



OPEN SOURCE COPYRIGHT STATEMENT

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Version: Mutual Home Ownership Society Model

Co-operative and Community Benefit Societies Act 2014

Rules of

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NAME AND STATUS

- 1 The name of the Society shall be
..... Mutual Home Ownership Society Limited [the "Society"].
- 2 The Society is registered under the provisions of the Co-operative and Community Benefit Societies Act ["the Act"]

OBJECTS

- 3 The objects of the Society shall be to carry on for the benefit of its members the business of:
 - (a) the provision, construction, conversion, improvement, or management on the Co-operative Principles as set out in Appendix 1 to these rules [the "Co-operative Principles"] of housing exclusively for occupation by members of the Society under the terms of a lease granted to them by the Society or under the terms of a tenancy of property owned or managed by the Society solely or jointly with another member or members which shall, if it is a lease granted to them by the Society:
 - include rights to purchase equity shares in the portfolio of residential properties owned by the Society; and
 - exclude all rights for a member to purchase the individual dwelling s/he occupies; and
 - exclude any right to dispose of or assign the lease to any person other than to a person who is a member or prospective member of the Society in accordance with the terms of the lease and with the prior written consent of the Society; and
 - include the right of the member to assign his or her equity shares in the Society when they assign their lease in accordance with its terms or at such other times with the consent of the Society as the equity share scheme in the lease permits for a value determined by the formula for valuing equity shares set out in the lease; and
 - require the member to assign the lease to the Society or, at the Society's direction, to a member or prospective member of the Society on ceasing to be a member; and / or

- (b) the provision and improvement on the Co-operative Principles of land, buildings, amenities, or services for the benefit of the members, either exclusively or in conjunction with other persons; and/or
- (c) the provision of housing management services to members of the Society and to the occupants of housing which is subject to a management agreement under which the Society acts as managing agent for the housing owner which remains the landlord; and/or
- (d) the promotion of the sustainable social, environmental and economic development of the Society and the community of which the Society is part; and/or
- (e) the provision of support and assistance to other organisations with like objects or whose objects are to provide support and/or assistance in the finance, development, management, promotion, education or administration of housing co-operatives or the promotion of the application of the Co-operative Principles to other areas of social, economic and environmental sustainability.

POWERS

- 4 The Society shall have the power to do all things necessary or expedient for the fulfilment of its objects, except as expressly prohibited in these rules.

COMMITMENT TO DIVERSITY, EQUALITY AND RESPECT

- 5 In fulfilment of its commitment to apply the 1st Co-operative Principle to achieving its objectives the Society shall actively seek to eliminate discrimination, ensure equality of opportunity, value the diversity of human society and treat every individual with dignity and respect. No member or person or groups of people wishing to become members or to use the services provided by the Society shall be treated less favourably because of any matter which causes them to be treated unfairly or with injustice. The Society shall maintain and implement an equality and diversity policy which complies with all relevant legislation and accords with current equality and diversity codes and best practice.

TRADING

- 6 The Society shall not trade for profit. Any surpluses from the Society's activities shall not be treated as profit and may be used to further the Society's objects and/or in accordance with these rules and the Co-operative Principles.

NON-SUBSIDIARY STATUS

- 7 In accordance with the 4th Co-operative principle, the Society is not a subsidiary of another organisation and may not become a subsidiary of another organisation.

REGISTERED OFFICE

- 8 The Society's registered office is:
- Notice of any change of address of the registered office shall be sent to the Registrar within fourteen days of such change or within such other time as may be required by the Registrar.

VOTING SHARE CAPITAL AND MEMBERSHIP

- 9 The share capital of the Society shall be raised by the issue of shares. Each share has the nominal value of £1. A share shall be issued to each member upon admission to membership of the Society. A member may hold one £1 share only. A member of the Society shall be a person who holds a share in the Society and whose name is entered in the register of members. Shares shall not be withdrawable or transferable, and shall carry no right to interest, dividend or bonus. 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 shall become the property of the Society.
- 10 The register of members shall include the name and address of each member. It shall be the responsibility of the member to advise the Society of any change to his or her address. Any requirement in the Act or in these rules that a notice be served on the member shall be satisfied if notice has been delivered to the address recorded in the register of members. Each notice or communication sent by the Society to a member by post addressed to the member at the address for that member in the register of members shall be deemed to have been duly served on the member 48 hours after having been posted or sent to the member by electronic means.
- 11 Every member shall take up and hold only one share in the Society. Shares shall not be held jointly.

EQUITY SHARES

- 12 The Society shall be entitled to enable members through the terms of their lease or tenancy agreement to hold an equitable interest in the value of the housing assets owned by the Society. Such equitable interest shall be governed by the equity share provisions of their lease or tenancy agreement and, for the avoidance of doubt, are not withdrawable share capital to which the provision of section 24 of the 2014 Act apply.

- 13 The total value of the equity shares issued by the Society shall not exceed the initial value of the housing assets owned by the Society on the date on which the housing owned by the Society first became available for occupation by members. Each equity share shall have a face value at the date of issue of £1,000 [one thousand pounds] or such other multiple of £100 [one hundred pounds] as the Society may determine in general meeting before the equity shares are issued.
- 14 The manner in which equity shares are valued when members assign them shall be in accordance with the formula and the terms and conditions for the valuation of equity shares set out in the lease agreement between the Society and its members which grants to members the right to occupy the housing owned by the Society. The lease shall also set out the equity scheme operated by the Society which shall include the procedures and circumstances under which a member may assign their occupancy rights and equity shares to an incoming member or, in specified circumstances, assign some of their equity shares to another member who wishes to purchase them. The assignment of occupancy rights and equity shares shall require the consent of the Society and the equity scheme in members' leases shall set out the circumstances in which it will be reasonable for the Society to consent or refuse consent to the assignment of occupancy rights and equity shares.

APPLICATION FOR MEMBERSHIP

- 15 Membership of the Society shall be open to the initial subscribers to these rules. The membership of initial subscribers shall be terminated once a committee has been elected by the Society's first General Meeting, save that initial subscribers who entitled to membership under the provisions of these rules shall remain members.
- 16 The committee may within their absolute discretion and in accordance with the procedure which may be laid down from time to time by the Society in general meeting admit or refuse to admit any person to membership of the Society save that such person must be a Dwellingholder of a Dwelling owned or managed by the Society .
- 17 Every application for membership shall be made to the committee at the registered office of the Society. The committee shall consider any membership application and, if it is approved, the applicant shall be required to forward the sum of £1. On receipt of such sum by the Society, the name and other necessary particulars of the applicant shall be entered into the register of members as a member. One share in the Society shall be issued to the applicant.
- 18 A person shall not be admitted to membership if s/he is under the age of 16 years.

TERMINATION OF MEMBERSHIP

- 19 A member shall cease to be a member if:

- (a) they die; or
 - (b) the member resigns by giving one month's notice in writing to the secretary of his/her intention to resign; or
 - (c) they are expelled from membership by a general meeting in accordance with the rules titled 'Expulsion from Membership' within these rules; or
 - (d) the member ceases to satisfy the definition of a Dwellingholder; or
 - (e) they are, in the opinion of the committee, in material or serious breach of the agreement that enables them to satisfy the definition of a Dwellingholder.
- 20 The date on which any member ceases to be a member shall be entered in the register of members.

EXPULSION FROM MEMBERSHIP

- 21 Where the Society is in receipt of a complaint against a member pertaining to their conduct potentially being detrimental to the interest of the Society, that member may be expelled by a resolution carried by the votes of two-thirds of the members present and voting at a general meeting of the Society of which due notice has been given and provided that the following rules apply to the process:
- (a) the committee must give the member at least one month's notice in writing of the general meeting. The notice to the member must set out the particulars of the complaint and must call upon the member to answer the complaint and attend the meeting;
 - (b) at the meeting, the members present shall consider the evidence in support of the complaint and such evidence as the member facing expulsion may wish to place before them (if any). The meeting may take place even if the member does not attend;
 - (c) if a resolution to expel the member is passed in accordance with this rule, the member shall immediately cease to be a member of the Society.
- 22 No person who has been expelled from membership shall be readmitted except by a resolution by the votes of at least two-thirds of the members present and voting at a general meeting of which due notice has been given.

DEATH OR BANKRUPTCY OF A MEMBER

- 23 A member may, in accordance with the Act, nominate a person or persons to whom any of their property held by the Society, other than share capital, shall be transferred at their death.
- 24 Upon a claim being made to any property held by the Society by the personal representatives of a deceased member or the trustees in bankruptcy of a bankrupt member, the Society shall, on receiving satisfactory proof of the death of the member who has made a nomination or satisfactory proof of bankruptcy, pay or transfer any property to which the representative or trustee has become entitled.

GENERAL MEETINGS

- 25 The Society shall meet in general meetings, which shall be either an annual general meeting or an ordinary general meeting.

CONVENING GENERAL MEETINGS

- 26 Each general meeting shall be convened by the secretary by at least 14 clear days' written notice posted to or delivered by hand or sent by electronic means to every member at the address (which may include an address provided by the member to the Society for the receipt of correspondence from the Society by electronic means) given in the register of members. Two-thirds of members may agree, in writing or by confirming through electronic means, to a general meeting being held with less than fourteen clear days' notice.
- 27 Each notice convening a general meeting shall state which type of general meeting is being convened, the date, time and place of the meeting and the business to be transacted at the meeting.
- 28 Proceedings at a general meeting shall not be invalidated by reason of accidental omission to send notice of the meeting to a member, or by non-receipt of such notice by a member.
- 29 Each member shall be entitled to attend and vote at a general meeting on production of such evidence of membership as set out in the notice of the meeting.
- 30 The time, date and place of each general meeting shall be determined by the committee. However, if the Secretary fails to convene an ordinary general meeting having been served with a members' requisition to do so under the rules titled 'Provisions applicable to convening ordinary general meetings,' the date and place of that meeting shall be determined by the members convening the meeting.

PROVISIONS APPLICABLE TO ANNUAL GENERAL MEETINGS

- 31 An annual general meeting shall be held within six months of the end of each financial year of the Society or such later date as may be permitted by law.
- 32 The functions of the annual general meeting shall be to:
- (a) receive the accounts and balance sheet together with the auditor's report (if one is required by law) for the preceding financial year; and
 - (b) receive a report by the committee on the state of affairs of the Society, signed by the chair of the committee meeting at which the report was adopted for presentation to the annual general meeting; and
 - (c) elect the committee for the coming year; and
 - (d) decide the frequency of ordinary general meetings to be held during the coming year; and
 - (e) appoint the auditor or (if required by law) or organise the alternative arrangements for the review of the Society's affairs;
 - (f) consider any other resolutions relating to the business of the Society which have been included in the notice convening the meeting.

PROVISIONS APPLICABLE TO ORDINARY GENERAL MEETINGS

- 33 Ordinary general meetings shall be held at such times as may be decided by the Society at its annual general meeting or convened as provided for in under the rules titled 'Provisions applicable to convening ordinary general meetings'.
- 34 The functions of ordinary general meetings shall be to:
- (a) receive reports on the state of affairs of the Society from the committee which the Society may from time to time in general meeting determine should be considered; and
 - (b) consider any business which the committee considers to be a policy matter that should be referred to the members in general meeting for decision; and/or
 - (c) consider any other resolutions relating to the business of the Society which have been included in the notice convening the meeting.

PROVISIONS APPLICABLE TO CONVENING ORDINARY GENERAL MEETINGS

- 35 An ordinary general meeting shall be convened at such a time as may be decided by the Society at its annual general meeting, or by order of the committee, or upon a written requisition to the secretary signed by not fewer than six members of the Society or one tenth of the members of the Society, whichever shall be the greater number. Such requisition from members shall state the business for which the meeting is to be convened.
- 36 The secretary shall convene the meeting at the time required by the general meeting or, if the general meeting is a meeting requisitioned by members, the meeting shall be convened by the secretary within five clear days of receipt of the requisition and the date of the meeting shall be within 28 clear days of the date of receipt by the secretary of the requisition from members.
- 37 In the event of the secretary's failing to convene an ordinary general meeting requisitioned by members, the committee or requisitioners may themselves give notice of and convene the meeting and any reasonable expenditure incurred by them in convening the meeting shall be reimbursed to them by the Society.
- 38 The only business which shall be transacted at a general meeting is that mentioned in the notice convening the meeting.

QUORUM FOR GENERAL MEETINGS

- 39 No business shall be transacted at any general meeting unless a quorum of members is present [either in person or by telephone, video conferencing or by other communications equipment such that the person can hear, comment and vote on proceedings] at the time the meeting proceeds to business. Six members, or if the number of members at any time exceeds 60 members, one tenth of the total number of members [present in person, or by proxy] shall form a quorum.
- 40 If no quorum is present within half an hour of the time appointed for the meeting, the meeting shall stand adjourned until reconvened in accordance with the provisions of the rule titled 'Adjourning General Meetings.'

ADJOURNING GENERAL MEETINGS

- 41 The chair of the meeting may, with the consent of a majority of the members present evidenced by a show of hands or a secret ballot, adjourn any meeting but no business shall be transacted at any adjourned meeting other than the business not received or left unfinished at the meeting from which the adjournment took place.
- 42 If a meeting is adjourned for the want of a quorum, the secretary shall make such arrangements as may be necessary for the adjourned meeting to be reconvened within ten clear days of the original date of meeting. The place, date and time at which such an adjourned meeting shall be reconvened shall be communicated to each

member by notice in writing, such notice being duly served not less than 48 hours before the time at which the reconvened meeting shall commence.

- 43 Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at the adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
- 44 If at an adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the members present shall be a quorum.
- 45 If the meeting is an ordinary general meeting convened on receipt of a written requisition from members and no quorum is present within half an hour of the time appointed for the meeting then the meeting shall not be adjourned and the business for which the meeting was called shall not be considered unless it is included in the notice by which another general meeting is convened in accordance with these rules.

PROCEEDINGS AT GENERAL MEETINGS

- 46 Conduct of general meetings shall be in accordance with such standing orders as may from time to time exist, subject to, and in so far as any such standing orders do not conflict with these rules.
- 47 At all general meetings of the Society the chair of the Society shall preside as chair or if he or she is not present or is unwilling to act, the members present shall elect a member to be the chair of the meeting. If no committee member is present or willing to act the members present at the meeting shall elect a member from among themselves to chair the meeting. The chair's responsibilities will be set out in a written document and agreed by the committee at general meeting.

VOTING AT GENERAL MEETINGS

- 48 Every member present in person at a general meeting shall have one vote. Except where otherwise specified in these rules, resolutions at general meetings shall be decided by a majority vote of members present and voting or voting by proxy. At any general meeting, no member may act as a proxy voter for more than two other members.
- 49 A member may exercise his or her vote at a general meeting by proxy by nominating another member to cast his or her vote at the meeting on his or her behalf. Such nomination must be:
- (a) in writing; and

- (b) give the name and address of the member authorised to exercise the proxy vote; and
 - (c) be signed by the nominating member; and
 - (d) be delivered to the secretary which may be by way of electronic means, no later than three clear days before the date of the meeting.
- 50 Votes shall be taken openly by a show of hands from members present and by the raising of a copy of a duly signed proxy voting form by members voting by proxy on behalf of absent members unless, before a resolution is put to the vote, a secret ballot is demanded by not less than one tenth of the members present at the meeting. Voting shall be conducted under the direction of the chair in accordance with such standing orders as may have been agreed by the Society in general meeting. A resolution on which voting is tied shall be deemed to have fallen. Because voting on tied resolutions are deemed to have fallen, the chair shall not have a second or casting vote.
- 51 Any question as to the acceptability of any votes shall be determined by the chair. The chair's decision as to the acceptability of any votes shall be final unless a member challenges the decision of the chair. If a challenge is made to the chair's decision about the acceptability of any vote the matter shall immediately be put to the meeting and the acceptability or unacceptability of the chair's decision shall be decided by majority vote for or against the chair's decision on a show of hands by those members present. Proxy votes shall not be counted in deciding the acceptability or unacceptability of the chair's decision.

MANAGEMENT COMMITTEE

- 52 The Society shall have a management committee [called "the committee"] which shall control and direct the management of the day to day business of the Society in accordance with its objects and these rules. The first committee members shall be the members who signed the application to register the Society, which committee shall, as soon as may be practicable after the registration of the Society under the Act, call an ordinary general meeting to elect a committee made up of Society members to serve until the close of the following annual general meeting.
- 53 The committee shall consist of not less than five committee members, or of such greater number not more than twelve as may be decided by the Society in general meeting.
- 54 The committee may from time to time co-opt for any period any suitable persons, whether members of the Society or not, to serve on the committee and may remove such persons. A person co-opted under this rule may take part in the deliberations of the committee and vote at any meeting of the committee. A person may not be co-

opted to the committee if their co-option increases the size of the committee beyond the maximum number determined by these rules. Not more than three co-optees shall serve on the committee at any one time or if the maximum number of committee members determined under these rules is the minimum of five, only two persons may serve as co-optees.

ELECTION OF COMMITTEE AND OFFICERS

55 At every annual general meeting of the Society one third of the committee members for the time being shall retire from office on the basis of length of service [with those longest in office retiring first and in the event of equal length of service, lots shall be drawn]. A retiring committee member shall be eligible for re-election but must be duly nominated as provided for in rules entitled 'Committee Nominations'.

COMMITTEE NOMINATIONS

56 Nominations of members willing to stand for election to the committee shall:

- (a) be in writing; and
- (b) state the full name, address and occupation of the member nominated; and
- (c) be signed by the member making the nomination; and
- (d) contain a signed statement by the member nominated of his or her willingness to be elected to the committee; and
- (e) contain a statement by the member nominated of his or her willingness to accept the responsibilities of a member of the committee as required by the rule titled 'Responsibilities of Committee Members'; and
- (f) contain a statement that confirms that the member would not be ineligible for membership of the committee by virtue of sub rules (a) to (f) of the rule titled 'Termination of a Committee Member's Appointment' currently applying to the member; and
- (g) be left at the registered office of the Society, or with the secretary of the Society at the address specified on the nomination form issued with the notice of the meeting, not later than seven clear days before the date appointed for the general meeting at which elections are to take place.

- 57 Candidates standing for election may also make a statement, not longer than one hundred words, in support of their candidacy which, if made, shall be circulated by the secretary to all members of the Society not later than three clear days before the meeting at which elections are to take place.
- 58 The committee shall at their first meeting after each annual general meeting, elect a chair who is a committee member and member of the Society, and elect a secretary and a treasurer, who each may or may not be committee members or members of the Society, to serve until the close of the next annual general meeting.

COMMITTEE ELECTIONS

- 59 The election of committee members shall be conducted in the following manner:
- (a) if at any annual general meeting the committee members offering themselves for re-election together with any other of the members duly nominated for election to the committee do not exceed the number of committee members to be elected, and provided that the members in general meeting have not increased the maximum number of Committee members determined under these rules,
 - (i) the committee members standing for re-election and the members duly nominated shall be declared by the chair to have been duly elected or re-elected unopposed unless the election of one or more committee members is challenged and their election to the committee is not ratified under the provisions of sub-rule [b] of this rule; and
 - (ii) the meeting may, if the members present decide to do so by a majority vote on a show of hands, accept nominations from the floor to fill the vacancies which remain;
 - (b) if any member wishes to oppose any named and duly nominated member being returned unopposed to the committee the member opposing the person or persons election may request that the question may be put to a vote at the meeting, which vote shall be either by show of hands or by secret ballot as the meeting shall determine. The member or members opposed shall be declared elected or re-elected unopposed only if a majority of members voting in person or by proxy vote ratify their election;
 - (c) if the committee members standing for re-election and other members duly nominated to serve as committee members exceed the number of committee members to be elected, the secretary or in the absence of the secretary the chair of the Society or other member of the committee nominated by the committee to act as Returning Officer for the election shall, prior to the general meeting at which the elections are to take place and after the date for the close

of nominations, prepare or cause to be prepared a ballot paper for the election of committee members: the ballot paper shall state that it is for the election of committee members, give the full names of the members nominated for election to the committee and make provision for a member to record his/her vote on the ballot paper;

- (d) each member present in person shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate;
- (e) the votes cast for each candidate shall then be counted and the candidates placed in order according to the number of votes cast for each of them;
- (f) the member with the highest number of votes shall be declared elected to the committee followed by the member with the second highest number of votes and so forth until all the available places on the committee are filled. If, however, there is a tie of votes among the lowest scoring candidates for the last available place or places on the committee those to be elected from the lowest scoring candidates shall be chosen by the drawing of lots.

CASUAL VACANCIES ON THE COMMITTEE

60 If a vacancy on the committee is not filled by election at the annual general meeting, or if a casual vacancy occurs because of the death, resignation or removal of a committee member and this vacancy is not filled at the meeting, it may be filled by the committee.

REMOVAL OF COMMITTEE MEMBERS

61 A committee member may be removed from office either:

- (a) by a resolution stating the intention to remove the committee member and the reason for doing so carried by a majority of the votes given in person or by proxy in favour of the resolution to remove the committee member at a general meeting at which the resolution to remove the named committee member appeared on the notice convening the meeting. If the general meeting votes to remove the committee member, such general meeting shall also determine by majority vote, dependent on the severity of the behaviour that has led to the vote being taken, the length of time, which may be permanent, for which the member shall not be eligible to stand for election to the committee; or
- (b) by a resolution to remove the committee member from office passed by a majority two-thirds of the members of the committee present and voting at a duly convened meeting of the committee if in the reasonable opinion of the committee, the committee member is in breach of:

- (i) his or her lease and has, within a reasonable time of being notified of it, failed to rectify the breach or has had legal proceedings for the termination of his/her lease commenced against them; or
- (ii) their obligations as committee members, the Society's rules, policies or procedures, the Society's Code of Conduct or the Code of Governance for housing Societys published jointly from time to time by the National Housing Federation and the Confederation of Society Housing or similar corporate governance code approved by the Society as its code of conduct and governance, or if they are guilty of conduct detrimental to the interests of the Society and the committee member fails to give an undertaking that they will, in future, comply with such code, remedy the breach or having given such an undertaking fails to comply with the undertaking so given; or
- (iii) any other reason deemed by the committee as material or serious enough to warrant removal of the member from the committee.

62 If the committee meeting votes to remove the committee member, such committee meeting shall also determine by majority vote of those present, dependent on the severity of the behaviour that has led to the vote being taken, the length of time, which may be permanent, for which the member shall not be eligible to stand for election to the committee.

63 The general meeting at which a committee member is removed may proceed to fill the vacancy in accordance with the election procedures set out in rule titled 'Committee Elections', save that nominations for the vacancy created may be made from the floor of the meeting and the ballot papers for the election may be provided in the manner the chair of the meeting directs.

TERMINATION OF A COMMITTEE MEMBER'S APPOINTMENT

- 64 A committee member shall be deemed to have vacated his or her office if:
- (a) he/she dies;
 - (b) he/she becomes bankrupt or enters into an individual voluntary arrangement with creditors; or
 - (c) he/she ceases to be a member under (save where the committee member is a non-member co-opted under these rules); or
 - (d) he/she is disqualified from acting as a director of a company under the provisions of the Company Directors Disqualification Act 1986, the Companies

- Act 2006, the Insolvency Act 1986 or any other legislation that disqualifies a person from serving as a director of a company, a charity, community benefit society or a Society for any reason; or
- (e) he/she is convicted of an indictable offence which is not, or cannot be, spent; or
 - (f) he/she is convicted of any violent offence, such as:
 - (i) an offence against a person under the provisions of the Offences Against the Person Act 1861; or
 - (ii) common assault; or
 - (iii) assault on a police officer in the course of carrying out their duty; or
 - (iv) any other violent act; or
 - (f) a registered medical practitioner who is treating the committee member gives a written opinion to the Society stating that the person has become mentally incapable of acting as a committee member and may remain so for more than three months; or
 - (g) he/she absents him or herself from three consecutive meetings of the committee in one rolling 12-month period without special leave of absence from the committee; or
 - (h) he/she fails to sign the statement of committee members responsibilities within one month of being required to do so unless the committee agree that there is reasonable cause for the delay.

AVOIDANCE AND DECLARATION OF CONFLICTS OF INTEREST

- 65 Committee members shall at all times seek to avoid conflicts of interest between his or her personal activities and his or her role as a committee member of the Society. Each committee member shall be required to declare their interests as they arise and once a year, each committee member shall be required to complete a declaration of interest form on which any known or potential conflict of interest shall be disclosed. Any conflict or potential conflict of interest disclosed shall be recorded by the secretary in a conflict of interest register which shall be open for inspection at the Society's registered office.
- 66 Where a conflict of interest cannot be avoided, any committee member who is interested or has a member of his/her household or a close relative who is interested either:

- (a) personally; or
- (b) as a member of a firm; or
- (c) owner, director or officer of a company or business; or
- (d) in any way, whatsoever;

in any decision, contract, arrangement, transaction or any other matter about to be discussed by the committee that committee member shall disclose their interest to the meeting of the committee before the matter is discussed. Any committee member who has disclosed a conflict of interest shall withdraw from the meeting while the matter is discussed by the committee and shall not vote on the matter. Any decision by the committee shall not be invalid because of the subsequent discovery of an interest which should have been declared. Any committee member so conflicted shall vacate his or her office, either for a period or permanently, if requested to do so by the remaining members of the committee. Any act done in good faith by a committee member, whether or not his or her office is vacated under the terms of this rule shall be valid unless prior to the doing of such act written notice has been served on the committee and an entry has been made in the committee's minute book stating that such committee member has ceased to be a member of the committee.

- 67 Committee members shall be deemed not to have an interest in any decision affecting all or a substantial group of Leaseholders.
- 68 The example provided in the rule immediately above is for the purpose of illustrating the intention of these rules to ensure that interests and conflicts of interest are declared and avoided and are not exclusive of other matters which may create a conflict of interest that needs to be declared and avoided.

PROCEEDINGS OF COMMITTEE

- 69 The committee shall meet at least four times in every calendar year at such times and places as the committee shall decide. Seven clear days' notice of the date and place of such meetings shall be given in writing or by email or other electronic means acceptable to committee members and noted in the committee's minutes and which creates a record of sending by the secretary to all committee members.
- 70 Special meetings of the committee may be called either by the secretary, or by a notice in writing given to the secretary by the chair of the committee, or by two committee members, specifying the business to be transacted at the special committee meeting. The secretary shall communicate every such notice to all committee members and persons co-opted to the committee as soon as possible

after receipt. The special meeting shall be held at the ordinary place for meetings of the committee or such other place as may be specified in the notice convening the meeting. The special meeting shall be held not earlier than three clear days and not later than ten clear days after the receipt by the secretary of the notice requesting it. If the secretary fails to convene the special meeting as required by this rule, the chair of the committee, or the two committee members who have given the notice in writing, may call the meeting. No other business shall be done at the meeting other than the business named in the notice convening the special committee meeting.

QUORUM FOR COMMITTEE MEETINGS

- 71 No business shall be transacted at committee meeting unless a quorum of members is present either in person or by telephone, video conferencing or by other communications equipment such that the person can hear, comment and vote on proceedings at the time the meeting proceeds to business. The quorum of the committee shall be one-third of its total number subject to a minimum of three.
- 72 Notwithstanding any vacancies on the committee, the remaining committee members may continue to act. If at any time the number of committee members falls below the number necessary for a quorum, the remaining committee members may act as the committee for a maximum period of six months. If, after this six-month period has expired, the committee has not appointed committee members to make up their number to that which is necessary for a quorum, the only power which the committee may exercise shall be to convene a general meeting of the Society to elect, in accordance with these rules, such number of committee members as is required to bring the number of members of the committee to the number necessary to comply with the quorum required for Committee Meetings.

POWERS OF THE COMMITTEE

- 73 The business of the Society shall be conducted by the committee which may exercise all such powers as may be exercised by the Society in accordance with its objects and these rules and are not by these rules or by statute required to be exercised by the Society in general meeting. The committee shall in all things act for and in the name of the Society. Without prejudice to the general powers conferred on the committee by these rules the committee will set out its functions and powers, as agreed by a general meeting of the members, separately in the standing orders or written terms of reference of the Society or other appropriate document.
- 74 A receiver appointed by a mortgagee may exercise such powers of the committee as s/he deems to be necessary to carry out his/her duties.

DELEGATION OF POWERS BY THE COMMITTEE

- 75 The committee may delegate any of its powers to sub-committees consisting of such committee members and other persons as it thinks fit. Any sub-committee shall, in carrying out the powers entrusted to it, conform to the instructions given to it by the committee and shall be governed by the provisions in these rules for regulating the meetings and proceedings of the committee or by any terms of reference or standing orders for the sub-committee imposed by the committee. Members of any sub-committee set-up under these rules shall be bound by the same obligations as set out in provisions titled 'Avoidance and Declaration of Conflicts of Interest' in these rules.
- 76 The committee may also delegate such of its powers as may be necessary or expedient to managing agents appointed under the rule titled 'Powers of the Committee' rule in these rules or the rule titled 'Officers' in these rules.
- 77 All acts done in good faith by any meetings of the committee or of any sub-committee shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any committee member or committee members or that any one or more of them were disqualified, be as valid as if every committee member had been duly appointed and was duly qualified to serve.
- 78 A resolution in writing signed by all committee members or by all members of a sub-committee shall be as valid and effectual as if it had been passed at a meeting of the committee or sub-committee duly called and constituted.

RESPONSIBILITIES OF COMMITTEE MEMBERS

- 79 The responsibility of all committee members, whether elected or co-opted, is to act only and at all times in the best interests of the Society and not for personal benefit or gain or on behalf of any constituency or special or partisan interest group. Without prejudice to this general responsibility each and every committee member shall:
- (a) abide by the Code of Conduct for committee members as agreed from time to time by the Society;
 - (b) attend all committee meetings, unless it is genuinely not possible to do so, and make a positive and constructive contribution to committee proceedings, debate and decision making;
 - (c) participate in appropriate training to ensure that he or she has sufficient knowledge and understanding of the Society's affairs in order properly to exercise the responsibilities and powers of a committee member;
 - (d) avoid and declare any conflict of interest as set out in the provisions 'Avoidance and Declaration of Conflicts of Interest' in these rules;

- (e) comply with the Data Protection Act 2018 and treat all personal information about members and their households and applicants to the Society as confidential and not disclose any data held on any person by the Society to any other person or organisation unless required to do so by law; and
- (f) accept and fulfil the detailed statement of committee members' responsibilities which may be agreed from time to time by the committee and contained in the letter of committee member's responsibilities which shall be sent by the chair to each committee member as soon as may be practicable after each committee member's election or appointment or at such other times as the committee may direct. Any committee member who fails to sign the statement of committee member's responsibilities within one month of being required to do so shall cease to be a member of the committee.

OFFICERS

- 80 In addition to the three Society officers of chair, secretary and treasurer, the Society shall have such other officers as the committee may from time to time determine. Officers shall be appointed and may be removed by the committee to carry out such tasks and fulfil such functions as the committee shall from time to time determine. The Society officers and other officers appointed by the committee shall, if they are members of the Society, not receive any remuneration for carrying out the duties of their office. Officers who are employees of the Society but not members shall receive such remuneration [if any] under their contracts of employment as the committee shall determine is fair and reasonable.
- 81 The Society officers and other officers, if any, shall act under the supervision control and direction of the committee and shall discharge their powers and responsibilities in accordance with these rules and with such regulations, standing orders, written terms of reference policies, and procedures as may be established from time to time by the Society which are consistent with these rules.
- 82 The chair shall normally preside at all meetings of the Society. If at any general meeting or at any committee meeting the chair is absent or declines to act the members and or committee members, as appropriate, shall elect one of their number to chair the meeting.
- 83 The secretary shall ensure that:
- (a) meetings are properly called; and
 - (b) the names of those present are recorded; and

- (c) minutes of meetings are kept; and
- (d) the register of members and officers is maintained;
- (e) the use of the Society's official seal (or the execution of documents as if under seal) is properly recorded; and
- (f) all returns required to be made to the Registrar are sent.

84 The Society officers and any other officer of the Society shall produce or give up all books, papers, documents and records of the Society whenever required to do so by resolution of the committee or the Society in general meeting.

SECURITY BY OFFICERS AND INDEMNITY

85 The committee shall require every officer or employee having receipt or charge of money to provide to the Society an assurance of their honesty and integrity. This shall be done by the officer or employee becoming either bound with or without a surety as the committee may determine in a bond according to one of the forms set out in Schedule 1 of the Act or to give the security of a society or insurer of repute in such sum as the committee shall direct, commonly called 'fidelity guarantee insurance'. Every officer having receipt or charge of money shall, when required to do so by the committee or Society in general meeting, give a just and true account of all monies received by him or her on account of the Society and shall, as and when required to do so, pay all sums due from him or her to the Society.

86 Every officer shall be indemnified by the Society against all costs, losses and expenses which he or she may reasonably incur in the discharge of his or her duties including travelling and other out of pocket expenses and the amount for which such indemnity is provided shall immediately attach as a charge on the property of the Society.

87 No officer shall be liable for any loss happening to the Society through the execution of the duties of his or her office unless the loss is the consequence of his/her own dishonesty or gross negligence.

BORROWING

88 Subject to the provisions within the Act, the Society shall have the power to borrow money on such terms and in such sum as the committee reasonably determine from time to time and as approved by the members in general meeting.

89 The Society shall not receive money on deposit. For the avoidance of doubt the Society shall not engage in any activity by virtue of any of these rules that would require a permission from the Financial Conduct Authority (or any body that succeeds

its functions) to carry on that activity without first having applied for and obtained such permission.

- 90 The Society may receive donations towards the work of the Society from any lawful source which the committee considers does not compromise the Society's ethical commitment to the Co-operative Principles and Values.

LOAN STOCK

- 91 The Society may borrow from members and non-members by calling on them to subscribe to loan stock.

- 92 Loan stock shall be withdrawable only in accordance with the provisions of Rule 93.

- 93 Subject to clauses (c) and (d) below, loan stock may be withdrawn upon giving 13 weeks' notice to the Society, provided that:

- (a) all withdrawals shall be paid in the order in which the notices were received by the Society;
- (b) the Society may waive any notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;
- (c) except by consent of the committee not more than 1/10 of the issued loan stock at 1st January in each year, including all sums under notice of withdrawal at that date, shall be withdrawable during the ensuing year;
- (d) the right to withdraw may be suspended by the committee either wholly or partially and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the resolution suspending the right to withdraw is passed by the committee. Where the suspension is for a fixed period, such period may be extended from time to time by the committee;
- (e) during any period when the right of withdrawal has been suspended under clause (d), the loan stock of a deceased member or non-member may, at the discretion of the committee, be withdrawn by his or her personal representative upon giving such notice as the committee may require and subject, as regards the amount payable on withdrawal, to such deduction as the committee may from time to time decide;
- (f) except where otherwise provided in these rules, the amount to be paid on withdrawal shall be the amount credited on the loan stock to be withdrawn.

- 94 The Society shall have a lien on the loan stock of a member for any debt due to it by the member and may set off any sum standing to the member's credit including any loan money, interest and dividends in or towards the payment of such debt.

INVESTMENT

- 95 The funds of or monies borrowed by the Society may, to the extent permitted by the law for the time being in force, be invested (and not otherwise):
- (a) in any manner expressly authorised by the Act; or
 - (b) in any investments covered by Parts I, II and III of the First Schedule to the Trustee Investments Act 1961 or in stocks or shares or debentures of any body corporate but subject in the case of any investments under paragraphs 1 and 3 of Part III or of any body incorporated overseas to the taking of advice in accordance with the provisions of section 6 of the Trustee Investments Act 1961; or
 - (c) in shares, loan stock or on the security of any Society or community benefit society or credit union registered under the Act; or
 - (d) in any freehold, or leasehold property whatsoever in the United Kingdom.
- 96 The Society may, to the extent permitted by the law for the time being in force, delegate in writing to a suitable person the exercise of the management or investment of the property for the time being forming part of the property of the Society. A suitable person shall be a person whom the Society reasonably believes to be qualified by ability and experience in the matters delegated, and who is an exempted person for the purposes of Part I of the Financial Services and Markets Act 2000 as amended or re-enacted from time to time.
- 97 The Society may appoint any member or members to vote on its behalf at meetings of any other body corporate in which the Society has invested any part of its funds.

BAN ON PAYMENTS OF PROFIT TO MEMBERS

- 98 No portion of the income or the property of the Society shall be transferred either directly or indirectly by way of bonus or otherwise by way of profit, to members of the Society except in so far as the Occupancy Agreement may provide upon surrender to the Society for payments to be made to the member.

SURPLUSES

- 99 The Society may apply any surpluses towards furthering the objects of the Society.

100 A general meeting may set aside any part of the surpluses arising in any year to be donated or loaned for any purposes determined by the members in general meeting.

101 Any surpluses not applied or set aside shall be carried forward.

AUDIT

102 The Society if required to do so by law, shall appoint in each financial year an auditor to whom the accounts of the Society for that year shall be submitted for audit as required by the Act. They must be qualified as provided by Section 91 of the Act. The auditor shall have all such rights in relation to notice of and audience at general meetings, access to books, the supply of information and otherwise as are provided by the Act. The first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the committee if no general meeting of the Society is held within that time. Thereafter, every appointment of an auditor shall be made by resolution of the Society at a general meeting.

103 In accordance with section 84 of the Act, the Society shall be exempt from the obligation to appoint a qualified auditor if during the preceding financial year, it met such criteria regarding low levels of income and/or expenditure or other factors as to qualify for statutory exemption from the need to appoint qualified auditors.

104 The members of the Society shall, in general meeting, vote every year to allow the Society to apply any audit exemption permitted by statute. Such a resolution shall not be considered to have been passed if more than twenty per cent of the total number of votes cast are against the resolution and if more than ten percent of the members of the Society cast their votes against the resolution.

105 If lay auditors are appointed to carry out an audit they shall be chosen by the committee from the general membership and/or others.

106 If the membership vote for unaudited accounts and these are permitted by statute, the Society's income/expenditure ledger shall be scrutinised by the secretary and committee members only and signed, as a true record, by the secretary and two committee members or such other number as may be required by legislation. An income/expenditure report will be prepared to present to the Society's members at each annual general meeting.

107 The following persons are prohibited from appointment as auditor of the Society:

- (a) a member, officer or employee of the Society;
- (b) a person who has any of the following relationships to a committee member, officer or employee of the Society:

- (i) a close relative [by blood or marriage];
- (ii) a partner of or a member of the person's family;
- (iii) an employer;
- (iv) a business partner.

108 An auditor appointed to audit the accounts and balance sheet of the Society for the previous financial year shall be re-appointed as auditor of the Society for the current year of account, whether or not any resolution expressly re-appointing the auditor has been passed; unless:

- (a) a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
- (b) the auditor has given to the Society notice in writing that the auditor is unwilling to be re-appointed; or
- (c) the auditor is not a qualified auditor or is prohibited from appointment as auditor of the Society; or
- (d) the auditor has ceased to act as auditor of the Society by reason of incapacity; or
- (e) if the Society's committee has given notice in writing to the auditor of its intention to tender the audit in order to comply with guidance on audit best practice;

provided that a retiring auditor shall not be automatically re-appointed if notice of an intended resolution to appoint another person in that auditor's place has been given in accordance with this rule and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or is prohibited from appointment as auditor.

109 A resolution at a general meeting of the Society appointing another person as auditor in place of a retiring auditor or providing expressly that a retiring auditor shall not be re-appointed shall not be effective unless notice of the intention to move it has been given to the Society not less than 28 clear days before the meeting at which it is to be moved. On receipt by the Society of notice of such an intended resolution the Society shall immediately send a copy of the notice to the retiring auditor. If it is practical to do so the Society shall give notice to its members of the intended resolution at the same time and in the same manner as it gives notice in accordance with these rules of the meeting at which the resolution is to be moved. Where the retiring auditor makes any representations in writing to the Society with respect to the intended resolution or

notifies the Society that s/he intends to make such representations, the Society shall notify the members accordingly as required by the Act.

ACCOUNTS

- 110 The Society shall keep proper books and other records of account with respect to all its financial transactions and to its assets and liabilities in accordance with the requirements of the Act, and shall establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and payments.
- 111 Unless the Society is entitled to and has applied the exemption to appoint a qualified auditor the committee shall ensure that the Society's accounts and balance sheet are submitted for audit to the Society's auditor and the auditor shall in accordance with the requirements of the Act make a report to the Society on the accounts examined by the auditor and on the revenue account or accounts and the balance sheet for the year of account in respect of which the auditor has been appointed.

ANNUAL RETURNS

- 112 Every year not later than seven months after the Society's financial year end the secretary shall send to the Registrar in the form prescribed the Society's annual return relating to its affairs for the period required by the Act together with:
- (a) a copy of the report of the auditor (if any) on the Society's accounts for the period included in the return; and
 - (b) a copy of each balance sheet made during the period and of the report of the auditor (if any) on that balance sheet.
- 113 The Society shall supply free of charge to every member or person interested in the funds of the Society on application a copy of the latest annual return of the Society together with a copy of the accounts and balance sheet and the report of the auditor (if any) contained in the return and on the accounts and balance sheet.
- 114 The Society shall keep a copy of the latest balance sheet for the time being and auditor's report (if any) available for inspection by members at its registered office.

INSPECTION OF BOOKS

- 115 Any member or person having an interest in the funds of the Society shall be allowed to inspect his/her own account and the books containing the names of the members, including the details contained in the duplicate register of members between the hours of 9.30am and 5.30pm on any day excepting Saturdays, Sundays and Bank Holidays or at any other place where the same records are kept, subject to this right of inspection being carried out in accordance with the arrangements for inspection of

records as may be made from time to time by the Society in general meeting. If the member or person wishing to carry out such an inspection is reasonably unable to do so between the times stated above, the Society shall make alternative arrangements for the inspection if it is reasonably practical to do so.

MINUTES AND RECORDS

116 Minutes of every general meeting and of every committee meeting and of every sub-committee shall be kept and presented for approval as an accurate record at the next respective meeting and signed by the chair of the meeting at which they are presented and approved. All minutes signed as an accurate record shall, subject to any amendments which may be recorded in the following meeting, be conclusive evidence of any facts stated in the minutes or decisions made at the meeting the minutes record.

REGISTER OF MEMBERS

117 The Society shall keep at its registered office a register of members in which the secretary shall enter or cause to be entered the following particulars;

- (a) the names and addresses of the members;
- (b) a statement of the membership share held by each member and the amount paid for the share;*
- (c) a statement of other property in the Society whether in loans, loan stock or community shares held by each member;*
- (d) the date at which each person was entered in the register as a member, and the date at which any persons cease to be a member;
- (e) the names and addresses of the officers of the Society with the offices held by them and the dates on which they assumed office.

118 The Society shall also keep at its registered office a duplicate register of members in which the secretary shall enter all the particulars in the original register of members omitting those details marked with an *(asterisk) set out in the rule immediately above this rule.

119 The inclusion or omission of the name of any person in or from the register of members shall, in the absence of evidence to the contrary, be conclusive evidence that such person is or is not a member of the Society.

120 The registered name of the Society shall be kept painted or fixed in a conspicuous position in an easily legible form on the outside of every office or place in which the business of the Society is carried on, and the registered name of the Society shall be engraved in legible characters on its seal, and shall be mentioned in all business letters of the Society, notices, advertisements, electronic communications and other official publications of the Society and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society and in all bills, invoices, receipts and letters of credit of the Society.

SEAL

121 If the Society has a seal it shall be kept in the custody of the secretary and used only by the authority of the Society. Sealing shall be attested by the signatures of the two committee members or the secretary and one committee member. If the Society does not have a seal, a document which would have previously required to be sealed should be signed by two committee members or a committee member and the secretary and accompanied by a written statement that the document has been executed by the Society as if under common seal.

DISPUTES

122 Any dispute concerning matters governed by these rules between a member, or any person aggrieved who has not for more than six months ceased to be a member, and the Society or an officer thereof shall be considered in accordance with the Society's disputes procedure agreed from time to time by the Society in General Meeting. The secretary shall, on request, provide any member or person interested in the Society with a copy of the Society's current dispute procedure. Provided that any internal disputes procedure established by the Society has been exhausted without the dispute being resolved, either party may request the dispute to be submitted to the County Court [or to the Sheriff's Court, if the Society's registered office is in Scotland] whose decision shall be binding and conclusive, and application for the enforcement thereof may be made by either party to the County Court or to the Sheriff's Court, if the Society's registered office is in Scotland.

123 The costs of referring the dispute to the County Court [or the Sheriff's Court, if the Society's registered office is in Scotland] shall be borne as the County Court or the Sheriff's Court directs.

STATUTORY APPLICATIONS TO THE REGISTRAR

124 Any ten members each of whom has been a member of the Society for not less than twelve months immediately preceding the date of the application may apply to the

Registrar in the form prescribed by the Act to appoint an accountant or actuary to inspect the books and other financial records of the Society and to report on them.

- 125 One tenth of the whole number of members, or if the number shall at any time exceed 1000, 100 members may apply to the Registrar in the form prescribed by the Act:
- (a) for the appointment of an inspector or inspectors to examine the affairs of the Society and to report on the Society's affairs; or
 - (b) for the calling of a special general meeting of the Society.

COPIES OF THE RULES TO BE SUPPLIED

- 126 The secretary shall provide a copy of these rules of the Society to each member free of charge and to any other person on demand on the payment of a charge to meet the reasonable cost of providing them but not exceeding any maximum charge as may from time to time be specified under the provisions of the Act.

AMENDMENT OF RULES

- 127 Any rule of the Society contained in these rules may be rescinded or amended or a new rule may be made by a resolution carried by two-thirds of the votes given on the resolution to amend these rules at any general meeting of which notice has been given specifying the intention to propose such a rescission, amendment or new rule.
- 128 Application for the registration of every amendment of rules shall be made to the Registrar in the manner and form required by the Act as soon as practical after the general meeting at which the decision to rescind or amend or make a new rule has been taken. Once an amendment has been registered, a copy of it shall be issued to every member and supplied with every copy of the rules issued after the amendment of rules has been registered. No amendment of rules is valid until registered by the Registrar. When submitting rule amendments for registration the secretary may at his/her sole discretion accept any textual alterations to the wording of the amendment which do not change the substance or effect of the amendment that may be required or suggested by the Registrar without reference back to a further general meeting of the Society.
- 129 Any amendment to these rules, including a change of name or registered office, shall be notified by the Secretary of the Society to the Registrar as soon as may be practicable after the amendment has been made together with a copy of the amendment made.

AMALGAMATION AND TRANSFER OF ENGAGEMENTS

130 The Society may, by special resolution passed at a general meeting in the manner prescribed in the Act, amalgamate with or transfer its engagements to any other Society [or community benefit society] that has similar objects and is registered under the Act.

DISSOLUTION

131 The Society may enter into a company arrangement or administration provision as defined in section 118 of the Act.

132 The Society may be dissolved in accordance with section 119 of the Act:

- (a) by an instrument of dissolution;
- (b) in accordance with section 123 of the Act in pursuance of a winding up order or by a resolution made or passed as directed in regard to companies by the insolvency Act 1986.

133 If on the winding up or dissolution of the Society there remains after satisfaction of all its debts and liabilities, any assets or other property whatsoever, the assets or other property shall be disposed of by way of a gift to:

- (a) another Society; or
- (b) a Community Benefit Society having similar objects to the Society; or
- (c) a Credit Union; or
- (d) a charity which has, among its objects, the provision of housing or relief of homelessness.

134 Such disposal shall be decided by a general meeting of the Society before dissolution. On the winding up or dissolution of the Society, no member shall receive any property or sum beyond:

- (a) the repayment of any investment in the Society to which the member is entitled and any interest due on such investment; and/or
- (b) any payment to the member provided for in the member's tenancy or lease on the surrender of that tenancy or lease.

INTERPRETATION

135 In these rules, unless the subject matter or context is inconsistent with them, the following words and phrases shall have the following meanings:

words importing gender shall include the male and female genders;

words importing the singular or plural shall include the plural or singular respectively.

“address” means a postal address or, for the purposes of electronic communication, a fax number, email address or telephone number for receiving text messages;

“the Act” refers to the Society and Community Benefit Societies Act 2014, or any Act or Acts amending or in substitution for the Act for the time being in force;

“committee” shall mean a management committee of the Society;

“committee member” shall include any person, whether a member of the Society or not, who is elected, appointed, or co-opted to serve on the committee;

“Co-operative Principles” refers to the Co-operative Principles and Values adopted at the Centennial Congress of the International Co-operative Alliance on 23rd September 1995, a copy of which are appended to these rules;

“Dwelling” means any residential unit which is either owned or managed by the Cooperative;

“Dwellingholder” means the person or persons to whom a tenancy or lease of a Dwelling has been granted or assigned;

“electronic means” shall have the meaning set out in section 148 of the Act;

“general meeting” shall mean any meeting of the Society;

“member” shall mean any Dwellingholder appointed as a member of the Society in accordance with Rules 16 to 19;

“Occupancy Agreement” means a tenancy or lease issued by the Society for a Dwelling;

“the Registrar” shall mean the Financial Conduct Authority or any statutory successor body to or any assignee of any or all of its relevant functions from time to time;

“surpluses” shall mean any money remaining after the Society's current expenses and obligations have been provided for and adequate allowance has been made for the Society's reasonably foreseeable future requirements;

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Signatures of Founder Members	Full Names and Address of Founder Members in BLOCK CAPITALS (no initials)
1.	
2.	
3.	
Signature of Secretary	Full Name and Address of Secretary in BLOCK CAPITALS (no initials)

APPENDIX 1

CO-OPERATIVE PRINCIPLES

Co-operative Principles as defined by resolution of the Centennial Congress of the International Co-operative Alliance on 23 September 1995.

Definition

A Co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, Co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

The Co-operative principles are guidelines by which Co-operatives put their values into practice.

- [1] **Voluntary and Open Membership:** Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.
- [2] **Democratic Member Control:** Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Women and men serving as elected representatives are accountable to the membership. In primary Co-operatives members have equal voting rights [one member, one vote] and Co-operatives at other levels are also organised in a democratic manner.
- [3] **Member Economic Participation:** Members contribute equitably to, and democratically control, the capital of their Co-operative. At least part of that capital is usually the common property of the Co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their Co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the Co-operative; and supporting other activities approved by the membership.
- [4] **Autonomy and Independence:** Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
- [5] **Education, Training and Information:** Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
- [6] **Co-operation among Co-operatives:** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.
- [7] **Concern for Community:** Co-operatives work for the sustainable development of their communities through policies approved by their members.