



**RULES OF  
MONMOUTHSHIRE HOUSING ASSOCIATION LIMITED**

**REGISTER N<sup>o</sup>:**

**30087R**

**A society registered under the Co-operative and Community Benefit Societies Act 2014**

**An exempt charity**

**All Previous Rules Rescinded**



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***Based on the Community Housing Cymru Group Model Rules 2013***



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## **PART A**

## **NAME AND OBJECTS**

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### **Name**

A1 The name of the society shall be Monmouthshire Housing Association Limited ("the association").

### **Objects**

A2 The association is formed for the benefit of communities in areas in which the association owns or manages housing stock and being primarily in Monmouthshire. Its objects shall be to carry on for the benefit of the community:

A2.1 the business of providing and managing housing, accommodation, and assistance to help house people and associated facilities and amenities for persons in financially necessitous circumstances or for the relief of aged, disabled (whether physically or mentally) or chronically sick people.

A2.2 any other charitable object that can be carried out from time to time by a registered society which is also registered as a **social landlord** with the regulator.

### **Non-profit**

A3 The association shall not trade for profit.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

## **PART B**

## **POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS**

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### **Powers**

B1 The association shall have the power to do anything necessary or expedient to achieve its objects, except where it is prevented from doing so by any relevant legislation, determination, specification or regulatory guidance, from time to time in force, or where expressly prohibited in its rules.

B2 Without limiting its general powers the association shall have power to:

B2.1 purchase, acquire or dispose of, assign, or take or grant any interest in land including any mortgage, 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 commercial effect of a borrowing on such terms and on such security (including floating charges) as the association thinks fit;



- B2.5 enter into and perform any derivative transaction on such terms 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;
- B2.7 lend or make grants or donations of money on such terms as the association shall think fit;
- B2.8 guarantee, enter in any contract of indemnity or suretyship or revised security for the borrowings of performance of the obligations of a third party on such terms as the association shall see 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 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 D39-43, the exercise of any of its powers to committees, to officers and to employees of the association on such terms as it determines. Such delegation may include any of the powers and discretions of the board

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

- B7 The association in general meeting 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 any regulations.



## **PART C**

## **SHAREHOLDERS AND GENERAL MEETINGS**

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### **Obligations of shareholders**

- C1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders 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 shall have a nominal value of £1 which shall carry no right to interest, dividend or bonus, save for any permitted by paragraph 1 of Schedule 1 to the Housing Act 1996.
- C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be withdrawn or can be transferred, and only to a new nominee of that unincorporated body (alone or jointly with other nominees).
- 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
- C5.1 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders. No person or body shall be entered in the register of shareholders if the effect of such registration would be that the percentage of shareholders who are domiciled in Wales falls below 75%.
- C5.2 The shareholders shall be divided into classes as follows:-
- The tenant shareholders
  - The independent shareholders
  - The council shareholder
- The board shall decide, acting reasonably, into which class a shareholder shall be designated from time to time
- C5.3 A shareholder shall belong to a class and cannot belong to more than one class.
- C5.4 Each board member other than the council board members shall also become a shareholder of the association, be issued with one share and entered in the register of shareholders. Council board members may not become shareholders.



- C5.5 Subject to compliance with the association's policy on shareholding membership, the board shall admit any tenant who so wishes to shareholding membership of the association as a tenant shareholder and may, in its absolute discretion admit other persons to shareholding membership of the association as independent shareholders PROVIDED THAT no person other than the council shareholder may be admitted or remain as a shareholder if they are a local authority person and PROVIDED FURTHER THAT an independent shareholder may not be either a local authority person or a tenant.
- C5.6 The council as a corporate body shall appoint an individual to exercise its rights at general meetings and may remove and replace such individual. Such appointment, removal and replacement shall be in writing, and given to the secretary.
- C6 The following cannot be shareholders:
- C6.1 a minor – as determined by the Board from time to time;
  - C6.2 a person who has been expelled as a shareholder, unless authorised by a special resolution at a general meeting;
  - C6.3 an employee of the association or any other group member;
  - C6.4 a local authority person (other than the council shareholder);
  - C6.5 a person who has been removed by the board in accordance with rule D19;
  - C6.6 a person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the effect that that person has become physically or mentally incapable of acting as a board member and may remain so for more than three months;
  - C6.7 a person in respect of whom, by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
  - C6.8 a person who is disqualified from acting as a director of a company for any reason.
- C7 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder and shall designate the shareholder 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 shareholder nominee.
- C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing or other forms of communication in accordance with rule H16.
- C9 No shareholder shall hold more than one share.
- C9.1 In any vote each class of shareholder shall each have the same number being one third of the votes in total and as a consequence the votes of shareholders of each class shall be counted as follows:



- Each tenant shareholder's vote equals one third of the total votes divided by T
- Each independent shareholder's vote equals one third of the total votes divided by I
- The council shareholder's vote equals one third of the total votes

Where

- T is the total number of tenant shareholders voting
- I is the total number of independent shareholders voting

C10 A share cannot be held jointly unless by nominees of an unincorporated body.

### **Admission of shareholders**

C11 The board shall set and review and publish its membership policies and objectives for admitting new shareholders. The board shall only admit new shareholders in accordance with such policies.

C12 An applicant for a share shall apply in writing to the association's registered office in accordance with approved membership policies as set out in rule C11.

C13 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 and a copy of the rules shall be made available to them.

### **Ending of shareholding**

C14 A shareholder shall cease to be a shareholder if:

C14.1 they die; or

C14.2 they are expelled under rule C15; or

C14.3 they withdraw from the association by giving at least one month's notice to the secretary; or

C14.4 they do not participate in, nor deliver written apologies in advance for, three consecutive annual general meetings of the association; or

C14.5 in the case of a body corporate it ceases to be a body corporate; or

C14.6 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body; or

C14.7 they are a tenant or an independent shareholder and they become a local authority person; or

C14.8 they are an independent shareholder and they become a tenant; or

C14.9 the provisions of rule C6 apply; or



- C14.10 the association serves notice on the shareholder in accordance with rule H16 asking them to indicate (within a set 3 month period) if they wish to remain as a shareholder, and they fail to reply within that period that they do; or
- C14.11 the association has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the association provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a shareholding member upon failing to meet the terms of the order; or
- C14.12 they are a tenant and are in material or serious breach of their tenancy agreement or lease and fail to rectify the breach within a reasonable timeframe as agreed with the association 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 or any other court order, howsoever named, which has an effect equivalent to any of the foregoing; or
- C14.13 they are a board member who ceases to be a board member in circumstances other than removal under rule D19 (unless the board resolves that they may remain a shareholder); or
- C14.14 a person who has been convicted of an indictable offence which is not, or cannot be, spent; or
- C14.15 a person who has been convicted of any other offence at any time, which in the opinion of the board: brings the association into disrepute and in respect of whom the board resolves (by a majority of at least two-thirds) that they should be removed, or
- C14.16 they cease to be domiciled in Wales and as a result the percentage of shareholders who are domiciled in Wales falls below 75%.
- C15 A shareholder may only be expelled by a resolution at a special general meeting called by the board.
- C15.1 The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the association and must request the shareholder to attend the meeting to answer the complaint.
- C15.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place without the attendance of the shareholder.
- C15.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder. No person who has been expelled from membership is to be re-admitted except by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at an annual or special general meeting.

## **Annual general meeting**



- C16 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.
- C17 The functions of the annual general meeting shall be:
- C17.1 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; and
  - the board's report on the affairs of the association.
- C17.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law);
- C17.3 to admit tenant board members if applicable;
- C17.4 to appoint independent board members; and
- C17.5 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**

- C18 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:
- C18.1 upon an order of the board; or
- C18.2 upon a written requisition signed by one-tenth of the shareholders (to a maximum of twenty-five but not less than three) stating the business for which the meeting is to be convened; or
- C18.3 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.
- C19 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

### **Calling a general meeting**

- C20 Subject to rule C22, all general meetings shall be convened by at least fourteen clear days' written notice served in accordance with rule H16 on every shareholder. 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.
- C21 Any accidental failure to get any notice to any shareholder shall not invalidate the proceedings at that general meeting.



- C22 Seventy-five per cent of shareholders may agree, by consenting in writing, or by other communication means approved by the board, to a general meeting being held with less notice than required by rule C20.

### **Proceedings at general meetings**

- C23 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all shareholders, with a minimum number of five and a maximum number of 25 and must include two tenant shareholders, the council shareholder and two independent shareholders. As part of the quorum at least two shareholders must be present in person.
- C24 A meeting held as a result of a shareholders' 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 in the following week and at the same venue (or other appropriate venue notified by the secretary to all shareholders). If less than the number of shareholders set out in rule C23 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 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 member of the board 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 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 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 or required by these rules, be decided upon a show of hands. 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.
- C30 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 association shall be conclusive evidence of that fact.
- C31 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.
- C32 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 (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.
- C33 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 association in general meeting.
- C34 Save where a physical meeting is required by the Act, a resolution in writing signed or approved by letter, fax or by electronic communication by 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 C35 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.
- C35 For the purposes of rule C34 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.



## PART D

## THE BOARD

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### Functions

D1 The association shall have a board (in these rules referred to as the **board**) which shall, subject to rule D36, direct the affairs of the association in accordance with its objects and rules and ensure that its functions are properly performed. At all times that the association is registered with the regulator as a social landlord, the board shall ensure that the association takes account of any obligation imposed upon the association by the regulator in exercise of its powers.

### Composition of the board

D2.

- D2.1 The board of the association shall consist of up to twelve board members.
- D2.2 Not more than four board members shall be tenants (of which one may be a leaseholder).
- D2.3 At least one third of board members shall be independent Board Members.
- D2.4 Not more than four board members may be local authority persons.
- D2.5 If the requirements in D2.1 to D2.4 are at any point not fulfilled then subject to Rule D2.6 the board shall use its reasonable endeavours to appoint additional board members as appropriate provided that in the event that at any time the requirements are not fulfilled the remaining board members may continue to act and exercise all powers of the board.
- D2.6 If the number of board members falls below the number necessary for a quorum, the remaining board members may continue to act as a board for a period of up to six months. If after six months, sufficient vacancies have not been filled to enable a quorum, the remaining board members shall call a general meeting of the association and the shareholders at that general meeting shall appoint persons to being the member of board members up to that required by these rules. Board members appointed in this way shall hold office until the next annual general meeting.
- D2.7 Notwithstanding anything above, no more that 25% of board members at any time may be persons who do not have their only or main residence in Wales.

D3

For all board members:

- D3.1 The board shall make available the board members' obligations (including the expected standards of conduct) to the board and to the association. The board shall review and may amend the obligations of board members from time to time;
- D3.2 No board member 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 association. The board may vary the form of statement from time to time;



## Terms of office and election to the board

- D4
- D4.1 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.
- D4.2 Each board member appointed or elected under rules D8 or D11 shall be appointed or elected for a fixed term of office expiring at the conclusion of an annual general meeting (each a “fixed term”). The length of any fixed term may be determined by the board.
- D4.3 No board member may serve as a board member more than nine consecutive years, unless:
- a longer period of service is not prohibited by any relevant legislation or regulatory determination specification or guidance; and
  - the board (by a majority of at least three-quarters) agrees that the board member in question may serve and/or stand for re-election for an additional fixed term or fixed terms (the length of which may be determined in accordance with rule D4.2 or any arrangements made under that rule).
- D4.4 At every annual general meeting each board member who has served their fixed term shall retire from the Board. Any board member who retires from the Board at an annual general meeting shall be eligible for re-election subject to rule D4.3 above or any other restrictions contained in these rules.
- D5
- D5.1 Tenant and independent board members will be elected in accordance with election procedures set and published from time to time by the board.
- D5.2 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 for election as board members;
- D5.3 The board, in accordance with election procedures set under rule D5.1, 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;
- D5.4 If at elections for independent 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 D5.2;



### **Appointment and removal of council board members**

- D6 The council shall have the power from time to time and at any time to appoint up to four persons as council board members and to remove from office any such council 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 If the council shall have failed within three months of a written request by the association to make the appropriate appointments pursuant to rule D6, the board may appoint a person who is willing to act to be a council board member for each vacancy. They shall be deemed to be council board members and shall hold office until the next annual general meeting. The council's right to appoint council board members pursuant to rule D6 shall be suspended for that period in respect of any vacancy filled by the board pursuant to this rule D7.

### **Appointment and retirement of tenant board members**

- D8 Without prejudice to the discretion of the board as set out in rule D10, the tenants shall have the power to appoint up to four persons as tenant board members. Prior to each annual general meeting, elections shall be held for the vacancies for tenant board members arising at the annual general meeting. The board shall decide the mode and manner of such elections in accordance with rule D5 and may delegate the supervision and operation of such elections to a body recognised by the board from time to time as representing the tenants. In the event of a tie the election shall be decided by lot. The successful candidates shall be reported to the annual general meeting by the secretary and admitted as tenant board members with immediate effect.
- D9 At every annual general meeting at least one tenant board member shall retire. Tenant board members appointed shall serve for a fixed term set by the board and expiring at the relevant annual general meeting. The tenant board members retiring shall be those who have been tenant board members the longest. As between tenant board members who have equal length of service those to retire shall be chosen by lot if not agreed.
- D10 If a vacancy for a tenant board member occurs between annual general meetings, the board may, at its discretion:
- D10.1 instruct that elections shall be held for the vacancy in which case the new tenant board member will hold office for the remainder of the period of office of his predecessor; or
  - D10.2 appoint a tenant to fill the vacancy, who shall hold office until the next annual general meeting.



### **Appointment and retirement of independent board members**

- D11 The shareholders shall have the power to elect up to four persons as independent board members.
- D12 At every annual general meeting at least one independent board member shall retire. Independent board members appointed shall serve for a fixed term set by the board and expiring at the relevant annual general meeting. The independent board members retiring shall be those who have been independent board members the longest. As between independent board members who have equal length of service those to retire shall be chosen by lot if not agreed.
- D13 If an independent board member retires in accordance with rule D12 and the association does not fill the vacancy at that meeting the retiring independent board member shall, if willing to act, be deemed to have been reappointed unless a resolution for his reappointment is put to the meeting and lost.
- D14 The board may appoint a person (other than a local authority person or a tenant) to be an independent board member to fill a vacancy in the number of independent board members. They shall hold office until the next annual general meeting.

### **Co-optees**

- D15
- D15.1 The board may appoint co-optees at any time. 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 association nor any matter directly affecting shareholders.
- D15.2 Not more than three co-optees can be appointed to the board or to any committee at any one time.
- D15.3 The board may co-opt executive officers from time to time.
- D16 For the purposes of these rules, a co-optee is not included in the expression "board member" or the "member of the board". For the purposes of the Housing Act 1996, a co-optee is an officer.
- D17 Except for co-optees, employees and council nominees, only shareholders can be board members.

### **Cessation of board membership**

- D18 No one can become or remain a board member (or a co-optee or a sub-committee member) if at any time if:
- D18.1 they are disqualified from acting as a director of a company for any reason; or
- D18.2 they have been convicted of an indictable offence which is not, or cannot be, spent; or
- D18.3 they have been convicted of any other offence at any time which, in the opinion of the board:
- brings the association into disrepute; or



- is incompatible with the role of board member, committee member or co-optee;

and the board resolves (by a majority of at least two-thirds) that they should be removed;

- D18.4 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- D18.5 they are not a shareholder (unless they are an employee of the association or any other body whose accounts must be consolidated with those of the association, or a council nominee or co-optee); or
- D18.6 they have absented themselves from three consecutive meetings of the board; or sub-committee without special leave of absence from the board (or sub-committee as the case may be); or
- D18.7 a registered medical practitioner who is treating that person gives a written opinion to the association 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
- D18.8 they are an employee and their contract of employment with the association is terminated; or
- D18.9 in relation to any non-executive board member, sub-committee member or co-optee, their terms of appointment (howsoever named) are terminated; or
- D18.10 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- D18.11 they are a tenant and are in material or serious breach of their tenancy agreement or lease and fail to rectify the breach within a reasonable timeframe as agreed with the association 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 or any other judicial order (howsoever named) which has an effect equivalent to any of the foregoing; or
- D18.12 they are a specifically elected or appointed tenant 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.

D19

A board member may be removed from the board:

- D19.1 by resolution at a general meeting; or
- D19.2 by a resolution passed by two-thirds of the board members present and voting at a board meeting excluding the board member subject of the proposed removal and excluding employees, provided the following conditions are satisfied:
- at least fourteen days' notice of the proposed resolution has been given to all board members; and



- the notice sets out in writing the alleged breach(es) of the board member's obligations in accordance with rule D3.1; and
- the board is satisfied that the allegation(s) is or are true.

D20 A board member may resign by giving written notice of resignation.

### **Quorum for the board**

D21 Subject to the provisions of rule D22 six board members shall form a quorum and must include one council board member, one tenant board member and one independent board member. The board may determine a higher number or impose additional requirements.

D22 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 D21 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**

D23 No board member, or member of a committee shall have any financial interest in any contract or other transaction with the association, or be granted a benefit by the association, unless such interest or benefit:

D23.1 is expressly permitted by these rules or is permitted by any relevant legislation, determination, specification or guidance from time to time from the regulator;

D23.2 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.

D24 Any board member, co-optee, or member of a committee, having an interest in any arrangement between the association 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.

D25 Subject to rule D26, 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.



- D26 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.
- D27 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.
- D28 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of:
- all other bodies in which they have a significant and material interest as:
    - a director or officer; or
    - a member of a firm; or
    - an official or elected member of any statutory body.
  - 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.
  - any property owned or managed by the association which they occupy.
- D29 Every board member, co-optee and member of a committee shall ensure that the secretary at all times also has a list of any other significant or material interest which, in each case, would or could affect any arrangement with the association.
- D30 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.
- D31 Notwithstanding rule D23, the association may:
- D31.1 pay properly authorised expenses to board members, co-optees and members of committees when actually incurred on the association's business;
- D31.2 pay insurance premiums in respect of insurance taken out to insure officers and employees; and
- D31.3 pay allowances, recompense for loss of earnings, grant benefits or remuneration and fees to board members, co-optees and members of committees provided that any such payment or benefit is expressly permitted by any relevant legislation, determination, specification or guidance from the regulator.
- D32 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D23 to D29 as a board member, director or officer of a group member.



- D33 Board members, co-optees or members of committees, who are residents of the association shall be deemed not to have an interest for the purpose of rules D23 to D29 in any decision affecting all or a substantial group of residents of the association.
- D34 The grant of a tenancy, licence or lease by the association 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, or member of a committee is not the grant of a benefit for the purpose of rule D23.
- D35
- D35.1 The board may, upon such terms as it thinks fit, authorise any matter which would or might, if not so authorised, create, perpetuate or involve a situation where a board member or co-optee's duties to a third party may conflict with that board member's or co-optee's duties to the association.
  - D35.2 The board may revoke or vary such authorisation at any time, but this will not affect anything done by the relevant board member or co-optee prior to such revocation or variation which was in accordance with the terms of the prior authorisation.
  - D35.3 Any authorisation given under rule D35.1 shall only be effective if any quorum requirements for the meeting are met without counting the board member or co-optee in question.
  - D35.4 A board member or co-optee may, notwithstanding their office, or that such situation or interest may conflict with the interest of or their duties to the association, be a board member, or other officer of, or employed by or a resident of, or otherwise interested in any other group member.
  - D35.5 A board member or co-optee may make full disclosure of any information relating to the association to any other group member or any other person acting on behalf of any other group member, including their advisers). In addition, a board member or co-optee may make full disclosure of any information relating to any other group member to the association or any other person acting on the association's behalf (including their advisers).
  - D35.6 If notwithstanding rule D35.5 a board member or co-optee obtains information which is confidential to another group member, or in respect of which they owe a duty of confidentiality to another group member, or where the disclosure of any confidential information would amount to a breach of a law or regulation, the board member or co-optee is entitled not to disclose it to the association or use it in relation to the association's affairs.
  - D35.7 Subject to any applicable law or regulation, the board may authorise full or partial disclosure of any or all information relating to the association or any other group member to a third party who is not a group member on such terms, and in such circumstances, as it thinks fit.
  - D35.8 In this rule D35, a **conflict** means a conflict of interest and duty and a conflict of duties, and **interest** includes both direct and indirect interests.

### Meetings of the board

- D36 The board shall meet at least three times every calendar year. At least seven days' written notice of the date and place of every board meeting shall be given by the secretary (or other officer in accordance with approved arrangements) 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.

- D37 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice specifying the business to be carried out. The secretary shall send a written notice to all board members 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**

- D38 The board shall agree and make available:
- the board's statement of the values and objectives of the association;
  - a statement of the current obligations of board members to the board and the association;
  - the policy for admitting new shareholders.

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

### **Management and delegation**

- D39 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.
- D40 The board may reserve to itself certain significant matters that cannot be delegated to committees or employees.
- D41 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. For the purposes of the Housing Act 1996, any member of a committee shall be an officer.
- D42 All acts and proceedings of any committee shall be reported to the board.
- D43 No committee can incur expenditure on behalf of the association 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**

- D44 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.
- D45 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.

- D46 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.
- D47 Notice may be given to board members and co-optees in accordance with rule H16. The accidental failure to give notice to a board member or co-optee or the failure of the board member or co-optee to receive such notice shall not invalidate the proceedings of the board.
- D48 The board may, by power of attorney or otherwise, appoint any person to be the agent of the association for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of their powers.



## **PART E**

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

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#### **The chair**

- E1 The association shall have a chair, who shall chair board meetings, and shall be elected by the board on such terms as the board determines. The association 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 shareholder 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 association 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 association'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 association to be carried on effectively between board meetings;
  - E5.5 the board receives professional advice when needed;
  - E5.6 the association is represented as required;
  - E5.7 the association'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.
- 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 association 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 association 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 association 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 association to the regulator and registrar;
  - E8.4 have charge of the seal (if any) of the association; and
  - E8.5 be responsible for ensuring the compliance of the association with these rules.

### **Other officers**

- E9 The board may designate as officers such other executives, internal auditor and staff of the association on such terms (including pay) as it from time to time decides.

### **Miscellaneous**

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



## **PART F**

## **FINANCIAL CONTROL AND AUDIT**

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### **Auditor**

- F1 The association, if required by law to do so, shall appoint an auditor or firm of auditors to act in each financial year. They must be qualified as provided by Section 91 of the Act as amended by Part 42 of the Companies Act 2006.
- F2 The following cannot act as auditor:
- F2.1 an officer or employee of the association;
  - F2.2 a person employed by or employer of, or the partner of, an officer or employee of the association.
- F3 The association's auditor may be appointed by the board or by a resolution of shareholders.
- F4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's accounts 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 association 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.
- F5 where an auditor is appointed
- 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 association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible;
  - F5.3 if not, the association 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 association which must be notified to its shareholders under Section 93 of the Act.

### **Auditor's duties**

- F6 The findings of the auditor shall be reported to the association, 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 association 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 association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Section 87 of the Act.
- F10 The association 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 association'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 association at any time shall not exceed £500 million (five hundred million) pounds sterling or such a larger sum as the association determines from time to time in general meeting. For the purpose of this rule F12, any amount of the association'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 association has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowings or, if there is no rate related derivative transaction by which the exposure is hedged, at the exchange rate prevailing at the time the borrowings were entered into.
- 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 association, 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 association at the time of the proposed borrowing; and



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

#### **Investment**

F15 The funds of, or monies borrowed by, the association may be invested by the board in such manner as it determines and as permitted by the Act.

#### **Consents/disposal of assets**

F16 The association needs to ensure that it complies with any relevant legislation, determination, specification or guidance from the regulator regarding the need to obtain necessary consents from the Welsh Government.



## **Part G**

## **DEVOLUTION AND COMMUNITY INVOLVEMENT**

### **Community empowerment strategy**

- G1 The association will at all times have in place a Community Empowerment Strategy which should include:
- G1.1 a strategy and programme to promote and provide options for increased tenant and community control of their housing and communities;
  - G1.2 a strategy and programme to secure the widest possible community involvement in the association;
  - G1.3 a strategy and programme for community development, training and communication, and the identification of local community areas within local community areas for the purpose of rules G1 to G5;
  - G1.4 a community options study procedure to enable local community areas to determine their wishes and aspirations;
  - G1.5 a procedure to facilitate local community areas to establish local representative tenant and resident groups.

### **Tenant and resident group proposal**

- G2 Subject to rule G3, where a tenant and resident group makes a proposal to the board to vary the current provision of management of its housing, the board shall:
- G2.1 satisfy itself that the tenant and resident group has a constitution that allows all tenants in the local community area to become members of the tenant and resident group, has an equal opportunities object of an acceptable standard, and meets other best practice requirements for the recognition of tenant and resident groups;
  - G2.2 satisfy itself that the proposal is supported by the local community area;
  - G2.3 take reasonable steps to implement the proposal where the requirements of this rule G2 are satisfied and where applicable funding, regulatory or legal constraints permit.
- G3 Where a proposal under rule G2 involves a tenant management organisation or other such vehicle with an equivalent or higher level of delegated power, the board shall:
- G3.1 satisfy itself (having acted reasonably and having obtained independent verification of such opinion) that such variation will not materially adversely prejudice the financial viability or reputation of the association;
  - G3.2 ensure that the proposal is communicated to all tenants and leaseholders in the local community area;
  - G3.3 ensure that a majority of those tenants and leaseholders in the local community area who express a preference are in favour of the proposal;



- G3.4 instigate a feasibility study into the proposed organisation where the requirements of this rule G3 are satisfied, which shall include:
- group development, financial, equal opportunities and other non-technical training for the tenants and residents group;
  - an assessment of the competence of the tenants and residents group to satisfactorily govern their organisation and to take on the legal powers and responsibilities requested.

### **Ballot for devolution**

- G4 If the feasibility study in rule G3.4 concludes that the proposal is feasible, the board shall:
- G4.1 ensure through a formal ballot of all tenants and leaseholders living in the local community area or sub-area that a majority of those that vote are in favour of the proposal;
- G4.2 following a positive ballot result pursuant to rule G4.1, instigate a development process for the proposed organisation, which shall include:
- further detailed technical and other training for the tenants and residents group;
  - negotiation with the tenants and residents group regarding the terms and conditions to set up the proposed organisation;
  - the creation and, where applicable, registration of a legal body to receive the transfer or delegation under rule G5;
  - any other requirements necessary to set up the proposed organisation.

### **Delegation of powers and transfer of assets**

- G5 Where the requirements of rule G4 are satisfied, the board shall do one or more of the following:
- G5.1 delegate any of its supervisory powers and responsibilities relating to that local community area to the legal body set up under rule G4.2; and/or
- G5.2 transfer assets, and/or delegate any of its powers or responsibilities and associated day to day management to the legal body set up under rule G4.2, to the extent that such delegation and/or transfers is necessary to give effect to the proposal for which tenants and leaseholders have voted.
- G6 No transfer of assets or delegation of powers and responsibilities to the proposed organisation shall take place except:
- G6.1 in accordance with rules G3 and G4 and
- G6.2 with the approval of the regulator, and any other regulator or relevant authority; and



- G6.3 in compliance with the legal obligations of the association to third parties, and in particular (without limitation) any obligations of the association to third party funders, lenders or security trustees.



## **Part H**

## **MISCELLANEOUS**

### **Registered office and name**

- H1 The association's registered office is: Nant-Y-Pia House, Mamhilad Technology Park Mamhilad, Monmouthshire, NP4 0JJ
- H2 The association's registered name must:
- H2.1 be placed prominently outside every office or place of business; and
  - H2.2 be engraved on its seal; and
  - H2.3 be stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

### **Disputes**

- H3 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 (or any successor body from time to time). 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**

- H4 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.
- H5 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.
- H6 The association must keep at its registered office:
- H6.1 the register of shareholders showing:
    - the names and addresses of all the shareholders; and
    - a statement of all the shares held by each shareholder and the amount paid for them; and
    - a statement of other property in the association held by the shareholder; and
    - the date that each shareholder was entered in the register of shareholders.
  - H6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders;



- H6.3 a register of holders of any loan;
- H6.4 a register of mortgages and charges on land; and
- H6.5 a copy of the rules of the association.
- H7 The association must display a copy of its latest balance sheet and auditor's report (if one is required by law) at its registered office.
- H8 The association shall give to any shareholders or person interested in the funds of the society 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.
- H9 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

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

- H10 Ten shareholders can apply to the registrar to appoint an accountant to inspect the books of the association, provided all ten have been shareholders of the association for a twelve-month period immediately before their application.
- H11 The shareholders may apply to the registrar in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

### **Amendment of rules**

- H12
  - H12.1 The rules of the association may be rescinded or amended, but not so as to stop the association being a charity.
  - H12.2 The rules may only be amended by a resolution put before the shareholders by the board and approved by at least two-thirds of the board prior to approval by the shareholders.
  - H12.3 Rules A2; A3; A4; B1; B2; B3; C2; C3; D21; D36; H12 and H14 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.
  - H12.4 Amended rules shall be registered with the registrar as soon as possible after the amendment has been agreed. An amended rule is not valid until it is registered.

### **Dissolution**

- H13 The association may be dissolved by a three-fourths majority of shareholders who sign an instrument of dissolution in the prescribed format or by winding-up under the Act.
- H14
  - H14.1 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another charitable body with objects similar to that of the association;



- H14.2 if no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust;
- H14.3 if the association 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.

### **Interpretation of terms**

- H15 In these rules, including this rule, unless the subject matter or context is inconsistent:
  - H15.1 words importing the singular or plural shall include the plural and singular respectively;
  - H15.2 words importing gender shall include the male and female genders;
  - H15.3 "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;
  - H15.4 "the association" shall mean the association of which these are the registered rules;
  - H15.5 "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;
  - H15.6 "chair" shall, save in rule E1 and where applicable, include the vice chair;
  - H15.7 "council" means Monmouthshire County Council and includes any statutory successor body;
  - H15.8 "council board member" means a board member who has been nominated to the board by the council as a council board member;
  - H15.9 "council shareholder" means the council acting through its representative appointed to exercise its vote pursuant to rule C9;
  - H15.10 "regulator" in Wales refers to the Welsh Government or any statutory successor to or any assignee of any or all of their relevant functions from time to time;
  - H15.11 "registrar" means the Financial Conduct Authority or any statutory successor to or any assignee of any or all of its relevant functions from time to time;
  - H15.12 "officer" shall include the chair and secretary of the association and any board member for the time being and such other persons as the board may appoint under rule E9;
  - H15.13 "property" shall include all real and personal estate (including loan stock certificates, books and papers);
  - H15.14 "register of shareholders" means the register kept in accordance with rule H6.1;
  - H15.15 "secretary" means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;



- H15.16 "shareholder" shall mean one of the persons referred to in rule C5 and means "member" as defined by the Act;
- H15.17 "tenant" means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the association's premises for residential use or the premises of anybody whose accounts must be consolidated with the association's or any other group member;
- H15.18 "the Act" shall mean the Co-operative and Community Benefit Societies Act 2014;
- H15.19 "these rules" shall mean the registered rules of the association for the time being;
- H15.20 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;
- H15.21 "special resolution" means a resolution as defined by the Act
- H15.22 "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.
- H15.23 "group member" means the association, each subsidiary of the association, anybody corporate of which the association is a subsidiary and any subsidiary of such body corporate and for this purpose "subsidiary" has the meaning within the Act and/or the Companies Act 2006.
- H15.24 "local authority person" shall mean any person (i) who is or has been an elected representative of the local authority member in the preceding four years; or (ii) who is an officer of the local authority member; or (iii) who is both an employee and either a director, manager, secretary or other similar officer of a company which is under the control of the local authority member; or (iv) who is the spouse or a close relative of any person falling within paragraphs (i) and (ii).

H16 Any notice to which this rule applies will be effectively served if delivered to a shareholder or board member at the address most recently provided by the shareholder or board member for this purpose or (as the case may be) delivered to the association at its registered office for the attention of the secretary. Communications will be in writing or other forms of communication including electronic that have been approved by the board. Such notice will be deemed to have been served:

- H16.1 if served by hand, on delivery;
- H16.2 if served by first class post, on the business day after the day it is put in the post; or
- H16.3 If served by facsimile electronic mail, on confirmation (which may be automatic) that the notice has been received, provided that it is in a legible form.



1. .... Shareholder

2. .... Shareholder

3. .... Shareholder

..... Secretary