

**RULES of: Leathermarket Community Benefit  
Society Limited**

**Non-Charitable**

*Registered under the Industrial and  
Provident Societies Act 1965*

**Register No.** .....

**MODEL RULES 2011**

*National CLT Network*

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**PART A**

**NAME AND OBJECTS**

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**Name**

A1 The name of the society shall be Leathermarket Community Benefit Society Limited (“the Society”).

**Objects**

A2 The Society is formed for the benefit of the community to operate democratically as a community body primarily in the Leathermarket area in the London Borough of Southwark (or such other area as the board may determine). Its objects shall be to carry on for the benefit of the community:

- a) the promotion of the social economic and environmental well-being of individuals in need living or wanting to live in the area;
- b) the business of providing housing particularly social housing and affordable housing;
- c) the promotion of the provision of high quality homes, planned and democratically controlled by local people;
- d) the provision of such other community resources, services and activities in the area of benefit as the board shall determine from time to time for the benefit of the community; and
- e) the provision, supply and maintenance of renewable forms of energy.

**Non-profit**

A3 The Society shall not trade for profit and any profits shall only be applied for the purpose of furthering the Society’s objects in accordance with these rules.

A4 Nothing shall be paid or transferred by way of profit to members of the Society.

**Restriction on use of assets pursuant to regulations made under section 1 of the Co-operatives and Community Benefit Societies Act 2003** All of the society’s assets are subject to a restriction on their use.

A5 The Society must not use or deal with its assets except:

- a) where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;
- b) to pay a member of the society the value of his withdrawable share capital or interest on such capital;
- c) to make a payment pursuant to sections 24 (proceedings on death of nominator), 25 (provision for intestacy) or 26 (payments in respect of mentally incapable persons) of the Industrial and Provident Societies Act 1965;
- d) to make a payment in accordance with the rules of the society to trustees of the property of bankrupt members or, in Scotland, members whose estate has been sequestrated;
- e) where the society is to be dissolved or wound up to pay its creditors; or
- f) to transfer its assets to one or more of the following:
  - A5.f.1 a prescribed community benefit society whose assets have been made subject to a restriction

- on use and which will apply that restriction to any assets so transferred;
- A5.f.2 a community interest company;
- A5.f.3 a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
- A5.f.4 a charity (including a community benefit society that is a charity); or
- A5.f.5 body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those persons.
- A6 The Society will seek to abide by and operate according to the internationally agreed principles of co-operation (the “Co-op Principles”), so far as is consistent with the nature of the Society as an asset locked Community Benefit Society. The Co-op Principles are:
- a) Voluntary and Open Membership;
  - b) Democratic Member Control;
  - c) Member Economic Participation;
  - d) Autonomy and Independence;
  - e) Education, Training and Information;
  - f) Co-operation among Co-operatives;
  - g) Concern for the Community.
- A7 Any expression used in this rule which is defined for the purposes of regulations made under section 1 of the 2003 Act shall have the meaning given by those regulations.

## **PART B POWERS OF THE SOCIETY, BOARD, AND MEMBERS**

### **Powers**

- B1 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 objects, except as expressly prohibited in these rules.
- B2 Without limiting its general powers the Society shall have power to:
- B2.1 purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, construct or carry out works to buildings;
  - B2.2 help any charity or other body not trading for profit in relation to housing and related services;
  - B2.3 subject to rules F1, F13 and F14, 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;
  - B2.4 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 financial exposure of the Society;
  - B2.5 subject to rule F15, invest the funds of the Society;

- B2.6 lend money on such terms as the Society shall think fit;
- B2.7 guarantee, enter into any contract of indemnity or suretyship or provide security for the borrowings or performance of the obligations of a third party on such terms as the Society shall think fit;
- B2.8 issue shares for special purpose funds or general purpose funds upon such terms as the law allows and as the board in its absolute discretion shall determine;
- B2.9 issue bonds upon such terms as the law allows and as the board in its absolute discretion shall determine.
- B3 The Society shall not have power to receive money on deposit in any way nor undertake any other activity 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 Subject to rule B7, the business of the Society 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; or
- B5.3 by resolution of the members under rule B7
- all the powers of the Society may be exercised by the board for and in the name of the Society.
- B6 The board shall have power to delegate, in writing, subject to rules D31 to D35, the exercise of any of its powers to committees and to employees of the Society on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

#### **Limited powers of members in general meeting**

- B7 The Society in general meetings can only exercise the powers of the Society expressly reserved to it by these rules or by statute, save that the members may, by special resolution, direct the board to take, or refrain from taking, specified action. No such special resolution invalidates anything which the board have done before the passing of the resolution.

#### **General**

- B8 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.
- B9 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's powers are restricted by such rules or regulations.

### **PART C**

### **MEMBERS AND GENERAL MEETINGS**

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#### **Obligations of members**

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

### **Nature of shares**

- C2 The Society'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 dividend or bonus. The 'par' or 'capital' value of shares issued through a prospectus may be reduced in the circumstances set out in Rules C51-C53 and are withdrawable. £1 shares issued upon application for membership are non withdrawable.
- C3 The Society may issue some shares as designated for a particular purpose. Those shares may carry a risk or return which is different from that for other shares. Such shares shall be issued on such terms as the law allows and as the Board in its absolute discretion shall determine.
- C4 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee of that unincorporated body (alone or jointly with other nominees).
- C5 When a member ceases to be a member or is expelled from the Society, his or her share shall be cancelled. The amount paid up on that share shall become the property of the Society.

### **Nature of members**

- C6 A member of the Society is a person or body whose name and address is entered in the register of members and holds a minimum of one share. The total shareholding cannot exceed the maximum that the law allows.
- C7 The following cannot be members:
- C7.1 a person under the age of 16;
  - C7.2 a person who has been expelled as a member, unless authorised by special resolution at a general meeting;
  - C7.3 an employee of the Society;
  - C7.4 a person who has been removed by the board in accordance with rule D9;
  - C7.5 a person in respect of whom a registered medical practitioner who is treating that person gives written opinion to the CLT 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;
  - C7.6 a personal representative on the death of the member save for the ability to vest or realise the shareholding on behalf of the deceased's beneficiary;
  - C7.7 a trustee in bankruptcy or insolvency practitioner save for the ability to deal with any shareholding.
- C8 A member can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the member and shall designate the member as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the member nominee.
- C9 A corporate body can be a member. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.
- C10 All members (including joint members) shall have one vote irrespective of the number or nature of their shareholding. This means that joint members have one vote between them.

C11 A share cannot be held jointly unless by nominees of an unincorporated body.

#### **Admission of members**

C12 Individuals who are JMB members are entitled to become members. Should the JMB cease to exist or to be responsible for the management of homes on the Leathermarket estate, tenants of the Society shall be entitled to become or continue to be members.

C13 The board shall set, review and publish its policies and objectives for admitting new members. The board shall only admit new members in accordance with such policies.

C14 The JMB shall be entitled to become a member.

C15 An applicant for a share shall apply in writing to the Society's registered office:

C15.1 setting out their reasons for applying and their qualifications in accordance with the Society's policies; and

C15.2 pay the sum of one pound (which shall be returned to them if the application is not approved).

C16 Applicants shall be notified of acceptance of their application for membership within one month. Where the applicant is responding to an invitation to purchase shares following the issue of a prospectus by the Board as part of a share offer pursuant to Rule C40-C61, 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 members. One share in the Society shall be issued to the applicant and is non-withdrawable.

#### **Ending of Membership**

C17 Subject to Rule C40, a member shall cease to be a member if:

C17.1 they die; or

C17.2 they are expelled under rule C18; or

C17.3 they withdraw from the Society by giving one month's notice to the secretary which shall be effective on receipt unless they are one of the last three remaining members, in which case they must provide at least one month's written notice of the withdrawal to the secretary; or

C17.4 they do not participate in, nor deliver written apologies in advance for, three consecutive annual general meetings of the Society and the board resolves that they should cease to be in membership;

C17.5 in the case of a body corporate it ceases to be a body corporate; or

C17.6 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body;

C17.7 they cease to be a member under rule C7;

C17.8 they are a tenant or leaseholder of the Society or the JMB and are subject to a possession order or are in breach of a suspended possession order, or are subject to any of the following types of court order: anti social behaviour order, anti social behaviour injunction, demoted tenancy, or closure order;



- C17.9 the Society has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the Society provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a member upon failing to meet the terms of the order;
  - C17.10 they are a tenant or leaseholder of the Society and are in material or serious breach of their tenancy agreement or lease;
  - C17.11 they cease to meet the criteria under rule C12.
- C18 A member may only be expelled by a special resolution at a special general meeting called by the board.
- C18.1 The board must give the member at least one month's notice in writing of the general meeting. The notice to the members 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.
  - C18.2 At the general meeting called for this purpose the members shall consider the evidence presented by the board and by the member (if any). The meeting may take place without the attendance of the member.
  - C18.3 If the resolution to expel the member is passed in accordance with this rule, the member shall immediately cease to be a member.

### **Annual general meeting**

- C19 The Society 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.
- C20 The functions of the annual general meeting shall be:
- C20.1 to receive the annual report which shall contain:
    - C20.1.1 the revenue accounts and balance sheets for the last accounting period;
    - C20.1.2 the auditor's report (if one is required by law) on those accounts and balance sheets;
    - C20.1.3 the board's report on the affairs of the Society;
  - C20.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law);
  - C20.3 to elect (or re-elect) board members if applicable;
  - C20.4 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.

### **Special general meetings**

- C21 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:
- C21.1 upon an order of the board; or
  - C21.2 upon a written requisition signed by one-tenth of the members (to a maximum of twenty-five but not less than three) stating the business for which the meeting is to be convened; or

C21.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting.

C22 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

**Calling a general meeting**

C23 All general meetings shall be convened by at least fourteen clear days' written notice posted or delivered or sent by fax or electronic communication to every member at the address, fax number or electronic communication address given in the share register. 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.

C24 Any accidental failure to get any notice to any member shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a member at their address shown in the register of members shall be deemed to have arrived two days after being posted and any sent by fax or electronic communication shall be deemed to have 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.

C25 Seventy-five per cent of members may agree, by consenting in writing, or by electronic communication, to a general meeting being held with less notice than required by rule C23.

**Proceedings at general meetings**

C26 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all members, with a minimum number of six and a maximum number of 25. As part of the quorum at least two members must be present in person.

C27 A 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 is scheduled to begin.

C28 All other general meetings with too few members will be adjourned to the same day, at the same time and at the registered office in the following week. If less than the number of members set out in rule C26 are present within half an hour of the time the adjourned meeting is scheduled to have started, those members present shall carry out the business of the meeting.

C29 The chair of any general meeting can:

C29.1 take the business of the meeting in any order that the chair may decide; and

C29.2 adjourn the meeting if the majority of the members 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.

C30 At all general meetings of the Society the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the vice chair (if any) shall chair the meeting, failing which the members

present shall elect a member to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

### **Proxies**

C31 Any member entitled to attend and vote at a general meeting may appoint another person, whether or not a member, as their proxy to attend and vote on their behalf. A proxy can be appointed by delivering a written appointment which may be electronic, to the registered office, or such other place as may be selected by the board and stated in the meeting notice, at least two days before the date of the meeting at which the proxy is authorised to vote. It must be signed or approved and sent by the member 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**

C32 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.

C33 On a show of hands every member present in person and on a ballot every member 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.

C34 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair 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 Society shall be conclusive evidence of that fact.

C35 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.

C36 A ballot on a resolution may be demanded by any three members at a meeting (in person or by proxy) or directed by the chair (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.

C37 A ballot shall be taken at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the Society in general meeting.

C38 A resolution in writing signed or approved by letter, fax or by electronic communication by or on behalf of the requisite majority of the members, 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 members provided that a copy of the proposed resolution has been delivered in accordance with these rules to all members and the requisite majority of members referred to in rule C39 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 members.

C39 For the purposes of rule C38 the requisite majorities are:

C39.1 in the case of an ordinary resolution, a simple majority of members who would have been entitled to vote had the

- resolution been proposed at a properly called and constituted general meeting;
- C39.2 in the case of a resolution requiring a two-thirds majority of members, at least two-thirds of the members who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting; or
- C39.3 in the case of a resolution requiring a three-quarters majority of members, at least three-quarters of the members who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting.

### **Share issues**

- C40 From time to time the Board may determine to issue shares for the purpose of raising funds. Applicants for such shares shall become members of the Society. Their membership, their ability to withdraw such shares and the payment of interest are governed by Rules C40-C61.
- C41 The Board shall set the terms on which the shares under Rule C40 may be issued having taken appropriate advice from suitably qualified persons where the Board lacks the expertise within it. All such share offers must be set out in the form of a prospectus clearly setting out (amongst other things) the terms on which applicants are invited to purchase shares and the effect of these Rules.
- C42 All shares may be held jointly. The Society will send correspondence, notices and the share certificate only to the first person named in Society's register of members, unless that person gives the Society different written instructions.
- C43 Shares cannot be sold or transferred to any other person.

### **Payment of interest on shares and ability to suspend interest payments**

- C44 Where the Board determines that interest may be paid on shares issued as part of raising funding, the availability, rate and offer of interest will be subject to the following requirements:
- C44.1 the interest rate must not be set at a level which is in itself a motivation to buy shares;
- C44.2 the Board must satisfy itself that the payment of interest is in the interest of the Society by reference to available commercial rates for borrowing;
- C44.3 the cost of paying interest is part of the Society's revenue expenses and met before surplus is determined;
- C44.4 the interest rates are declared in advance (not retrospectively) of the period for which they will become payable; and
- C44.5 interest payments may be suspended in the interests of the Society, but only where appropriate financial advice has been taken and having obtained a financial report from a suitably qualified accountant or auditor.

### **Ending of a shareholding**

- C45 Subject to rules C48 to C51 a member may withdraw their shares. In the case of joint members all of them must sign an application to withdraw the

shares unless the Society has previously received written notification of a different arrangement.

- C46 A member may withdraw all their shares and end their shareholding. On withdrawal of all of a members' shares the Society will pay all of the money paid for the shares, and any interest due.
- C47 A member's right to withdraw their share(s) and be paid interest may be suspended in whole or in part by the Society in accordance with rules C52 to C53.

#### **Terms and method of withdrawal of shares**

- C48 The Board will set the terms of the notice period for withdrawal but where no notice period has been given it shall be 180 days subject to rules C50 to C51.
- C49 A withdrawal notice can be served on or any time after the third anniversary of the shares being issued or such other period as the Board sets at the time of issue and set out in the prospectus.
- C50 All withdrawals shall be in the order in which the notices are received by the Society.
- C51 When members apply to withdraw their shares they will need to:
- C51.1 complete a withdrawal notice (as set out by the Society Board);
  - C51.2 comply with any procedures the Society's Board may set; and
  - C51.3 produce evidence of identity.

#### **Reduction in value of shares and/or suspension of right of withdrawal**

- C52 The Society may reduce the value of the shares and write the value down to below the nominal value of £1.
- C53 The Society may suspend the right of withdrawal but will only do so where the Society's liabilities (plus issued share capital) become more than the Society's assets.
- C54 In both C52 and C53 this shall be determined by the Board after having taken appropriate financial advice and having obtained a financial report from a suitably qualified accountant or auditors.

#### **Death of a member**

- C55 On the death of a member holding a share in their own name but not exceeding the value of £5,000, the Society will do one of the following:
- C55.1 transfer the shares to the registered nominee; or
  - C55.2 in the absence of a registered nominee, transfer the shares to a personal representative who has proof of the grant of probate or letters of administration; or
  - C55.3 in the absence of a registered nominee or personal representative as described in C55.1 and C55.2 above, the Society may transfer the shares to the person who seems to the Society (acting in its absolute discretion) to have a legal right to the shares and on production of evidence of identity.
- C56 On the death of a member holding a share in their own name where the value exceeds £5,000, rule C55 will apply to the first £5,000 worth of shares but thereafter whether or not there is a nominee, the Society will

transfer the remaining shares to the personal representative upon proof of the grant of probate or letters of administration.

- C57 In the case of joint members, rules C55 – C56 will not apply and unless the joint members have given the Society written instructions to the contrary the Society will treat the surviving owner (or owners) as the only owner of that share and register that person's name in place of the deceased.
- C58 After the Society has transferred the deceased's share to their personal representative, the personal representative may apply to withdraw the share but cannot exercise any other membership rights for that share.
- C59 Any person other than a personal representative or trustee in bankruptcy to whom shares are transferred under rules C55 to C59 will have all the shareholding rights previously enjoyed by the member. The total combined shareholding for such a person must not exceed the maximum value allowed by law.

### **Bankruptcy and/or mental incapacity of a member**

- C60 Where the Society receives a written opinion from a registered medical practitioner who is treating that person stating that the person has become mentally incapable of exercising their rights as a member and/or written proof that a member is bankrupt the appropriate guardian and/or the trustee of the estate (as appropriate) may apply to withdraw their shares. The guardian/trustee cannot exercise any other shareholding rights for those shares.
- C61 Where the Society receives a written opinion from a registered medical practitioner who is treating that person stating that the person has become mentally incapable of exercising their rights as a joint member and/or written proof that a joint member is bankrupt, the Society will substitute the interest of the guardian/trustee of their estate for the name of that joint member and substitute the guardian/trustee as the last named person of the joint holders of that share. The Society will automatically cancel any written instructions that vary.

## **PART D**

## **THE BOARD**

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### **Functions**

- D1 The Society shall have a board (in these rules referred to as "the board") who shall direct the affairs of the Society in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- D1.1 set and ensure compliance with the values, vision mission and strategic objectives of the Society, ensuring its long term success;
  - D1.2 appoint, and if necessary, dismiss the chief executive and approve his or her salary, benefits and terms of employment;
  - D1.3 satisfy itself as to the integrity of financial information, approving each year's budget and business plan and annual accounts prior to publication;
  - D1.4 establish, oversee and review annually a framework of delegation and systems of internal control;
  - D1.5 establish and oversee a risk management framework in order to safeguard the assets of the Society;

- D1.6 take appropriate advice;
- D1.7 ensure that at any time when the Society is registered with the regulator as a provider of social housing, that it takes account of any obligation imposed upon the Society by the regulator in exercise of its powers;
- D1.8 satisfy itself that the Society's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
- D1.9 establish and operate a performance appraisal system for the board, the chair and individual board members.

### **Composition of the board**

#### **D2**

D2.1 The board shall consist of between eight and twelve board members (including co-optees) as may be determined by the board comprising:

D2.1.1 at least 7 resident board members; and

D2.1.2 no more than 5 independent board members.

If the number of board members shall fall below the number required for a full board, the remaining board members may continue to act. The board will use all reasonable endeavours to find replacements as soon as possible.

D2 Except for co-optees and employees only members can be board members.

#### **D3**

D3.1 The board shall make available the obligations (including the expected standards of conduct) of every board member (including co-optees) to the board and to the Society. The board shall review and may amend the obligations of board members from time to time.

D3.2 No board member (including co-optees) may act as such until they have signed and delivered to the board a statement, confirming that they will meet their obligations (including the expected standards of conduct) to the board and to the Society. The board may vary the form of statement from time to time.

D3.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the board or, if later, within one month of adoption of these rules, shall immediately cease to be a board member.

#### **D4**

D4.1 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations nor vote on the election of officers of the Society nor any matter directly affecting members.

D4.2 Not more than five co-optees can be appointed to the board or to any committee at any one time.

- D5 For the purposes of these rules and of the Act, a co-optee is not included in the expression “board member” or “member of the board”.
- D6
- D6.1 The resident board members shall be elected in accordance with a procedure set out by the board (who may vary or amend it from time to time).
  - D6.2 The board may set selection criteria for candidates wishing to stand for election as resident board members and these may provide for prospective candidates to be approved by the board before they become eligible to stand for election as resident board members.
  - D6.3 The chosen candidates shall be put forward to the relevant annual general meeting as the candidates for election as resident board members. The members shall vote on the election of the candidates put forward at the relevant annual general meeting. In doing so, the members shall use their reasonable endeavours to ensure that the successful candidates have the requisite skills and experience as may be requested by the board. Each successful candidate shall become a resident board member and serve for a term of three years, expiring at the annual general meeting in their third year of office.
  - D6.4 A vacancy for a resident board member arising because there were insufficient candidates elected by the relevant body or bodies, or because of a retirement or for whatever other reason may be filled by another resident chosen by the board and such replacement shall hold office for the remainder of the period of office of his/her predecessor.
  - D6.5 The independent board members shall be elected in accordance with a procedure set out by the board (who may vary or amend it from time to time). The board may set selection criteria for candidates wishing to stand for election as independent board members and these may provide for prospective candidates to be approved by the board before they become eligible to stand for election as independent board members.
  - D6.6 The chosen candidates shall be put forward to the relevant annual general meeting as the candidates for election as independent board members. The members shall vote on the election of the candidates put forward at the relevant annual general meeting. In doing so, the members shall use their reasonable endeavours to ensure that the successful candidates have the requisite skills and experience as may be requested by the board. Each successful candidate shall become an independent board member and serve for a term of three years, expiring at the annual general meeting in their third year of office.



D6.7 A vacancy for an independent board member arising because there were insufficient candidates elected at the relevant annual general meeting, or because of a retirement or for whatever other reason may be filled by the board and such replacement shall hold office for the remainder of the period of office of his/her predecessor. If an independent board member retires at an annual general meeting in accordance with these rules and the meeting does not fill the vacancy, the retiring independent board member shall, if willing, be deemed to have been reappointed unless a resolution for his/her reappointment is put to the meeting and lost.

D7

D7.1 The JMB shall have the power from time to time and at any time to appoint one person as its nominee board member and to remove from office any such nominee board member. Appointments and removals shall be made in writing, signed by an authorised officer and shall take effect upon receipt by the secretary or such later date as may be specified in the document.

D7.2 In appointing its nominee to the board the JMB shall use its reasonable endeavours to ensure that its nominee has the requisite skills and experience as may be requested by the board.

D7.3 A JMB nominee board member shall, if that person is a resident in the area, count towards the number of resident board members, and otherwise shall count towards the number of independent board members and shall in either case be designated and recorded as such in the minutes.

D8

No one can become or remain a board member or co-optee at any time if:

D8.1 they are disqualified from acting as a director of a company for any reason; or

D8.2 they have been convicted of an indictable offence which is not, or cannot be, spent; or

D8.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or

D8.4 they are not a member (unless they are a co-optee or employee of the Society or any other body whose accounts must be consolidated with those of the Society); or

D8.5 they have absented themselves from three consecutive meetings of the board in one rolling twelve-month period without special leave of absence from the board; or

D8.6 a registered medical practitioner who is treating that person gives a written opinion to the Society stating that that person has become physically or mentally incapable of acting as a board member and may remain so for more than three months; or

D8.7

D8.8 they are an employee and their contract of employment is terminated; or

D8.9 they are a tenant and are in material or serious breach of their tenancy agreement or lease or conveyance and fail to rectify the breach within a reasonable timeframe as agreed with the Society, or are subject to any of the following types of court order: anti social behaviour order, anti social behaviour injunction, demoted tenancy, or closure order;

D8.10 they are a specifically elected or appointed resident board member and cease to be a resident;

and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.

D9 A board member may be removed from the board:

D9.1 by a two-thirds majority at a general meeting; or

D9.2 by a resolution passed by two-thirds of the board members, excluding the board member subject of the proposed removal and excluding co-optees and employees, provided the following conditions are satisfied:

D9.2.1 at least fourteen days notice of the proposed resolution has been given to all board members; and

D9.2.2 the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with rule D3.1; and

D9.2.3 the board is satisfied that the allegation(s) is or are true.

D10 Whenever the number of board members and co-optees is less than permitted by these rules, the board may appoint a further board member in addition to the board's power to co-opt. Any board member so appointed shall retire at the next annual general meeting.

#### **Terms of office and election to the board**

D11 In every notice for an annual general meeting the board shall state those board members continuing in office and those candidates intending to offer themselves for election.

D12 Each board member elected under rule D14 shall be elected for a fixed term of office expiring at the conclusion of an annual general meeting (each a "fixed term"). The fixed term shall be for a term of three annual general meetings unless the board has set a lower number of annual general meetings for the relevant board member on their election. No fixed term shall be set which would cause the relevant board member to serve beyond their ninth consecutive annual general meeting.

D13

D13.1 At every annual general meeting each board member who has served their fixed term shall retire from office. Any board member who retires from office at an annual general meeting under this rule D13 shall be eligible for re-election subject to any restrictions contained in these rules.

D13.2 Any board member retiring under rule D13.1 having completed nine years' continuous service on either the board of the Society and/or the board of a group member shall not be eligible for re-election until the next following annual general meeting or, if later, for at least twelve months after completing such service.

D14

- D14.1 Save for the JMB nominee board member board members will be elected by members pursuant to rule D11 and in accordance with the procedures set from time to time by the board.
- D14.2 The board shall set and publish selection criteria in relation to candidates wishing to stand for election as board members including a statement of the skills, qualities and experience required by the board amongst its members. These may provide for prospective candidates to be approved by the board before they are eligible to stand to election as board members.
- D14.3 The board shall endeavour to ensure that the board possesses the quality, skills, competencies and experience which the board has from time to time determined that it requires.
- D14.4 If at elections for board members the number of candidates for election as board members does not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates exceeds the number of vacancies the meeting shall elect the board members by ballot in such a manner as the chair directs and in accordance with the procedures set under rule D14.1.
- D14.5 In an election for candidates wishing to be board members at a general meeting every member present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate.

D15

- D15.1 Any candidate for election to the board as a board member under rule D14 shall submit a written statement to the Society in such form as the board from time to time determines. It shall set out the candidate's full name, address, and occupation, whether or not they are a resident and the reasons for their suitability to be a board member.
- D15.2 In addition, a candidate who is not retiring as a board member must be nominated in writing by a member.
- D15.3 The statement and nomination shall be delivered to the Society in accordance with the procedures set under rule D14.

**Quorum for the board**

D16

- D16.1 Subject to the provisions of rule D16.2 five board members shall form a quorum. The board may determine a higher number or impose additional requirements.
- D16.2 The board is quorate if the majority of the board members present are residents of the Society.
- D16.3 If the number and make up of board members falls below the number and make up necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months and the provisions of rule D16.2 shall be suspended for that time. At the end of that time the only power that the board may exercise shall be to bring the number and make up of board members up to that required by these rules.

### Board members' interests

- D17 No board member, co-optee or member of a committee shall have any financial interest in any contract or other transaction with the Society or with any other group member, or be granted a benefit by the Society, unless such interest or benefit:
- D17.1 is expressly permitted by these rules or under any determination or guidance by the regulator from time to time; or
  - D17.2 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.
- D18 Any board member, co-optee 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 or any committee. Such disclosure must comply with any code of conduct and/or governance adopted by the board 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 or committee), and they shall not have any vote on the matter in question.
- D19 Subject to rule D20, if a question arises at a meeting of board members or of a committee of board members as to the right of a board member 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, whose ruling in relation to any board member other than the chair is to be final and conclusive.
- D20 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 board members at that meeting, 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.
- D21 Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- D22 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of:
- D22.1 all other bodies in which they have an interest as:
    - D22.1.1 a director or officer or
    - D22.1.2 a member of a firm or
    - D22.1.3 an official or elected member of any statutory body or
    - D22.1.4 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;
  - D22.2 any property owned or managed by the Society which they occupy; or
  - D22.3 any other significant or material interest.
- D23 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee 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 directs.

- D24 Notwithstanding rule D17, the Society may:
- D24.1 pay properly authorised expenses to board members, co-optees and members of committees when actually incurred on the Society's business;
  - D24.2 pay insurance premiums in respect of insurance taken out to insure officers and employees;
  - D24.3 pay remuneration, fees, allowances or recompense for loss of earnings to board members, co-optees and members of committees; and
  - D24.4 grant benefits to board members, co-optees and members of committees; provided that any such payment or benefit is in accordance with any code of conduct and/or governance adopted by the board from time to time.
- D25 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D17 to D22 as a board member, director or officer of any other group member.
- D26 Board members, co-optees or members of committees who are residents of the Society or any other group member shall be deemed not to have an interest for the purpose of rules D17 to D22 in any decision affecting all or a substantial group of residents of the Society.
- D27 The grant of a tenancy, licence or lease by the Society or by any other group member at the direction of another body or on a basis which is consistent with any applicable guidance, determination, standard or code of practice of the regulator (or any code of conduct and/or governance of the board from time to time, adopted by the board) to a board member, co-optee or member of a committee is not the grant of a benefit for the purpose of rule D17.

### **Meetings of the board**

- D28 The board shall meet at least three times every calendar year. At least seven days' written notice (sent by post, fax or electronic communication) of the date and place of every board meeting shall be given by the secretary to all board members and co-optees. The board may meet on shorter notice where not less than seventy-five per cent of the board members so agree.
- D29 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members and co-optees to the board as soon as possible after receipt of such a request. Pursuant to the request, the secretary shall call a meeting on at least seven days' notice but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

### **Availability of certain board statements**

- D30 The board shall agree and make available:
- D30.1 the board's statement of the values and objectives of the Society;

D30.2 a statement of the current obligations of board members to the board and the Society;

D30.3 the policy for admitting new members adopted pursuant to rule D6.

The board may vary the form of these statements from time to time.

### **Management and delegation**

D31 The board may delegate any powers under written terms of reference to its committees or to officers or employees. Those powers shall be exercised in accordance with any written instructions given by the board.

D32 The board may reserve to itself certain significant matters that cannot be delegated to committees or employees.

D33 The membership of any committee shall be determined by the board. Every committee shall include one board member or co-optee to the board. The board will appoint the chair of any committee and shall specify the quorum.

D34 All acts and proceedings of any committee shall be reported to the board.

D35 No committee can incur expenditure on behalf of the Society unless at least one board member or co-optee of the board on the committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.

### **Miscellaneous provisions**

D36 All decisions taken at a board or any committee meeting in good faith 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 members at a meeting.

D37 A resolution sent to all board members or all members of a committee and signed, or confirmed electronically by three-quarters of the board members 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 or committee and may consist of documents in the same form and signed or confirmed electronically by one or more persons.

D38 Meetings of the board 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.

D39 Notice may be given to board members by post, fax or electronic communication at the last address for such communication given to the secretary. The accidental failure to give notice to a board member or the failure of the board member to receive such notice shall not invalidate the proceedings of the board.

## **PART E CHAIR, VICE CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS**

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### **The chair**

E1 The Society shall have a chair, who shall chair board meetings, and shall be elected by the board on such terms as the board determines. The Society may also have a vice chair who, in the chair's absence, shall act as the chair and have the chair's powers and duties and who shall be elected

by the board. The arrangements for election and removal of any vice chair shall be determined by the board.

- E2 The first item of business for any board meeting when there is no chair (or vice chair) or the chair (or vice chair) is not present shall be to elect a chair for the purpose of the meeting. The chair shall at all times be a member and a board member and cannot be an employee.
- E3 In a case of an equality of votes, the chair shall have a second vote.
- E4 The chair of the Society may be removed at a board meeting called for that purpose provided the resolution is passed by at least two-thirds of the members of the board present and voting at the meeting.

### **The chair's responsibilities**

- E5 The chair shall seek to ensure that:
- E5.1 the board's business and the Society's general meetings are conducted efficiently;
  - E5.2 all board members are given the opportunity to express their views;
  - E5.3 a constructive working relationship is established with, and support provided to, the chief executive (if any);
  - E5.4 the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the Society to be carried on effectively between board meetings;
  - E5.5 the board receives professional advice when needed;
  - E5.6 the Society is represented as required;
  - E5.7 the Society's affairs are conducted in accordance with generally accepted codes of performance and propriety; and
  - E5.8 there is a clear division of responsibilities between the board and the paid staff, and/or managing agent (if any).
- E6 The board shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

### **The chief executive**

- E7 The Society may have a chief executive appointed by the board. The chief executive shall be appointed with a written and signed contract of employment, which shall include a clear statement of the duties of the chief executive.

### **The secretary**

- E8 The Society shall have a secretary who shall be appointed by the board and who may be an employee. The board may also appoint a deputy secretary (who may also be an employee) to act as secretary in the secretary's absence. The secretary shall in particular:
- E8.1 summon and attend all meetings of the Society and the board and keep the minutes of those meetings;
  - E8.2 keep the registers and other books determined by the board;
  - E8.3 make any regulatory returns on behalf of the Society to the regulator and registrar;
  - E8.4 have charge of the seal (if any) of the Society; and

- E8.5 be responsible for ensuring the compliance of the Society with these rules.

#### **Other officers**

- E9 The board 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.

#### **Miscellaneous**

- E10 Every officer or employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of their duty.
- E11 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the Society.

### **PART F**

### **FINANCIAL CONTROL AND AUDIT**

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#### **Auditor**

- F1 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 section 91 of the Act .
- F2 The following cannot act as auditor:
- F2.1 an officer or employee of the Society;
  - F2.2 a person employed by or employer of, or the partner of, an officer or employee of the Society.
- F3 The Society's auditor may be appointed by the board or by a resolution of members.
- F4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current years as well unless:
- F4.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
  - F4.2 the auditor does not want to act and has told the Society so in writing; or
  - F4.3 the person is not qualified or falls within rule F2 (above); or
  - F4.4 the auditor has become incapable of acting; or
  - F4.5 notice to appoint another auditor has been given and, in accordance with section 93 (4) (b) of the Act, the resolution cannot be proceeded with at the meeting because of the death or incapacity of the person or because the person is ineligible for appointment for the current year of account.
- F5
- F5.1 No less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed;
  - F5.2 the Society shall send a copy of the resolution to the retiring auditor and also give notice to its members at the same time and in the same manner, if possible;
  - F5.3 if not, the Society shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to its members under section 95 of the Act.



### **Auditor's duties**

- F6 The findings of the auditor shall be reported to the Society, in accordance with section 87 of the Act .
- F7 The board shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, at each annual general meeting. The board shall also produce its report on the affairs of the Society which shall be signed by the person chairing the meeting which adopts the report.

### **Accounting requirements**

- F8 The end of the accounting year must be a date allowed by the registrar.
- F9 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with sections 75 and 76 of the Act.
- F10 The Society shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

### **Annual returns and balance sheets**

- F11 Every year, within the time period specified by legislation, the secretary shall send the Society's annual return to the registrar. The return shall be prepared in accordance with the period specified in the Act, or such other date allowed by the registrar and shall be lodged within the period required by law. The annual return shall be accompanied by the auditor's report, if required, for the period of the return and the accounts and balance sheets to which it refers.

### **Borrowing**

- F12 The total borrowings of the Society at any time shall not exceed £500 million (five hundred million) pounds sterling or such a larger sum as the Society determines from time to time in general meeting. For the purpose of this rule F12, any amount of the Society's borrowings in any currency other than pounds sterling (as may be permitted or not prohibited 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.
- F13 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, is reasonable having regard to the terms of the loan. The board may delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.
- F14
- F14.1 In respect of any proposed borrowing, for the purposes of rule F12 and in relation to the amount remaining un discharged of any deferred interest or index-linked monies or amounts on any deep discounted security previously borrowed by the Society, the amount of such pre-existing borrowing shall be deemed to be the amount required to repay such pre-existing borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing;
- F14.2 for the purposes of rule F13 in respect of any proposed borrowing intended to be on deferred interest or index-linked

terms 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; and

- F14.3 no person dealing in good faith with the Society shall be concerned to know whether rule F12 or F13 or this rule F14 have been complied with.

### **Investment**

- F15 The funds of the Society may be invested by the board in such manner as it determines.

## **PART G**

## **MISCELLANEOUS AND STATUTORY**

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### **Registered office and name**

- G1 The Society's registered office is: 26 Leathermarket Street, London SE1 3HN
- G2 The Society's registered name must:
- G2.1 be placed prominently outside every office or place of business; and
- G2.2 be engraved on its seal; and
- G2.3 be stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

### **Disputes**

- G3 Any dispute on a matter covered by the 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 the rules.

### **Minutes, seal, registers and books**

- G4 The minutes of all general meetings and all board and committee meetings shall be recorded, agreed at the relevant subsequent meeting and signed by the chair of the subsequent meeting and stored safely.
- G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves. The board may in the alternative authorise the execution of deeds in any other way permitted by law.
- G6 The Society must keep at its registered office:
- G6.1 the register of members showing:
- G6.1.1 the names and addresses of all the members and

- G6.1.2 a statement of all the shares held by each board or committee member and the amount paid for them and
- G6.1.3 a statement of other property in the Society held by the member and
- G6.1.4 the date that each member was entered in the register of members;
- G6.2 a duplicate register of members showing the names and addresses of members and the date they became members;
- G6.3 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;
- G6.4 a register of holders of any loan;
- G6.5 a register of mortgages and charges on land; and
- G6.6 a copy of the rules of the Society.
- G7 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.
- G8 The Society shall give to all members on request copies of its last annual return with the auditor's report (if one is required by law) on the accounts contained in the return, free of charge.
- G9 The secretary shall give a copy of the rules of the Society to any person on demand who pays such reasonable sum as permitted by law.

#### **Statutory applications to the registrar**

- G10 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. Acceptance of any such application is at the discretion of the registrar.
- G11 The members may apply to the registrar in order to get the affairs of the Society inspected or to call a special general meeting. One hundred members, or one-tenth of the members, whichever is the lesser, must make the application. Acceptance of any such application is the discretion of the registrar.

#### **Amendment of rules**

- G12
  - G12.1 The rules of the Society may be rescinded or amended but not so as to stop the statutory asset lock applying where adopted.
  - G12.2 The rules may only be amended by a resolution put before the members by the board and approved by at least two-thirds of the board prior to approval by the members.
  - G12.3 rules A2; A3; A4; B1; B2; B3; C2; C4; D16; D28; G12 and G14 can only be amended or rescinded by way of a written resolution or by three-fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two-thirds of the votes cast at a general meeting or by way of a written resolution.
  - G12.4 An application to register rule changes approved in accordance with this rule shall be made as soon as possible to the registrar

after such approval. No amendment to the Society's rules is valid until it is registered.

### **Dissolution**

G13 The Society may be dissolved by a three-fourths majority of members who sign an instrument of dissolution in the prescribed format or by winding-up under the Act.

G14

G14.1 Any property that remains, after the Society is wound-up or dissolved and all debts and liabilities dealt with, the members may resolve to give or transfer to another body with objects similar to that of the Society; or where the statutory asset lock applies to the Society to another body in accordance with rule A5f).

G14.2 If the CLT is registered as a provider of social housing with the regulator any transfer or gift must be in compliance with the Housing and Regeneration Act 2008 or any other relevant legal and regulatory provisions which exist from time to time.

### **Interpretation of terms**

G15 In these rules, including this rule, unless the subject matter or context is inconsistent:

G15.1 words importing the singular or plural shall include the plural and singular respectively;

G15.2 words importing gender shall include the male and female genders;

G15.3 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;

G15.4 "the Act" shall mean the Co-operative and Community Benefit Societies Act 2014;

G15.5 "amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;

G15.6 "area" shall mean the area as defined in rule A2, as set out for illustrative purposes at registration in the plan attached to these rules

G15.7 "board" shall mean the board appointed in accordance with Part D and "board member" or "member of the board" shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D4;

G15.8 "chair" shall, save in rule E1 and where applicable, include the vice chair;

G15.9 ;

G15.10 "derivative transaction" means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other

- benchmarks against which payments or deliveries are to be made, or any combination of these transactions;
- G15.11 “Electronic Communication” shall have the meaning set out in section 148 of the Act;
- G15.12 “independent board member” shall mean a board member who is appointed pursuant to rules D5 to D8;
- G15.13 “JMB” means Leathermarket Joint Management Board, a company limited by guarantee with registered number 02987890
- G15.14 “JMB member” means a JMB member as defined in the JMB’s governing document, for the time being ;
- G15.15 “member” shall mean one of the persons referred to in rule C6 and means “member” as defined by the Act;
- G15.16 “officer” shall include the chair and secretary of the Society and any board member for the time being and such other persons as the board may appoint under rule E9;
- G15.17 “property” shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.18 “prospectus” means a publication containing clear and transparent information on the character, nature, and purpose of share issue made by the society in accordance with rules C40 - C54;
- G15.19 “register of members” means the register kept in accordance with rule G6.1;
- G15.20 “registrar” means the Financial Services Authority or any statutory successor to or any assignee of any or all of its relevant functions from time to time;
- G15.21 “regulator” means the Homes and Communities Agency or, if in Wales, the Housing Directorate of the Welsh Assembly Government or any statutory successor to or any assignee of any or all of their relevant functions from time to time;
- G15.22 “relevant local authority”
- G15.23 “resident” means a person who lives or works in the area;
- G15.24 “resident board member” shall mean a board member who is appointed pursuant to rules D7.1 – D7.3;
- G15.25 “tenant” means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the Society’s premises for residential use or the premises of any body whose accounts must be consolidated with the Society’s or any other group member;
- G15.26 “these rules” shall mean the registered rules of the Society for the time being;
- G15.27 “secretary” means the officer appointed by the board to be the secretary of the Society or other person authorised by the board to act as the secretary’s deputy;
- G15.28 “social housing” means low cost rental accommodation and low cost home ownership accommodation as defined in section 69

and 70 and social housing as defined in section 77 of the Housing and Regeneration Act 2008;

G15.29 “the Society” shall mean Leathermarket Community Benefit Society Limited of which these are the registered rules.