Auditor. The notice shall state whether the meeting is an Annual or Special Members Meeting, the time, date and place of the meeting, and the business for which it is called.

#### 4.5 **Quorum for Members Meetings**

4.5.1 Before any Members Meeting can start its business there must be a minimum number of Members (quorum) present.

4.5.2 A quorum is the greater of six Members or one-tenth of all Members (to a maximum number of twenty-five).

4.5.3 As part of the quorum at least two Members must be Tenant Members, and at least two Members must be Employee Members.

#### 4.6 **Procedure at Members Meetings**

4.6.1 Members Meetings are open to all Members, Associates, Representatives and Directors, the Chief Executive and the Auditor, all of whom have the right to speak.

4.6.2 A Members Meeting held as a result of a Member's requisition will be dissolved if too few Members are present half an hour after the meeting should begin.

4.6.3 All other general meetings with too few Members will be adjourned to the same day, at the same time and place in the following week. If too few Members are present within half an hour of the time the adjourned meeting should have started, those Members present shall be a quorum and carry out the business of the meeting.

4.6.4 The chair of any Members Meeting can:

- (a) take the business of the meeting in any order that they may decide; and
- (b) adjourn the meeting if the majority of the Members present 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; and

- (c) with or without the agreement of the Members present, adjourn the meeting where in the chair's opinion the conduct of those present has become too unruly to permit an orderly meeting to continue.

4.6.5 At all Members Meetings the Chair of the Board of Directors shall preside. If there is no such Chair or if the Chair is not present or is unwilling to act, the Deputy Chair of the Board of Directors (if any) shall preside, failing which the Members present shall elect a Member to chair the meeting. The person elected shall be a Representative if one is present and willing to act.

4.6.6 The Society in Members Meetings can only exercise the powers of the Society expressly reserved to it by these rules or by statute.

#### 4.7 **Voting at Members Meetings**

4.7.1 A resolution put to the vote at a Members Meeting shall be decided by votes cast upon a show of hands unless a poll is required under these rules.

4.7.2 The Board of Directors through the Chief Executive may make arrangements for Members to vote by post or electronically. Proxies are not permitted.

4.7.3 On a show of hands and on a poll, every Member has one vote whether voting in person, by post or electronically.

4.7.4 In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

4.7.5 The decision of the Secretary that a resolution has been carried or lost, and whether by a particular majority if required, 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.

4.7.6 Any question as to the acceptability of any vote shall be determined by the chair of the meeting after consulting the Secretary, whose decision shall be final.

4.7.7 A vote shall be taken at the meeting at such time and in such manner as the chair of the meeting directs. The result of such a vote shall be treated as the resolution of the Society in general meeting.

## 5 **Democratic Body**

### 5.1 **Composition of the Democratic Body**

5.1.1 The Society has a Democratic Body comprising:

- (a) eleven Tenant Representatives elected by Tenant Members;
- (b) eight Employee Representatives elected by Employee Members;
- (c) two Council Representatives from Merthyr Tydfil County Borough Council, one of whom shall be a Councillor, the other being a paid officer of the Council ; and
- (d) an independent Chair (if required).

5.1.2 In addition, the Democratic Body may co-opt not more than three additional persons to be (full voting) Co-opted Representatives.

5.1.3 The Democratic Body shall decide from time to time which external organisations shall (or shall no longer) be entitled to appoint external Representatives.

5.1.4 The Democratic Body shall try to ensure that:

- (a) so far as reasonably possible, through its composition the interests of the community served by the Society are appropriately represented; and
- (b) the level of representation of Tenants and Employees strikes an appropriate balance having regard to their respective interests in the Society's affairs.

5.1.5 To this end, the Democratic Body shall from time to time, and not less than every three years, review its composition, and recommend to the Board of Directors any changes (including any changes to these rules) which it considers to be appropriate.

5.1.6 The Democratic Body shall adopt a Code of Conduct. Every candidate for election and every person nominated for appointment shall sign a statement confirming their agreement to follow the Code of Conduct if elected or appointed.

### 5.2 **Elected Representatives**

5.2.1 The Tenant Representatives shall be elected by Tenant Members using election procedures determined by the Democratic Body, which shall strive to ensure equality of representation and access.

5.2.2 The Employee Representatives shall be elected by Employee Members using election procedures determined by the Democratic Body, which shall strive to ensure equality of representation and access.



### 5.3 **Appointed Representatives**

- 5.3.1 The process for the appointment and removal of Appointed Representatives shall be agreed between the Secretary on behalf of the Democratic Body and the external organisation to ensure that individuals are appropriately and validly appointed and removed.

### 5.4 **Terms of office**

- 5.4.1 Tenant Representatives and Employee Representatives are elected for a period of three years, commencing immediately after the Annual Members Meeting at which their election is announced, and concluding at the end of the Annual Members Meeting three years later (which is treated for these purposes as three years). After that:

- (a) they are eligible for re-election at the end of the period;
- (b) but may not hold office for more than nine consecutive years.

- 5.4.2 Appointed Representatives are appointed and Co-opted Representatives are co-opted for a one year term of office, at the end of which their appointment or co-option may be renewed.

### 5.5 **Eligibility to be a Representative**

- 5.5.1 A person may not become or continue as a Representative if:

- (a) they are a Director, the Chief Executive, or the spouse or partner of either of these; or
- (b) they are the spouse or partner of another Representative; or
- (c) they have been removed from office by the Democratic Body under these rules; or
- (d) they have been dismissed from employment by the Society for any reason other than a voluntary redundancy (which for the purposes of these rules means leaving that employment on good terms and without a formal dispute process) ; or
- (e) by doing so they would in the opinion of the Secretary bring the Society into disrepute.

### 5.6 **Termination of office and removal**

- 5.6.1 A person holding office as a Representative shall immediately cease to do so if they become ineligible to be a Representative under these rules or if:

- (a) they resign by notice in writing to the Secretary;
- (b) in the case of an elected Representative, they cease to be a member of the constituency by which they were elected; or

- (c) in the case of an Appointed Representative, the appointing organisation terminates the appointment.
- (d) If the Secretary requests the external organisation to terminate the appointment of its Appointed Representatives in line with the agreed process as per 5.3.1.

## 5.7 Removal from office

5.7.1 A Representative may be removed from the Democratic Body by a resolution approved by not less than two-thirds of the remaining Representatives present and voting at a meeting on the grounds that in the opinion of either the Democratic Body or the Board of Directors:

- (a) they have committed a serious breach of the Code of Conduct; or
- (b) they have acted in a manner detrimental to the interests of the Society;  
and

the Democratic Body considers that it is not in the best interests of the Society for them to continue as a Representative.

5.7.2 Any Representative or the Board of Directors may complain in writing to the Secretary that a Representative has committed a serious breach of the Code of Conduct, or acted in a way detrimental to the interests of the Society.

5.7.3 If a complaint is made, the Democratic Body must itself consider the complaint having taken such steps as it considers appropriate to ensure that each Representative's point of view is heard and may either:

- (a) dismiss the complaint and take no further action; or
- (b) arrange for a resolution to remove the Representative complained of to be considered at the next meeting of the Democratic Body

5.7.4 If a resolution to remove a Representative is to be considered at a meeting of the Democratic Body details of the complaint must be sent to the Representative complained of not less than one calendar month before the meeting with an invitation to answer the complaint.

5.7.5 At the meeting the Democratic Body will consider evidence in support of the complaint and such evidence as the Representative complained of may wish to place before it.

5.7.6 If the Representative complained of fails to attend the meeting without due cause the meeting may proceed in their absence.

5.7.7 A Representative may be removed from office if a majority or two-thirds of the other Representatives present at the meeting resolve that the Representative complained of has committed a serious breach of the Code of Conduct, or acted in a way detrimental to the interests of the Society, and that it is in the best interests of the Society that they should be removed from office.

- 5.7.8 The following shall automatically be treated as a serious breach of the Code of Conduct:
- (a) failure to attend on average 75% of meetings over any 12 month period without valid reason approved by the Democratic Body; or
  - (b) refusal or persistent failure to undergo any training prescribed by the Democratic Body.
- 5.7.9 A Representative removed from office will cease to be a Representative upon the declaration by the Chair of the meeting that the resolution to remove them is carried.
- 5.7.10 A Representative removed from office may appeal against that decision to the non-executive Directors, and if successful shall be re-instated.
- 5.7.11 No person who has been removed from office as a Representative and not re-instated on appeal may be elected or appointed as a Representative unless a resolution to permit this has been approved by the votes of two-thirds of the Representatives present and voting at a meeting.

## 5.8 **Vacancies**

- 5.8.1 Where a vacancy arises amongst the elected Representatives for any reason other than expiry of term of office, the following provisions will apply:
- 5.8.2 The seat will be offered to the next highest polling candidate for that seat at the most recent election (if it was contested), who is willing to take office, until the next annual elections at which an election will be held to fill the seat for the remainder of the term of office.
- 5.8.3 If there is no such willing candidate, the Democratic Body may decide either:
- (a) that an election will be held to fill the seat for the remainder of the term of office, or
  - (b) to co-opt an eligible person to fill the seat until the next annual election
- unless the vacancy arose less than six months before the results of the next annual elections were due to be announced.
- 5.8.4 If the vacancy arose less than six months before the results of the next annual elections were due to be announced, the seat will remain vacant until the next annual elections.

## 5.9 **Training and development**

- 5.9.1 Training and development will be made available to Tenant Members and Employee Members who are interested in standing for election. The Democratic Body will specify any core training which any candidates for election or elected or Appointed Representatives are obliged to undertake. Training in the chairing of meetings is to be made available to Representatives.

## 5.10 Expenses

- 5.10.1 Serving as a Representative is a voluntary unpaid role. However Representatives are entitled to be reimbursed out of pocket expenses incurred in serving as a Representative, on proof of expenditure in accordance with the Society's policies and practice.
- 5.10.2 Out of pocket expenses can include the costs of providing care to another person, subject to prior approval by the Society.
- 5.10.3 Where Democratic Body meetings are held during the working day, Employee Representatives are entitled to attend such meetings without deduction of remuneration. Tenant Representatives who can prove loss of income caused by attending such Democratic Body meetings shall be entitled to claim a modest attendance allowance to be determined by the Audit Committee of the Board of Directors.

## 5.11 Meetings, including calling, chairing, quorum and other procedures

- 5.11.1 Democratic Body meetings will be held as frequently as needed, subject to a minimum of four meetings each year (from one Annual Members Meeting to the next).
- 5.11.2 Meetings of the Democratic Body are called by the Secretary, or by the Chair of the Democratic Body, or by eight Representatives (including at least two Tenant Representatives and at least two Employee Representatives) who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Representatives as soon as possible after receipt of such a request. The Secretary shall call a meeting on at least fourteen but not more than twenty-eight days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair or the eight Representatives, shall call such a meeting.
- 5.11.3 Save in the case of emergencies or the need to conduct urgent business (to be decided by the Secretary in discussion with the Chair of the Democratic Body), the Secretary shall give at least fourteen days' written notice of the date and place of every meeting of the Democratic Body to all Representatives, the Chief Executive and the Chair of the Board of Directors.
- 5.11.4 The Democratic Body shall appoint its own chair from amongst its number. If there is no appropriate candidate to be chair, the Democratic Body may appoint a person from outside the Democratic Body as chair, providing that person is not a Director.
- 5.11.5 Ten Representatives or one half of the Democratic Body, whichever is lower, shall form a quorum.
- 5.11.6 The Chair of Board of Directors and one other nominated Director shall at all times be entitled to attend meetings of the Democratic Body as observers, unless they are to be the subject matter of the meeting. They have no right to speak, but may be invited to do so by the Chair of Democratic Body. The Chief Executive

and other Executives are to attend meetings as requested to do so (with reasonable notice) by the Democratic Body.

- 5.11.7 Subject to these rules, any question arising at a meeting of the Democratic Body shall be decided by a majority vote. On any resolution put to the Democratic Body, each Representative present shall have one vote. In the event of a tie, the Chair of the meeting shall have a second or casting vote.
- 5.11.8 Meetings of the Democratic Body 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.
- 5.11.9 The Democratic Body may establish committees, sub-committees or working groups comprising Representatives, Directors, and any other persons to assist the Democratic Body in carrying out its functions, but it may not delegate any of the functions set out in these rules. The Democratic Body may, through the Secretary, request that advisors assist it or any committee, sub-committee or working group it appoints.
- 5.11.10 All decisions taken in good faith at a meeting of the Democratic Body or of any committee, sub-committee or working group 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 persons attending the meeting.
- 5.11.11 The Democratic Body is to adopt its own written governance documents for its practice and procedure, in particular for its procedures at meetings.
- 5.11.12 The Democratic Body shall have access to and shall take independent advice through the Secretary as required and appropriate.
- 5.11.13 The Democratic Body shall appoint a Representative to attend meetings of the Board of Directors with the Chair of the Democratic Body.
- 5.11.14 If any Tenant Representative or Employee Representative is, in the opinion of the Board of Directors or a majority of the remaining Representatives, at any time in material dispute with the Society the remaining Representatives may suspend that Representative from attending any meeting of the Democratic Body or participating in its activities until such dispute is resolved to the satisfaction of the Board of Directors and a majority of the remaining Representatives.
- 5.11.15 If any Employee Representative is subject to a formal disciplinary process, the remaining Representatives shall suspend that Employee Representative until such time as such disciplinary process has concluded and shall, in the case of a finding of gross misconduct against such Employee Representative, permanently remove that person as an Employee Representative (unless the finding of gross misconduct is overturned on appeal).
- 5.11.16 If at any time all Employee Representatives are, in the opinion of the Board of Directors, in a material dispute with the Society and, accordingly, have been suspended pursuant to rule 5.11.14, then all provisions of these rules relating to the rights, obligations or conduct of the Democratic Body shall be deemed to be

automatically varied such that the Democratic Body can continue to fulfil its functions and take decisions which are quorate without the involvement of Employee Representatives in such decisions, during such period of suspension.

## 5.12 Declaration or notification of interest

- 5.12.1 No Representative or member of a committee formed by the Democratic Body or **connected person** may have any financial interest in any contract or other transaction with the Society, or be granted a benefit by the Society, unless such interest or benefit:
- (a) is expressly permitted by these rules or under determination or guidance by the **Regulator** from time to time; or
  - (b) would not be in breach of, and would not be inconsistent with, any determination, guidance, standard or code published by the **Regulator** or any code of conduct and/or governance adopted by the Board of Directors.
- 5.12.2 Any Representative or member of a committee formed by the Democratic Body, having an interest in any arrangement between the Society and someone else shall disclose their interest, before the matter is discussed by the Democratic Body or any committee. Such disclosure must comply with any code of conduct and/or governance adopted by the Democratic Body from time to time. Unless it is expressly permitted by these rules they shall not remain present (unless requested to do so by the Democratic Body or committee), and they shall not have any vote on the matter in question.
- 5.12.3 If a question arises at a Democratic Body meeting or of a committee as to the right of a Representative 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 of that meeting, whose ruling in relation to any Representative or member of a committee other than the chair is to be final and conclusive.
- 5.12.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair of the meeting, the question is to be decided by a decision of the Representatives at that meeting, upon consideration of the advice of the Company Secretary, 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.
- 5.12.5 Any decision of the Democratic Body or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 5.12.6 Every Representative and member of a committee shall ensure that the Secretary at all times has a list of all other bodies in which they have an interest as:
- (a) a director or officer; or
  - (b) a member or shareholder of a firm or company; or

- (c) an official or elected member of any statutory body; or
- (d) 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; or
- (e) the occupier of any property owned or managed by the Society which they occupy; or
- (f) the holder of any other significant or material interest.

5.12.7 If requested by a majority of the Democratic Body or members of a committee at a meeting called specially for the purpose, a Representative 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 of Directors directs.

5.12.8 A member of the Democratic Body or member of a committee shall not have an interest for the purpose of these rules as a board member, director or officer of any subsidiary of the Society.

5.12.9 A Tenant, or other person who receives services from, the Society or an Employee shall not by virtue of that relationship alone have an interest for the purposes of these rules.

## 6 **Board of Directors**

### 6.1 **Composition of the Board of Directors**

- 6.1.1 The Board of Directors comprises the Chair and seven other Directors, (excluding co-optees) who are all in a non-executive role, and are all appointed by the Democratic Body.
- 6.1.2 In the event that the number of Directors at any time does not comply with these rules, the remaining Directors continue to have authority to act but shall use reasonable endeavours to secure the appointment of further Directors to ensure compliance with these rules.
- 6.1.3 No more than two persons who are Tenants may be Directors at the same time.
- 6.1.4 The Democratic Body may appoint co-optees to serve as Directors on the Board of Directors on such terms as the Democratic Body resolves and may remove any such co-optees at any time. Any such removal shall have immediate effect.
- 6.1.5 Not more than 3 co-optees can be appointed to the Board of Directors (or to any committee at any one time).
- 6.1.6 Subject to 6.1.4 above co-optees are co-opted for a one year term of office, at the end of which their co-option may be renewed at the Democratic Body's sole discretion. Any total period of co-option shall not exceed 9 years.

### 6.2 **Appointment of Directors**

- 6.2.1 The Democratic Body appoints the Chair and the other Directors.
- 6.2.2 The Board of Directors after prior consultation with, and subject to the approval of the Democratic Body appoint and dismiss the Chief Executive.
- 6.2.3 The Chief Executive and the Board of Directors may nominate a senior executive to be deputy Chief Executive, subject to the approval of Democratic Body. If the Chief Executive is unable to discharge their office as Chief Executive, the deputy Chief Executive or, if no such appointment has been made, an executive nominated by the Board of Directors, shall act as acting Chief Executive.
- 6.2.4 Directors are to be appointed by the Democratic Body using the following procedure:
- 6.2.5 The Democratic Body, working with the Board of Directors, will set and publish selection criteria in relation to candidates wishing to stand for appointment as Directors and co-optees, which will include a requirement as to independence, and being suitably qualified in terms of skills, qualities and experience. The Democratic Body may work with the Board of Directors and external advisors to identify the skills and experience required for Directors and co-optees.
- 6.2.6 Appropriate candidates (not more than five for each vacancy) will be identified by a Nominations Committee through a process of open competition.



6.2.7 The Nominations Committee will comprise not more than four Representatives, the Chair of the Board of Directors (or the Deputy Chair as appropriate, depending upon whether either of them is standing for appointment). The Nominations Committee may appoint an independent assessor to assist them if it so wishes. The Nominations Committee will consult the Chief Executive.

6.2.8 The Nominations Committee will prepare a short-list of candidates to be considered by the Democratic Body, including (if they so wish) its recommendation.

### 6.3 **Removal of Directors**

6.3.1 The Democratic Body may remove the Chair or any other Director in accordance with these rules.

6.3.2 Any such removal shall be in accordance with the following procedures:

6.3.3 Any proposal for removal must be proposed by a Representative and seconded by not less than five other Representatives.

6.3.4 Written reasons for the proposal shall be provided to the Director in question, who shall be given the opportunity to respond to such reasons.

6.3.5 In making any decision to remove a Director the Democratic Body shall;

(a) take into account the annual appraisal carried out by the Chair of the Board of Directors;

(b) consult and take into account the views of the Chief Executive and/or Secretary;

(c) consult and take into account the views of the **Regulator**.

6.3.6 The Democratic Body may only remove a Director with the approval of a two-thirds majority of those Representatives present and voting at a meeting of the Democratic Body, in accordance with these rules.

6.3.7 If any proposal to remove a Director is not approved at a meeting of the Democratic Body, no further proposal can be put forward to remove such Director based upon the same reasons within twelve months of the meeting decision.

### 6.4 **Terms of office**

6.4.1 Directors are appointed for a fixed term of office of three years.

6.4.2 Directors may be re-appointed for two subsequent terms of office in accordance with these rules subject to the Democratic Body being satisfied as to their continued independence.

### 6.5 **Eligibility**

6.5.1 No one can become or remain a Director or co-optee at any time if:

- (a) they are disqualified from acting as a director of a company or society for any reason; or
- (b) they have been convicted of an indictable offence which is not, or cannot, become spent; or
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts, or
- (d) they are an undischarged bankrupt; or
- (e) they are a Representative, or they are a family member, spouse or partner of a Representative or of a Director; or
- (f) they are an Employee , or a family member, spouse or partner of an Employee of the Society; or
- (g) they have been removed from office under these rules for breach of the Code of Conduct; or
- (h) a breach of Rule 6.1.3 would arise.

6.5.2 Any Director who at any time ceases to qualify under this rule 6.5 shall immediately cease to be a Director or co-optee.

## 6.6 **Vacancies**

6.6.1 When a vacancy for a Director arises, it shall be filled as soon as possible.

## 6.7 **Remuneration and expenses**

6.7.1 The Democratic Body shall decide on the remuneration (if any) and policy for the re-imbusement of expenditure of non-executive Directors.

## 6.8 **Quorum for meetings of the Board of Directors**

6.8.1 Except as provided below, four Directors shall form a quorum.

6.8.2 The Board of Directors may determine a higher number or impose additional requirements.

6.8.3 If the number and make up of Directors falls below the number and make up necessary for a quorum, the remaining Directors may continue to act as the Board of Directors for a maximum period of six months and the quorum provisions for Board meetings shall be suspended for that time. At the end of that time the only power the Board of Directors may exercise shall be to address the number and make up of Directors required by these rules.

## 6.9 **Board meetings, including calling, chairing, quorum and other procedures**

6.9.1 The Board of Directors shall meet at least four times every calendar year.

- 6.9.2 The Chair of the Democratic Body and one other nominated Representative shall at all times be entitled to attend meetings of the Board of Directors as observers. They have no right to speak, but may be invited to do so by the Chair of the Board of Directors.
- 6.9.3 At least seven days' written notice of the date and place of every Board meeting shall be given by the Secretary to all Directors, co-optees, the Chair of the Democratic Body and the nominated Representative. The Board of Directors may meet on shorter notice where not less than seventy-five percent of the Directors so agree.
- 6.9.4 Meetings of the Board of Directors may be called by the Secretary, or by the Chair, or by three Directors who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Directors and co-optees as soon as possible after receipt of such a request. Pursuant to the request, the Secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair of the Board of Directors or three Directors, whichever is the case, shall call such a meeting.
- 6.9.5 Except where these rules say otherwise, a resolution is passed if a majority of those voting are in favour. Every Director has one vote. In the case of an equality of votes, the chair of the meeting shall have a second and casting vote.
- 6.9.6 All decisions taken in good faith at a meeting of the Board of Directors or any committee meeting shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of any of the Directors at a meeting.
- 6.9.7 A resolution in writing sent to all Directors (and to the Chair of the Democratic Body and the nominated Representative for information) or all members of a committee and signed, or confirmed electronically by three-quarters of the Directors 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 of Directors or committee.
- 6.9.8 Meetings of the Board of Directors 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.
- 6.9.9 Notice may be given to Directors and co-optees by post or fax or electronic communication at the last address or number for such communication given to the Secretary. The accidental failure to give notice to a Director, the Chair of the Democratic Body and the nominated Representative, or the failure of any of them to receive such notice shall not invalidate the proceedings of the Board of Directors.

## 6.10 **Chair and Deputy Chair**

- 6.10.1 The Chair of the Board of Directors shall be Chair of the Society and shall chair meetings of the Board of Directors.

- 6.10.2 The Board of Directors shall elect one of their number to be Deputy Chair of the Board of Directors. If the Chair is unable to discharge their office as Chair of the Society, the Deputy Chair of the Board of Directors shall be acting Chair of the Society.
- 6.10.3 The first item of business for any meeting of the Board of Directors when the Chair (or Deputy Chair) is not present shall be to elect a chair for the purpose of the meeting. The chair shall at all times be a non-executive Director.

## 6.11 **Committees of the Board**

- 6.11.1 The Board of Directors may delegate the exercise of any of its powers under written terms of reference to a committee of the Board of Directors or to officers or Employees. Those powers shall be exercised in accordance with any written instructions given by the Board of Directors.
- 6.11.2 The Directors shall establish an Audit Committee comprising three or more of their number.
- 6.11.3 The Board of Directors may reserve to itself any matters which it does not wish to be delegated to committees or Employees.
- 6.11.4 The membership of any committee shall be determined by the Board of Directors. Every committee shall include at least one Director. The Board of Directors will appoint the chair of any committee and shall specify the quorum.
- 6.11.5 All acts and proceedings of any committee shall be reported to the Board of Directors.
- 6.11.6 No committee can incur expenditure on behalf of the Society unless at least one Director on the committee has voted in favour of the resolution and the Board of Directors has previously approved a budget for the relevant expenditure.
- 6.11.7 The Board of Directors 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.
- 6.11.8 For the purposes of the Housing and Regeneration Act 2008 any member of a committee shall be an officer.

## 6.12 **Declaration or notification of interest**

- 6.12.1 No Director or member of a committee (or **connected person**) may have any financial interest in any contract or other transaction with the Society, or be granted a benefit by the Society, unless such interest or benefit:
- (a) is expressly permitted by these rules or under determination or guidance by the **Regulator** from time to time; or
  - (b) would not be in breach of, and would not be inconsistent with, any determination, guidance, standard or code published by the **Regulator** or any code of conduct and/or governance adopted by the Board of Directors.

- 6.12.2 Any Director 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 of Directors or any committee. Such disclosure must comply with any Code of Conduct adopted by the Board of Directors 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 of Directors or committee), and they shall not have any vote on the matter in question.
- 6.12.3 If a question arises at a meeting of the Board of Directors or of a committee as to the right of a Director or a member of a committee 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 of that meeting, whose ruling in relation to any Director or committee member other than the chair is to be final and conclusive.
- 6.12.4 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 Directors at that meeting, upon consideration of the advice of the Company Secretary, 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.
- 6.12.5 Any decision of the Board of Directors or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 6.12.6 Every Director and member of a committee shall ensure that the Secretary at all times has a list of all other bodies in which they have an interest as:
- (a) a director or officer; or
  - (b) a member or shareholder of a firm or company; or
  - (c) an official or elected member of any statutory body; or
  - (d) 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; or
  - (e) the occupier of any property owned or managed by the Society which they occupy; or
  - (f) the holder of any other significant or material interest.
- 6.12.7 If requested by a majority of the Board of Directors or members of a committee at a meeting called specially for the purpose, a Director 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 of Directors directs.
- 6.12.8 A Director or member of a committee shall not have an interest for the purpose of these rules by virtue of being a Director or officer of any part of the Society.

6.12.9 A Tenant, or other person who receives services from, the Society or an Employee shall not by virtue of that relationship alone have an interest for the purposes of these rules.

## 7 Reporting to Members

### 7.1 Maintenance of records

7.1.1 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, as required by the law.

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

### 7.2 Preparation of Accounts

7.2.1 In respect of each year of account, the Board of Directors shall cause Accounts to be prepared comprising:

- (a) a revenue account or revenue accounts which singly or together deal with the affairs of the Society as a whole for that year and which give a true and fair view of the income and expenditure of the Society for that year; and
- (b) a balance sheet giving a true and fair view as at that date of the state of affairs of the Society.

### 7.3 Auditor

7.3.1 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 the law.

### 7.4 Presentation of Annual Report and Accounts

7.4.1 The Annual Report and Accounts comprises:

- (a) the Accounts;
- (b) the Auditor's report (if one is required by law) on the Accounts;
- (c) the Board of Directors' report on the affairs of the Society; and
- (d) details of remuneration and expenses paid in accordance with these rules to Directors and Representatives.

7.4.2 The Board of Directors shall present the Annual Report and Accounts to the Democratic Body, and to the Annual Members Meeting.

### 7.5 Filing and returns

7.5.1 Wherever the Society is required by law to file information or make returns, the Secretary shall be responsible for ensuring that it does so. This includes:

- (a) the requirement to file an annual return with the **Registrar**;
- (b) the requirement to file an annual return with the **Regulator**.

**7.6 Publication of Accounts and Balance Sheets**

7.6.1 The Society shall give to all Members on request copies of its last Annual Report and Accounts, free of charge.

**7.7 Copy of Balance Sheet to be displayed**

7.7.1 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.

**7.8 Democratic Body reports**

7.8.1 The Democratic Body shall present to each Annual Members Meeting:

- (a) a report of its activities for the last year;
- (b) a report on the Membership Strategy which shall include the following:
  - i the steps which the Society has taken to secure that taken as a whole the actual membership of the Society is representative of those eligible for membership; and
  - ii progress in implementing the Membership Strategy; and
  - iii any changes to the Membership Strategy.



## 8 Change

### 8.1 Amendments to Rules

- 8.1.1 The rules of the Society may be rescinded or amended, but not so as to stop the Society being a charity.
- 8.1.2 The rules may only be amended by a resolution put before the Members by the Board of Directors which has been approved by at least two thirds of the Board of Directors prior to the approval by the Members.
- 8.1.3 A resolution to amend any provision of these rules affecting the rights of Tenant Members or Employee Members shall only be passed if it is also passed by a majority of Tenant Members or Employee Members as the case may be.
- 8.1.4 Rules 1.3, 1.4.2(a), 5.12, 6.12, 8.1, 8.3, 9.1.1, 10.1 can only be amended or rescinded by way of a resolution approved by three fourths of the votes cast at a Members Meeting. Any other rule can be rescinded or amended by two-thirds of the votes cast at a Members Meeting.
- 8.1.5 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.

### 8.2 Transfer of engagements

- 8.2.1 The Society may, by special resolution passed by the Members in accordance with the law, amalgamate with or transfer its engagements to another society.
- 8.2.2 The Society may accept a transfer of engagements and assets from another society by resolution of a Members Meeting.

### 8.3 Dissolution

- 8.3.1 The Society may be dissolved by a three fourths majority of Members who sign an instrument of dissolution as required by the Acts, or by winding-up under the Acts.
- 8.3.2 The Members may resolve to give or transfer any property that remains, after the Society is wound-up or dissolved and all debts and liabilities dealt with, to another charitable body with objects similar to that of the Society.
- 8.3.3 If no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust.
- 8.3.4 If the Society is registered as a social landlord with the Regulator, any transfer or gift must be in compliance with the Housing Act 1996 (as it applies to Wales) and the Housing (Wales) Measure 2011 or any other relevant legal and regulatory provisions which exist from time to time.

9 **Share capital**

9.1 **Shares**

- 9.1.1 Each share has the nominal value of one pound. Shares are not transferable or withdrawable, and carry no right to interest, dividend or bonus.
- 9.1.2 No payment is due for a share unless the Society requests it.
- 9.1.3 Every Member holds one share, which is allotted on admission to membership. No Member may hold more than one share.
- 9.1.4 When a Member ceases to be a Member, their share is cancelled. The amount paid up (if any) shall become the property of the Society.

## 10 Administrative

### 10.1 Powers

10.1.1 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 purpose and objects, except as expressly prohibited in these rules.

10.1.2 Without limiting its general powers the Society shall have power to:

- (a) Purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, including without limitation construct or carry out works to buildings;
- (b) help any charity or other body not trading for profit in relation to housing and related services;
- (c) subject to these rules 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;
- (d) 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 exposure of the Society;
- (e) invest the funds of the Society in such manner as it decides; and
- (f) lend money on such terms as the Society shall think fit.

10.1.3 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.

10.1.4 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.

10.1.5 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 of Directors' powers are restricted by such rules or regulations.

### 10.2 Borrowing and financial management

10.2.1 The total borrowings of the Society at any time shall not exceed £800 million (eight hundred million pounds) or such a larger sum as the Society determines from time to time in a Members Meeting. For the purposes of this rule 10.2 any amount of the Society's borrowings in any currency other than pounds sterling (as may be permitted 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.

10.2.2 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 of Directors, is reasonable having regard to the terms of the loan. The Board of Directors may delegate the determination of the said interest rate within specified limits to an officer, Director or a committee.

10.2.3 In respect of any proposed borrowing, for the purposes of these rules;

(a) the amount remaining un-discharged of any deferred interest or index-linked monies previously borrowed by the Society or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and

(b) in respect of any proposed borrowing intended to be on index-linked 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.

### 10.3 **Settlement of disputes**

10.3.1 Any dispute on a matter covered by these 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 these rules.

### 10.4 **Statutory applications to the Registrar**

10.4.1 Ten Members can apply to the **Registrar** to appoint an accountant to inspect the books of the Society, provided all ten have been Members of the Society for a twelve month period immediately before their application.

10.4.2 The Members may apply to the **Registrar** in order to get the affairs of the Society inspected or to call a Special Members Meeting. One hundred Members, or one-tenth of the Members, whichever is the lesser, must make the application.

### 10.5 **Register of Members**

10.5.1 The Society shall keep at its registered office:

(a) the register of Members showing:

i the names and addresses of all the Members; and

- ii a statement of all the shares held by each Director or committee member and the amount paid for them; and
- iii a statement of other property in the Society held by the Member; and
- iv the date that each Member was entered in the register of Members;
- (b) a duplicate register of Members showing the names and addresses of Members and the date they became Members;
- (c) 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;
- (d) a register of holders of any loan;
- (e) a register of mortgages and charges on land;
- (f) a copy of the rules of the Society.

## 10.6 Notices

10.6.1 Any notice required to be given by these rules may be posted or delivered electronically to an address provided by the intended recipient for that purpose.

10.6.2 Any accidental failure to deliver any notice to any person as required by these rules shall not invalidate the proceedings at that meeting. A notice or communication sent to a Member at their address shown in the register of Members shall be treated as having arrived two days after being posted and any sent by fax or electronic communication shall be treated as having 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.

## 10.7 Minutes and books

10.7.1 The minutes of all Members Meetings and all meetings of the Board of Directors, the Democratic Body and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.

## 10.8 The seal

10.8.1 The Secretary shall keep the seal (if any). It shall not be used except under the authority of the Board of Directors. It must be affixed by one Director signing and the Secretary countersigning or in such other way as the Board of Directors resolves. The Board of Directors may in the alternative authorise the execution of deeds in any other way permitted.

## 10.9 Copies of rules and regulations

10.9.1 The Secretary shall give a copy of the rules of the Society to any person on demand who pays such sum as is permitted by law.

10.10 **Directors' and Officers' indemnity and insurance**

10.10.1 Every Director, Representative or officer or Employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of their duty.

10.10.2 Except for the consequences of their own dishonesty or gross negligence no Director, Representative or officer or Employee shall be liable for any losses suffered by the Society. .

10.10.3 The Society shall pay insurance premiums in respect of any insurance taken out to insure Directors, Representatives and officers. and Employees

10.11 **Registered office**

10.11.1 The Society's registered office is Ty Brychan, 22 Lansbury Road, Gellideg, Merthyr Tydfil, CF48 1HA or any subsequent registered office.

10.11.2 The Society's registered name must be:

- (a) placed prominently outside every office or place of business; and
- (b) engraved on its seal (if any); and
- (c) stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

10.12 **Covid-19 provisions for 2020**

10.12.1 No elections for the Democratic Body shall take place in 2020. The terms of office of all Representatives who are in office at the point where this rule amendment is registered shall be extended by a year.

10.12.2 For the purposes of these rules, and in particular eligibility to stand for re-election, any four-year term of office thereby served by these particular Representatives shall be treated as a three-year term.

## APPENDIX

- 1 These rules should be read and understood on the basis of what is set out below.
- 2 Words in the singular include the plural, and words in the plural include the singular.
- 3 Any reference to legislation includes any subsequent enactments, amendments and modification, or any subordinate legislation.
- 4 The section, rule and paragraph headings are inserted for convenience only and shall not affect the interpretation of the rules.
- 5 The following words and phrases have the special meaning set out below.

<b><i>Connected Person</i></b>	In relation to an individual who is a Director, Representative, co-optee or committee member (the fiduciary), a person or body with whom the fiduciary shares a common interest such that the fiduciary may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person or body, being either a member of the fiduciary's family or household, or a person or body who is a business associate of the fiduciary, but (for the avoidance of doubt) this does not include a company with which the fiduciary's only connection is as the owner or controller of less than 2% of a company the shares in which are publicly quoted or less than 10% of any other company.
<b><i>Regulator</i></b>	Regulator in Wales refers to the Welsh Government or any statutory successor or any assignee of any or all of their relevant functions from to time.
<b><i>Registrar</i></b>	The Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS or any replacement body.
<b><i>Household</i></b>	One person or a group of people who have the accommodation as their only or main residence and for a Group, either share at least one meal a day or share the living accommodation, that is, a living room or sitting room.

- 6 The specific meaning of the following words and phrases is clear in each case from the rule identified below.

Accounts	Rule 7.2.1
Annual Members Meeting	Rule 4.2.1
Annual Report and Accounts	Rule 7.4.1
Appointed Representative	Rule 5.1.1 (a) and (b)
Associate	Rule 3.10
Audit Committee	Rule 6.11.2

Auditor	Rule 7.3
Balance Sheet	Rule 7.6
Board of Directors	Rule 2.4.1 and Rule 6.1
Chair of Members Meetings	Rule 4.6.5
Chair of the Board	Rule 6.10.1
Chair of the Democratic Body	Rule 5.11.4
Chief Executive	Rule 6.2.2
Co-operative and Community Benefit Society	Rule 1.2.1
Co-opted Representatives	Rule 5.1.2
Code of Conduct	Rule 5.1.6 and Rule 6.5.1 (g)
Council Representative	Rule 5.1.1 (c)
Democratic Body	Rule 2.3
Deputy Chair of Members Meetings	Rule 4.6.5
Deputy Chair of the Board	Rule 6.10.2
Directors	Rule 2.4.1
Employee Members	Rule 3.6
Employee Representative	Rule 5.1.1 (b)
Employees	Rule 3.6.1
Members	Rule 3.1 and Rule 3.4
Members Meetings	Rule 4
Membership Strategy	Rule 3.2.2, Rule 3.3.2, Rule 4.2.2 (c) and Rule 7.8.1
Merthyr Valleys Homes Limited	Rule 1.1.1
Nominations Committee	Rule 6.2.8
Register of Members	Rule 10.5
Representatives	Rule 2.3.4
Secretary	Rule 2.5



Society	Rule 1.1.1
Special Members Meetings	Rule 4.3
Tenant	Rule 3.5.1 (a)
Tenant Members	Rule 3.5
Tenant Representative	Rule 5.1.1 (a)