x

NATIONAL
HOUSING
FEDERATION

All Previous Rules Rescinded

RULES of: Southway Housing Trust (Manchester) Limited

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

Register No. 30348 R

MODEL RULES 2015

National Housing Federation

Contents

Part A Name and objects

Name

A1 The name of the society shall be Southway Housing Trust (Manchester) Limited (the **Association**).

Objects

A2 The Association is formed for the benefit of the community. Its charitable objects shall be to carry on for the benefit of the community:

A2.1 the business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities and services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people; and

A2.2 any other charitable object that can be carried out from time to time by a registered society registered as a provider of Social Housing with the Regulator.

Non-profit

A3 The Association shall not trade for profit and any profits shall only be applied for the purpose of furthering the Association's objects and/or in accordance with these Rules.

A4 Nothing shall be paid or transferred by way of profit to Shareholders of the Association.

Corporate status

A5 The Association is not a subsidiary of another organisation and shall not become a subsidiary of another organisation without first amending these Rules to state the name of the parent entity.

Part B Powers of the Association, Board, and Shareholders

Powers

B1 The Association shall have the power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these Rules.

B2 Without limiting its general powers under rule B1, and only so far as is necessary or expedient to achieve its objects, the Association shall have power to:

B2.1 purchase, acquire or dispose of, or take or grant any interest in property or take or grant any security interest over land or any Association's assets, including any mortgage, charge, floating charge or other security whatsoever;

B2.2 construct or carry out works to buildings;

B2.3 help any charity or other body not trading for profit in relation to housing and related services;

B2.4 subject to rules F12, F13 and F14, borrow money or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the effect of borrowing on such terns as the Association sees fit;

B2.5 enter into and perform any Derivative Transaction on such terms and on such security as the Association thinks fit for the purpose of hedging or otherwise managing any treasury risk or other financial exposure of the Association;

B2.6 subject to rule F15, invest the funds of the Association and/or monies borrowed by the Association;

B2.7 lend money (including monies borrowed) or make grants or donations on such terms as the Association shall think fit;

B2.8 guarantee, enter into any contract of indemnity or suretyship in relation to, or provide security for, the borrowing or performance of the obligations of any other organisation, in each case on such terms as the Association shall think fit;

B2.9 pay insurance premiums in respect of insurance taken out to insure Officers and employees against the cost of a successful defence to a criminal prosecution brought against them as Officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or a breach of duty in relation to any Group Member or as a trustee of any pension fund of any Group Member; and

B2.10 support, administer or acquire other corporate bodies.

B3 The Association shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000 or any other authority required by statute unless it has such authorisation.

Powers of the Board

B4 The business of the Association shall be directed by the Board.

B5 Apart from those powers which must be exercised in General Meeting:

B5.1 by statute; or

B5.2 under these Rules;

all the powers of the Association may be exercised by the Board for and in the name of the Association.

B6 The Board shall have power to delegate, in writing, subject to rules D30-D34, the exercise of any of its powers to any Officer(s) of the Association, to a committee or committees or to any employee(s) of the Association and any Group Member on such terms as the Board shall determine. Such delegation may include any of the powers and discretions of the Board.

Limited powers of Shareholders in General Meetings

B7 The Association in General Meetings can only exercise the powers of the Association expressly reserved to it by these Rules or by statute.

General

B8 The certificate of an Officer of the Association that a power has been properly exercised shall be conclusive as between the Association and any third party acting in good faith.

B9 A person acting in good faith who does not have actual notice of these Rules or the Association's regulations shall not be concerned to see or enquire if the Board's powers are restricted by these Rules or such regulations.

Part C Shareholders and General Meetings

Obligations of Shareholders

C1 All Shareholders agree to be bound by the obligations on them as set out in these Rules. When acting as Shareholder they shall act, at all times in the interests of the Association and for the benefit of the community, as guardians of the objects of the Association.

Nature of shares

C2 The Association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.

C3 Shares shall be non-withdrawable and shall be non-transferable except in accordance with Rule C38.

C4 When a Shareholder ceases to be a Shareholder or is expelled from the Association, his or her share shall be cancelled. The amount paid up on that share shall become the property of the Association.

Nature of Shareholders

C5 A Shareholder of the Association is a person or body whose name and address is entered in the Register of Shareholders. Save for any person who is an employee of the Association or any other Group Member, the Board Members (excluding co-optees) from time to time shall be the only Shareholders. No other person or body can be admitted as a Shareholder.

C6 The following cannot be or become Shareholders:

C6.1 a minor;

C6.2 a person who has been expelled as a Shareholder, unless authorised by special resolution at a General Meeting;

C6.3 an employee of the Association or an employee of any other Group Member; and

C6.4 a person who has been removed from the Board in accordance with rule D8;

C6.5 a person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the Association stating that the person has become physically or mentally incapable of exercising their rights as a Shareholder and may remain so for more than three months;

C6.6 a person who has been convicted of an indictable offence which is not, or cannot be, spent;

C6.7 a person who has been declared bankrupt or who is the subject of any composition made with that person's creditors generally in satisfaction of that person's debts;

C6.8 a person who has been convicted of any other offence at any time which, in the opinion of the Board:

- brings or would bring the Association or any other Group Member into disrepute; or
- is incompatible with the role of Shareholder;

and the Board resolves (by at least a two-thirds majority) that they should not be or remain a Shareholder;

C7 A Shareholder cannot be the nominee of an unincorporated body.

C8 A corporate body cannot be a Shareholder

C9 No Shareholder shall hold more than one share and each share shall carry only one vote.

C10 A share cannot be held jointly.

Admission of Shareholders

C11 The Board shall set review and publish its policies and objectives for admitting new Shareholders. The Board shall only admit new Shareholders in accordance with such policies. Save for any person who is an employee of either the Association or of any Group Member (who shall not be admitted as Shareholders) and co-optees, Board Members shall become Shareholders on appointment as Board Members and shall pay the sum of one pound to the Association, if demanded by the Association. The name of the person and the other necessary particulars shall be entered in the Register of Shareholders. One share in the Association shall be issued to the Board Member. A person shall automatically cease to be a Shareholder when they cease to be a Board Member (or if they become an employee of either the Association or of any Group Member or a co-optee).

C12 An applicant for a share shall apply in writing to the Association's registered office:

C12.1 setting out their reasons for applying and their qualifications in accordance with the Association's policies under Rule C11; and

C12.2 pay the sum of one pound (which shall be returned to them if the application is not approved).

C13 Every application shall be considered by the Board in accordance with rule C11. The Board has the power in its absolute discretion to accept or reject the application. If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of Shareholders. One share in the Association shall be issued to the applicant.

Ending of shareholding

C14 A Shareholder shall immediately cease to be a Shareholder if:

C14.1 they cease to be eligible to be a Shareholder under rule C6; or

C14.2 having been a Board Member, they cease to be a Board Member.

Annual General Meeting

C15 The Association shall hold a General Meeting called the annual General Meeting within six calendar months after the close of each of its financial years or such later date as may be permitted by law.

C16 The functions of the annual General Meeting shall be:

C16.1 to receive the annual report which shall contain:

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

C16.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law);

C16.3 to elect (or re-elect) Board Members if applicable; and

C16.4 to transact any other general business of the Association set out in the notice convening the meeting including any business that requires a Special Resolution.

Special General Meetings

C17 All General Meetings other than annual General Meetings shall be special General Meetings and shall be convened either:

C17.1 upon an order of the Board; or

C17.2 upon a written requisition signed by three Shareholders stating the business for which the meeting is to be convened; or

C17.3 if within twenty-eight days after delivery of a requisition to the Secretary a meeting is not convened, the Shareholders who have signed the requisition may convene a meeting.

C18 A special General Meeting shall not transact any business that is not set out in the notice convening the meeting.

Calling a General Meeting

C19 Subject to rule C21, all General Meetings shall be convened by at least fourteen Clear Days' written notice posted or delivered by hand or sent by Electronic Communication to every Shareholder at the address or Electronic Communication address given in the Register of Shareholders. The notice shall state whether the meeting is an annual General Meeting or special General Meeting, the time, date and place of the meeting, and the business for which it is convened.

C20 Any accidental failure to get any notice to any Shareholder shall not invalidate the proceedings at that General Meeting. A notice or communication delivered by hand or sent by post to a Shareholder at their address or Electronic Communication address shown in the Register of Shareholders shall be deemed to have arrived as specified in rule G15.19.

C21 Seventy-five per cent of Shareholders may agree, by consenting in writing or by confirming through Electronic Communication, to a General Meeting being held with less notice than required by rule C19.

Proceedings at General Meetings

C22 Before any General Meeting can start its business there must be a quorum present. A quorum is four Shareholders present in person or by proxy, provided that as part of the quorum at least two Shareholders are present in person.

C23 General 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 in person at the meeting whether or not all assembled at one place.

C24 A meeting held as a result of a Shareholder requisition will be dissolved if too few Shareholders are present half an hour after the meeting is scheduled to begin.

C25 All other General Meetings with too few Shareholders will be adjourned to the same day, at the same time and at the registered office or in any manner and through any medium which permits those attending to hear and comment on the proceedings, in the following week. If less than the number of Shareholders set out in rule C22 are present within half an hour of the time the adjourned meeting is scheduled to have started, those Shareholders present shall carry out the business of the meeting.

C26 The Chair of any General Meeting can:

C26.1 take the business of the meeting in any order that the Chair may decide; and

C26.2 adjourn the meeting if the majority of the Shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.

C27 At all General Meetings of the Association the Chair of the Board shall preside. If there is no such Chair or if the Chair is not present or is unwilling or unable to act, the vice Chair (if any) shall chair the meeting, failing which the Shareholders present shall elect a Shareholder to chair the meeting. The person elected shall be a Board Member if one is present and willing to act.

Proxies

C28 Any Shareholder entitled to attend and vote at a General Meeting may appoint another person, whether or not a Shareholder, as their proxy to attend and vote on their behalf. A proxy can be appointed by delivering a written appointment, which may be by way of Electronic Communication, to the registered office, or such other place as may be selected by the Board and stated in the meeting notice, at least 48 hours before the date of the meeting at which the proxy is authorised to vote. It must be signed or confirmed by Electronic Communication and sent by the Shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final.

Voting

C29 Subject to the provisions of these Rules or of any statute, a resolution put to the vote at a General Meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands, and votes shall be counted in accordance with rule C9.

C30 On a show of hands every Shareholder present in person, and on a ballot every Shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

C31 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair of the meeting that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of that fact.

C32 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.

C33 A ballot on a resolution may be demanded by any three Shareholders at a meeting (in person or by proxy) or directed by the chair of the meeting (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.

C34 A ballot shall be taken at such time and in such manner as the chair of the meeting shall direct. The result of such a ballot shall be deemed to be the resolution of the Association in General Meeting.

C35 Except where the requirements of the Act require a General Meeting to be held, a resolution in writing signed or confirmed by letter or by Electronic Communication or on behalf of the requisite majority of the Shareholders, for the time being, entitled to vote on the relevant resolution, shall be as valid and effective as a resolution passed at a properly called and constituted meeting of Shareholders, provided that a copy of the proposed resolution has been delivered in accordance with these Rules to all Shareholders and the requisite majority of Shareholders referred to in rule C36 has delivered their agreement in accordance with these Rules. Such resolution when signed or approved may comprise more than one document in the same form, each signed or approved, by one or more Shareholders.

C36 For the purposes of rule C35 the requisite majorities are:

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

Representatives and nominees

C37 Under the provisions of these Rules (including rules A3, A4, C2 and C4) no Shareholder is entitled to property of the Association in that capacity, and in the event of the death a person shall cease to be a Shareholder, their share shall be cancelled and the amount paid up on that share shall become the property of the Association. The following make provisions for representatives and nominees taking into account the provisions of these Rules:

C37.1 The Act provides that a Shareholder may nominate a person or persons to whom property in the Association at the time of his/ her death shall be transferred. As any such share will have been cancelled, no person so nominated under the Act shall be entitled to any property of that Shareholder on their death.

C37.2 No property shall be capable of transfer to any personal representative of a deceased Shareholder.

C38 Upon a claim being made by a trustee in bankruptcy of a bankrupt Shareholder to the share held by that Shareholder, the Association shall transfer such share to which the trustee in bankruptcy is entitled and as the trustee in bankruptcy may direct them.

Part D The Board

Functions

D1 The Association shall have a Board who shall direct the affairs of the Association in accordance with its objects and these Rules and ensure that its functions are properly performed. These functions will be agreed by the Board and set out separately in a code of governance or otherwise in writing.

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Acknowledgement of Registration of Society

Register No 30348 R

Southway Housing Trust (Manchester) Limited

is this day registered under the Co-operative and Community Benefit Societies Act 2014.

Dated .... **(Seal of Central Office)**

Copy kept .... **Registrar**

1 .... Shareholder

2 .... Shareholder

3 .... Shareholder

.... Secretary