

RULES of: Millbank Estate Management Organisation Limited.....

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Registered under the ~~Industrial & Provident Societies Act 1965~~ Co-operative and Community Societies Act 2014

Register No. 28193R.....

*Priority Estates Project Limited
/ National Federation of Tenant Management
Organisations*

Model Rules for Tenant Management Organisations

MODEL RULES 2010

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PART A NAME AND OBJECTS

Name

A1 The name of the Society shall be Millbank Estate Management Organisation Limited ("the Society"). The management committee shall be called "the Board".

Objects

A2 The society is formed for the benefit of the community in Millbank Estate, London, SW1 which shall be called "the Area". Its objects shall be to carry on for the benefit of the community:

A2.1 business of providing, maintaining, and managing housing and associated amenities and any services that contribute to wider regeneration including the creation of employment, the advancement of education and training, relief of poverty, the provision of public amenities and recreational facilities, and the promotion of public safety and the prevention of crime within the Area of benefit;

A2.2 In carrying out these objects the Society shall have regard to the environmental impact of its activities and services with the aim of reducing the Society's carbon footprint.

~~any object that can be carried out by an Industrial and Provident Society registered as a social landlord with the Housing Corporation.~~

A2.3 In carrying out these objects the Society shall promote equality of opportunity and avoid discrimination against any person on the grounds of racial origin, gender, sexuality, disability, religion, age, class, appearance, marital status, unrelated criminal convictions, or being HIV positive or having AIDS.

Non-profit

A3 The society shall not trade for profit.

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

Society Address

A5 The registered Office of the Society shall be Millbank Estate Management Organisation Ltd, Housing Office, Merta Hall, Reynolds House Courtyard, Erasmus St., London SW1P 4HP

PART B POWERS OF SOCIETY, BOARD, AND SHAREHOLDERS

Powers

- B1 The society shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, provided that the Society shall not trade for profit.
- B2 The society shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000 ~~Banking Act 1987~~ or any other authority required by statute unless it has such authorisation.

Powers of the Board

- B3 The business of the Society shall be directed by the Board.
- B4 Apart from those powers which must be exercised in general meeting:
- B4.1 by statute; or
- B4.2 under these rules
- all the powers of the Society may be exercised by the Board for and in the name of the Society.
- B5 The Board shall have power to delegate, in writing, the exercise of any of its powers to committees and to employees of the Society (subject to rule D1) on such terms as it determines. Such delegation may include any of the powers and discretions of the Board. The Board shall, in all things, act for and in the name of the Society.

Limited powers of shareholders in general meeting

- B6 The society in general meeting can only exercise the powers of the Society expressly reserved to it by these rules or by statute.

General

- B7 The certificate of an officer of the Society that a power has been properly exercised shall be conclusive as between the Society and any third party acting in good faith.
- B8 A person acting in good faith who ~~does not have actual notice of~~ has not been informed of any regulations shall not be obliged to see or enquire whether if the Board's powers are restricted by such regulations.

PART C SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders (members)

- C1 Shares of the nominal value of ~~one pound~~ten pence each shall be issued to persons upon admission to membership of the Society. The shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend nor bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause, and the amount paid-up thereon shall become the property of the Society. A member shall hold one share only in the Society.
- C2 All members 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 Society and, for the benefit of the community, as guardians of the objects of the Society.

Nature of shares

- C3 The Society's share capital shall be raised by the issue of shares. Each share has the nominal value of ~~one pound~~ten pence which shall carry no right to interest, dividend or bonus.
- C4 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees).
- C5 When a shareholder ceases to be a shareholder or is expelled from the Society, his or her share shall be cancelled. The amount paid up shall become the property of the Society.

Nature of shareholders

- C6 A shareholder of the Society is a person or body whose name and address is entered in the register of shareholders.
- C7 The following cannot be shareholders:
- C7.1 a ~~minor~~person under the age of 18 years;
- C7.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;
- C7.3 an employee of the Society.
- C8 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.
- C9 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, and given to the secretary.
- C10 No shareholder shall hold more than one share and each share shall carry only one vote.
- C11 A share cannot be held jointly unless by nominees of an unincorporated body.

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Admission of shareholders

- C12 The first members of the Society shall be the signatories to the application for registration. Thereafter the Society:
- C13 Shall admit to membership any ~~tenant, or lawful~~ resident ~~or leaseholder~~ aged eighteen years or over who agrees to be bound by the provision of these rules; ~~or~~
- ~~C13 Shall admit to membership any tenant, or resident aged eighteen years or over who agrees to be bound by the provision of these rules; or~~
- ~~C13 Shall admit to membership any tenant aged eighteen years or over who agrees to be bound by the provision of these rules; and~~
- C14 Pay the sum of ~~one pound~~ ten pence (which shall be returned to them if the application is not approved);
- C15 May at ~~its~~ the Board's discretion admit to membership any society, company, firm or Local Authority or an individual nominated as the representative of any unincorporated association which is considered able to make a contribution to the activities of the Society.
- C15.1 A corporate body which is a member of the Society shall appoint a representative who shall during the continuance of her/his appointment be entitled to exercise at general meetings of the Society all such rights and powers as the corporate body would be able to exercise if it were an individual person.
- C15.2 Written notification of an organisation's choice of representative shall be sent to the secretary of the Society.
- C16 Will publish policies and admit members in accordance with those policies as long as the majority of members are tenant members.

Ending of shareholding

- C17 A shareholder shall cease to be a shareholder if:
- C17.1 they die; or
- C17.2 in the opinion of the Board they cease to qualify for membership under rule C13
- ~~C17.23~~ they are expelled under rule C18; or
- ~~C17.34~~ they withdraw from the Society in writing to the secretary; or
- ~~C17.45~~ in the case of a body corporate it ceases to be a body corporate; or
- ~~C17.56~~ in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body; or
- ~~C17.67~~ in the case of the nominee of an unincorporated body the body is wound up

Expulsion of Shareholders

- C18 A shareholder may only be expelled by a special resolution at a special general meeting called by the Board.

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- C18.1 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 Society, and must request the shareholder to attend the meeting to answer the complaint.
- C18.2 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 even if the shareholder does not attend.
- C18.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.
- C18.4 No member expelled from membership shall be re-admitted within three years. A member may only be readmitted except by a resolution carried by a majority of not less than two-thirds of the members voting at any General Meeting of which due notice has been given.

Annual general meeting

- C19 The society shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years.
- C20 The functions of the annual general meeting shall be:
- C20.1 to receive the annual report which shall contain:
- the revenue accounts and balance sheets for the last accounting period
 - the auditor's report on those accounts and balance sheets
 - the Board's report on the affairs of the Society
 - a statement of the skills, qualities and experience required by the Board amongst its members;
- C20.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law);
- C20.3 to elect Board members;
- C20.4 to transact any other general business of the Society set out in the notice convening the meeting including any business that requires a special resolution.

Special general meetings

- C21 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:
- C21.1 upon an order of the Board; or
- C21.2 upon a written requisition signed by ~~one-tenth of the shareholders or~~ twenty five shareholders ~~which ever is the lesser~~ stating the precise business for which the meeting is to be convened;
- C21.3 if within twenty-one days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting. A ~~minimum of 6~~ shareholders quorum shall be present as set out in rule C.25.
- C22 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

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Calling a general meeting

- C23 All general meetings shall be convened by at least ~~fourteen~~twenty eight clear days' written notice posted or delivered to every member at the address given in the share register or by notice given by email or text messaging. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- C24 A notice sent by post to a shareholder's registered address shall be deemed to have been duly served forty-eight hours after its posting. The accidental omission to send any notice to or the non-receipt of a notice by any member shall not invalidate the proceedings at the meeting.

Proceedings at general meetings

- C25 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all shareholders or twenty five shareholders, whichever is the lesser, subject to an absolute minimum of ~~six~~fifteen.
- C26 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 should begin.
- C27 All other general meetings with too few shareholders will be adjourned until a day not more than twenty-eight days after the date set for the original meeting, and notice shall be given to all members of the adjourned meeting as of the original meeting. If at such an adjourned meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum.
- C28 The Chair of the Society shall preside at every general meeting. In the event of her/his absence or unwillingness to act, the Vice-Chair shall preside and, in the event of her/his absence or unwillingness to act, the members present shall ~~choose one of their number to agree who will~~ be the Chair of the meeting. The Chair can:
- C28.1 take the business of the meeting in any order that the chair may decide; and
- C28.2 with the consent of the majority of members present at any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting, otherwise it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
- C29 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is; ~~before or on the declaration of the result of the show of hands,~~ demanded beforehand by at least ~~two~~five members present. Unless a secret ballot be so demanded, a declaration by the Chair that a resolution has on a show of hands been carried or lost and an entry to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolutions. ~~The demand for a secret ballot may be withdrawn.~~

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- C29.1 If a secret ballot is duly demanded it shall be taken in such a manner as the Chair directs, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
- C29.2 In the case of an equality of votes, whether on a show of hands or on a ballot, the Chair shall have a second or casting vote.

Proxies

- C30 A proxy can be appointed by delivering a written appointment to the registered office at least ~~two~~ five days before the date of the meeting at which the proxy is authorised to vote. It must be signed 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. A proxy need not be a shareholder of the Society. A person acting as proxy shall only act as proxy for one shareholder.

Voting

- C31 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.
- ~~C32 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 resolution should fail, or~~
- ~~C32 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 resolution should fail, or~~
- C32 On a show of hands every shareholder present in person or by proxy 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.
- C33 ~~Unless a ballot is demanded (either before or immediately after the vote), a~~ A declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of that fact.
- C34 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.
- C35 A ballot on a resolution may be demanded by any ~~three~~ five 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.~~
- C36 A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the Society in general meeting.

PART D THE BOARD

Functions

- D1 The Society shall have a Board (in these rules referred to as “the Board”) which shall direct the affairs of the Society in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- D1.1 define and ensure compliance with the values and objectives of the Society and ensure these are set out in each annual report;
 - D1.2 establish policies and plans to achieve those objectives;
 - D1.3 approve each year’s accounts prior to publication and approve each year’s budget;
 - D1.4 establish and oversee a framework of delegation and systems of control;
 - D1.5 agree policies and make decisions on all matters that create significant financial risk to the Society or which affect material issues of principle;
 - D1.6 monitor the Society’s performance in relation to these plans, budget, controls and decisions;
 - D1.7 appoint (and if necessary remove) the chief executiveOfficer (if any and if falling within the Society’s authority);
 - D1.8 satisfy itself that the Society’s affairs are conducted in accordance with generally accepted standards of performance and propriety;
 - D1.9 take appropriate advice.
 - D1.10 negotiate the management agreement and allowances with the Council and oversee its operation

And none of these functions D1.1 – D1.9-10 inclusive shall be delegated

Composition of the Board

- ~~D2 Unless otherwise determined by the Society in general meeting, the Society shall have a Board comprising not more than [fifteen] and not less than [seven] elected members plus persons co-opted in accordance with the provisions of these rules, or~~
- D2 Unless otherwise determined by the Society in general meeting, the Society shall have a Board comprising not more than fifteen-twelve and not less than seven-six elected members plus persons co-opted in accordance with the provisions of these rules, or
- ~~D2 ————— Unless otherwise determined by the Society in general meeting, the Society shall have a Board comprising not more than [insert the maximum Board size] and not less than [insert the minimum board size recommend no fewer than seven] elected members plus persons co-opted in accordance with the provisions of these rules.—~~

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- D3 A majority of Board members shall always be tenants residing in ‘the Area’ and of households under the management of the tenant management organisation.
- D4 In every notice for an annual general meeting the Board shall set out its requirements for the skills, qualities and experience which it needs from its members. The notice shall state the extent to which those requirements are met by those Board members continuing in office, and those retiring and intending to re-offer themselves for election.
- D5 The Board shall in its annual report set out the obligations of every Board member to the Board and to the Society. The Board shall review and may amend the obligations of Board members from time to time.
- D5.1 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 to the Board and to the Society. The Board may vary the form of statement from time to time.
- D5.2 Any Board member who has not signed such statement without good cause within one month of election or appointment to the Board shall immediately cease to be a Board member.
- D6 The Board may at any time co-opt any person, whether or not a member of the Society, to serve on the Board in addition to the elected members. The Board may also remove any person co-opted. There are two categories of co-opted Board members
- D6.1 Co-opted Board members sought to ensure the Board has appropriate skills
- D6.1a The Board may at any time co-opt board members for their skills, knowledge and qualities who do not reside in the Area provided that ~~members~~persons -so co-opted shall never exceed one third of the total Board.
- D6.1b Such voting co-optees shall not be counted for purposes of calculating a quorum but shall otherwise be full members of the Board.
- D6.1c Such co-opted Board members have full speaking and voting rights at meetings of the Board except they cannot vote on the election of officers nor any matter affecting shareholders.
- D6.1d Any person co-opted by the Board may be removed by a majority vote of the Board.
- D6.2 Co-opted Board members sought to fill casual vacancies who live in the Area
- D6.2a If the Board falls below the minimum number as expressed in these rules, the Board shall act to fill such vacancies or to call a general meeting of the Society, and for no other purpose.
- D6.2b The Board may at any time co-opt any member to fill any casual vacancy on the Board provided that members so co-opted shall never exceed one third of the total Board. ~~Priority for co-option shall be given to members who were nominated but not elected at the previous annual general meeting, in order of number of votes cast.~~
- D6.2c Subject to rule D5.2e, such co-opted members of the Board shall serve until the annual general meeting following their co-option but shall thereafter not be eligible for further co-option. Co-opted

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members are eligible to stand for election to the Board on standing down.

D6.2d Any person co-opted by the Board may be removed by a majority vote of the Board.

D6.2e Such co-opted Board members have full speaking and voting rights at meetings of the Board and can vote on the election of officers and any matter affecting shareholders. These co-opted members shall be counted for purposes of calculating a quorum.

D7 For the purposes of these rules and of the Act a co-optee is a “Board member” or “member of the Board”. ~~For the purposes of the Housing Act 1996 a co-opted is an officer.~~

D8 The Board may invite other persons, whether or not members of the Society, to attend any of its meetings. Such invited persons shall not have voting rights and shall only have speaking rights at the discretion of the Chair.

D9 No one can become or remain a Board member at any time if:

D9.1 they resign their office in writing to the Society; or

D9.2 they are disqualified from acting as a director of a company for any reason; or

D9.3 they have been convicted of an indictable offence within the last five years; or

D9.4 being a tenant or resident of the Area they have a court order against them for outstanding rent or service charge arrears and/or anti social behaviour; or

~~D9.4~~ they are not a shareholder in the case of elected board members; or

~~D9.5~~ they have absented themselves from four consecutive meetings of the Board without special leave of absence; or

~~D9.6-7~~ being an elected member of the Board, ceases to be a member of the Society, or is replaced as the representative of an organisation which is a member of the Society, or is an individual nominated as the representative of an unincorporated association which ceases to be a member; or

~~D9.7-8~~ becomes bankrupt.

D9.9 A Board member removed by the board in accordance with rule D10 shall not stand for election to the board and shall not be co-opted onto the board for a period of three years from the date of his/her removal.

D10 A Board member may be removed from the Board:

D10.1 by a two third majority vote of the members at a General Meeting of the Society, the notices of which specified that the question of such removal was to be raised; or

D10.2 by a resolution passed by three quarters of the Board provided the following conditions are satisfied:

- at least fourteen days’ notice of the proposed resolution has been given to all Board members; and

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- the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with rule C2; and
- the Board is satisfied that the allegation(s) is or are true.

Election to the Board

- D11 The initial Board of the Society from incorporation until the first annual general meeting shall be appointed by the founder members.
- D12 D12.1 At every annual general meeting not less than one third of the elected Board members shall retire from office.
- D12.2 Board members forming the retiring third shall be those who have been longest in office since they were last elected or re-elected to the Board. If the choice is between people who became Board members on the same day those to retire shall be chosen by lot if not agreed.
- D12.3 Anybody appointed to fill a casual vacancy under rule D6.2 during the year and who retires for that reason shall not count towards the one third to retire.
- D13 If at an annual general meeting, the candidates for election as Board members do 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.
- D14 Nominations for election to the Board shall be invited from all members of the Society by writing to them at the address recorded in the Register of Members not less than ~~twenty-eight~~fourteen days before the date set for the annual general meeting. If members so decide and provide an email address, nominations may be invited by email although signed paper copies of the completed nomination form must be returned as stated in rule D15.
- D15 Completed nomination forms must be received at the Registered Office of the Society not less than seven days before the date set for the annual general meeting. Nomination forms must include: the name and address of the person being nominated; a signed statement by the person nominated of her/his willingness to stand for election; and the name, address and signature of the member making the nomination. Nominations forms shall also include a statement by the person nominated of her/his experience, knowledge and skills that are relevant to the work of the Board.
- ~~D16 In addition a candidate who is not retiring as a Board member must be nominated in writing by another shareholder.~~
- ~~D17~~D16 The election shall be conducted by secret ballot in such manner, as the Board shall direct, provided that all members of the Society are given clear instructions regarding how they may participate in the election.
- ~~D18~~D17 Only members of the Society or representatives of organisations which are members may stand for election to the Board or may nominate persons to stand for election to the Board.
- ~~D19~~D18 A general meeting of the Society may designate some or all of the available places on the Board as reserved for members who have been nominated to represent the interests of members with special interest, for example defined geographical districts within the Area of benefit of the Society, with a view to ensuring adequate representation on the Board for all members of the Society. Members so elected must be aware that they must act in the best interest of the Society and not their interest group. In such an event, while nominations for available places shall be sought on a district basis, all members of the

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Society present at the annual general meeting shall be entitled to vote in respect of all available places on the Board.

Meetings of the Board

- ~~D20~~D19 The activities of the Society shall be managed by the Board who may pay all expenses of the formation of the Society as they think fit.
- ~~D21~~D20 No regulation made by the Society in general meeting shall invalidate any prior act of the Board which would have been valid had the regulation not been made.
- D21~~2~~ The Board may delegate any of its functions to sub-committees made up of members of the Board and such other persons as it sees fit provided that no more than two members of any sub-committee may be persons other than elected members of the Board. Any sub-committee so formed shall in the exercise of its powers conform with any regulations imposed upon it by the Board.
- ~~D23~~D22 All cheques, promissory notes, online banking payments, drafts, bills of exchange and other negotiable instruments, and all receipts or monies paid to the Society shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall from time to time by resolution determine.
- ~~D24~~D23 Members of the Board must meet together for the dispatch of business at least six times a year, and may adjourn and otherwise regulate their meetings as they think fit. A Board member may and the secretary shall at the request of a Board member summon a meeting of the Board at any reasonable time provided that every member of the Board shall receive at least seven clear days' notice of any such meeting. In exceptional circumstances and as determined by the chair, an emergency meeting of the Board may be summoned on shorter notice provided every member of the Board has been duly notified.
- ~~D25~~D24 The quorum necessary for the transaction of business at a Board Meeting shall be six or half of the elected members of the Board which ever is the lesser.
- ~~D26~~D25 Questions arising at Board meetings shall be decided by a majority of votes of those present. In the case of an equality of votes the resolution should fail.
- ~~D27~~D26 A resolution in writing signed by all members for the time being entitled to vote at meetings of the Board shall be valid and effective as if the same had been passed at a meeting duly convened and held and may consist of several identical documents each signed by one or more members.

Board members' interests

- ~~D28~~D27 ~~No Board member, co-optee or member of a committee shall have any financial interest:~~
- ~~D28. personally; or~~
 - ~~D28 as a member of a firm; or~~
 - ~~D28 as a director or other officer of a business trading for profit; or~~
 - ~~D28 in any other way whatsoever~~
- ~~in any contract or other transaction with the Society, unless it is expressly permitted by these rules.~~

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No Board member, co-optee or member of a committee shall have any financial or material interest in any contract or other transaction with the Society or be granted a benefit by the Society, unless such interest or benefit:

- a. is expressly permitted by these rules; or
- b. would not be in breach of, and would not be inconsistent with, any code of conduct and/or governance policy adopted by the board.

~~D29~~D28 The society shall not pay or grant any benefit to anyone who is a Board member or a co-optee or a member of a committee, unless it is expressly permitted by these rules.

~~D30~~D29 Any Board member, co-optee or member of a committee, having an interest in any arrangement between the Society and someone else shall disclose their interest, before the matter is discussed by the Board or any committee. Such disclosure must comply with any code of conduct and/or governance adopted by the board from time to time. Unless it is expressly permitted by these rules they shall not remain present- unless requested to do so by the Board or committee, and they shall not have any vote on the matter in question. 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.

~~D31~~D30 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 an interest as:

D31.1 a director or officer; or

D31.2 as a member of a firm; or

D31.3 as an official or elected member of any statutory body; or

D31.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or

~~D31.5 as the occupier of any property owned or managed by the Society; or~~

D31.6~~5~~ any other significant or material interest.

~~D32~~D31 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 who fails to disclose an interest as required by these rules and/or who fails to remove themselves from the decision making process shall vacate their office either permanently or for a period of time to be determined by the Board.

~~D33~~ ~~The society may pay properly authorised expenses and any remuneration as shall be approved by the Board from time to time to Board members, co-optees and members of committees when actually incurred on the Society's business, or~~

D32 Notwithstanding rule D28, the Society may:

- a. pay properly authorised expenses to board members, co-optees and members of committees when actually incurred on the Society's business;
- b. pay insurance premiums in respect of insurance taken out to insure board members and employees;

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- c. pay remuneration, fees, allowances or recompense for loss of earnings to board members, co-optees and members of committees; and
- d. grant benefits to board members, co-optees and members of committees; provided that any such payment or benefit is in accordance with any code of conduct and/or governance adopted by the board from time to time.

~~D33~~ The society may pay properly authorised expenses and any remuneration as shall be approved by the Board from time to time to Board members, co-opted and members of committees when actually incurred on the Society's business. Any remuneration shall not exceed such sum as would breach Schedule 1 of the Housing Act 1996 at the time it is paid and shall be in accordance with any guidance from the Housing Corporation that is applicable to the Society.

~~D34~~D33 A Board member, co-optee or member of a committee shall not have an interest for the purpose of rule ~~D28~~D27 as a Board member, director, or officer of any other body whose accounts are or ought to be consolidated with the Society's accounts.

~~D35~~D34 Board members, co-optees or members of committees who are tenants of the Society shall not be deemed to have an interest for the purpose of rule ~~D28~~D27 in any decision affecting all or a substantial group of tenants.

~~D36~~D35 The grant of a tenancy by the Society at the direction of another body to a Board member, co-optee or member of a committee is not the grant of a benefit for the purpose of rule ~~D29~~D28.

Management and delegation

~~D37~~D36 The Board may delegate any of its powers under written terms of reference to committees or to employees (subject to rule D1). Those powers shall be exercised in accordance with any written instructions given by the Board.

~~D38~~D37 All acts and proceedings of any committee shall be reported to the Board.

~~D39~~D38 No committee can incur expenditure on behalf of the Society unless at least one Board member or ~~co-opted-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

~~D40~~D39 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, or

~~D40~~ ~~For the purposes of the Housing Act 1996 any member of a committee shall be an officer.~~

~~D41~~D40 Meetings of the Board can take place in any manner that permits those attending to hear and comment on the proceedings.

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| D42D41 A Board member acting in good faith shall not be liable to the Society for any loss.

**PART E CHAIR, CHIEF EXECUTIVE OFFICER, SECRETARY, TREASURER
& OTHER OFFICERS**

The chair

- E1 The society shall have a chair, who shall also chair Board meetings, and shall be elected by the Board.
- E2 The chair on election shall hold office until the commencement of the first Board meeting after the next annual general meeting of the Society (or until the chair resigns as chair). The first item of business for any Board meeting when there is no chair or the chair is not present shall be to elect the chair. The chair shall at all times be a shareholder and a Board member and cannot be an employee. The chair shall serve for a maximum period of three consecutive years which in exceptional circumstances, may be extended for a further two consecutive years at the discretion of the Board.
- E3 The chair of the Society may be removed at a Board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the Board at the meeting.

The chair's responsibilities

- E4 The chair shall seek to ensure that:
- E4.1 the Board's business and the Society's general meetings are conducted efficiently;
 - E4.2 all Board members are given the opportunity to express their views;
 - E4.3 a constructive working relationship is established with, and support provided for the chief executive officer (if any);
 - E4.4 the Board delegates sufficient authority to its committees, the chair, the chief executive officer (if any), and others to enable the business of the Society to be carried on effectively between Board meetings;
 - E4.5 the Board receives professional advice when it is needed;
 - E4.6 the Society is represented as required; and
 - E4.7 the Society's affairs are conducted in accordance with generally accepted codes of performance and propriety.
- E5 The chair-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 officer

- E6 The society may have a chief executive officer appointed by the Board. The chief executive officer shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive officer.

The secretary

- E7 The society shall have a secretary who shall be appointed by the Board. The secretary shall serve for a maximum period of three consecutive years which in exceptional circumstances, may be extended for a further two consecutive years at the discretion of the Board. The secretary shall in particular:

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- E7.1 summon and attend all meetings of the Society and the Board and keep the minutes of those meetings; and
- E7.2 keep the registers and other books determined by the Board; and
- E7.3 make any returns on behalf of the Society to the ~~Financial Services Authority~~ Financial Conduct Authority; and
- E7.4 have charge of the seal of the Society; and
- E7.5 be responsible for ensuring the compliance of the Society with these rules.

The Treasurer

- E8 The society shall have a treasurer who shall be appointed by the Board. The treasurer shall serve for a maximum period of three consecutive years which in exceptional circumstances, may be extended for a further two consecutive years at the discretion of the Board. The treasurer shall:
 - E8.1 ensure that all the financial aspects of the Society's activities are carried out in accordance with the Society's financial regulations;
 - E8.2 oversee the finances of the Society including reports setting out expenditure against budget and ensure that monthly bank reconciliations are carried out;
 - E8.3 take a keen interest in the work of both internal and external auditors and be available for consultation with them;
 - E8.4 oversee the audit for the Society.

Other officers

- E8E9 The Board may designate as officers such other executive officers as it from time to time decides.

Miscellaneous

- E9E10 Every officer or employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of his or her duty.
- E10E11 Except for the consequences of their own dishonesty or gross negligence no officer or employee shall be liable for any losses suffered by the Society.

PART F FINANCIAL CONTROL AND AUDIT

Auditor

F1 The society if required by law to do so shall appoint an auditor to act in each financial year. They must be qualified as provided by ~~Section 7 of the Friendly and Industrial & Provident Societies Act 1968 as amended by the part 42 of the Companies Act 1989/2006.~~

F2 The following cannot act as auditor:

F2.1 an officer or employee of the Society;

F2.2 a person employed by or employer of, or the partner of, an officer or employee of the Society.

~~F3 An auditor must be appointed by resolution. The Society's auditor may be appointed by the board or by a resolution of shareholders. tion at a general meeting.~~

~~F4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current years as well unless:~~

- ~~a. a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or~~
- ~~b. the auditor does not want to act and has told the Society so in writing; or~~
- ~~c. the person is not qualified or falls within rule F2 (above); or~~
- ~~d. the auditor has become incapable of acting; or~~
- ~~e. notice to appoint another auditor has been given.~~

~~F4 The Society's first auditor shall be appointed at a general meeting within three months of its registration or when first required by law to do so, whichever is the earlier. The Board may make the appointment if no meeting is held within three months of the due date. The Board may appoint an auditor to fill a casual vacancy.~~

~~F5 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;~~

- ~~a. the Society 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;~~
- ~~b. if not, the Society shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to its shareholders under Section 95 of the Co-operative and Community Benefit Societies Act 2014.~~

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- ~~F5~~ — Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:
- ~~F5.1~~ — a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
 - ~~F5.2~~ — the auditor does not want to act and has told the Society so in writing; or
 - ~~F5.3~~ — the person is not qualified or falls within rule F2 (above); or
 - ~~F5.4~~ — the auditor has become incapable of acting; or
 - ~~F5.5~~ — notice to appoint another auditor has been given.
- ~~F6~~ — ~~F6.1~~ Not 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.
- ~~F6.2~~ — The society 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.
- ~~F6.3~~ — If not, the Society shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to its Shareholders under Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

Auditor's duties

- ~~F7~~F6 The findings of the auditor shall be reported to the Society, in accordance with ~~Section 9-87 of the Co-operative and Community Benefit Societies Act 2014.~~ Section 76 of the Co-operative and Community Benefit Societies Act 2014, s 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- ~~F8~~F7 The Board shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, at each annual general meeting. The Board shall also produce its report on the affairs of the Society which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

- ~~F9~~F8 The end of the accounting year must be a date allowed by the Act.
- ~~F10~~F9 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with ~~Section 76 of the Co-operative and Community Benefit Societies Act 2014, s 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.~~
- ~~F11~~F10 The Society shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- ~~F12~~F11 Every year, within the time specified by legislation, the secretary shall send the Society's annual return to the ~~Financial Services Authority~~Financial Conduct Authority. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the ~~Financial Services Authority~~Financial Conduct Authority. The annual return shall be accompanied by the auditor's reports, if required, for the period of the return and the accounts and balance sheets to which it refers.

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Borrowing

F13F12

The society may receive from any person donations towards its work.

F14F13

The total borrowings of the Society at any time shall not exceed £1 million (one million pounds) or such a larger sum as the Society determines from time to time in general meeting.

F15F14

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.

F16F15

In respect of any proposed borrowing, for the purposes of rule F14F13:

F16F15.1 the amount remaining undischarged of any deferred interest or index-linked monies previously borrowed by the Society or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and

F16F15.2 For the purposes of rule F14F13 in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the Society at the time of the proposed borrowing.

Investment

F17F16

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

Application of surpluses

F18F17

Any surplus shall be applied in pursuance of the Society's objects.

Social audit

F19F18

A social audit of the Society's activities may, by resolution of the Society in general meeting, be undertaken periodically. annually in addition to the annual return.

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PART G MISCELLANEOUS AND STATUTORY,
REGISTERED OFFICE AND NAME

G1 The Society's registered office is:

Millbank Estate Management Organisation Ltd, Housing Office, Merta Hall,
Reynolds House Courtyard, Erasmus St. , London SW1P 4HP

G2 The Society's registered name must:

- G2.1 be placed prominently outside every office or place of business; and
- G2.2 be engraved on its seal; and
- G2.3 be stated on its business letters, notices, adverts, official publications, cheques ~~and~~ , invoices, website and any other formal communication whether electronic or otherwise.

Disputes

G3 ~~G3.1~~ Any dispute on a matter covered by the rules shall be referred by either party to a suitably qualified independent mediator for settlement. The mediator shall be appointed by agreement between the parties or, in default of agreement, by the Centre for Effective Dispute Resolution whether the disagreement be as to the qualifications, the identity of the mediator or otherwise. The mediation will be conducted in accordance with the requirements of the mediator. Both parties will be obliged to comply and co-operate with this procedure at each stage and to share equally the costs of appointment of the relevant mediator as referred to above. Costs thereafter will be borne as the mediator will determine. Where the dispute is not resolved by mediation, any claim shall be dealt with in the county court which shall have sole jurisdiction over any dispute arising under the rules.

~~Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:~~

- ~~• the Society and an officer; or~~
- ~~• the Society and a shareholder; or~~
- ~~• the Society and a person claiming to be a shareholder; or~~
- ~~• the Society and a person who was a shareholder in the last six months;~~

~~G3.2~~ Alternatively, if the Society has been a member of the National Federation of Tenant Management Organisations for at least two years, such dispute can be resolved by an arbitrator appointed by the National Federation of Tenant Management Organisations if both parties to the dispute agree. If they do not agree the dispute shall be dealt with in the County Court.

~~G3.3~~ The arbitrator's decision is binding. No appeal is allowable. No court of law can alter it, but it can be enforced by a County Court.

~~G3.4~~ The arbitrator's decision on the costs of the arbitration is binding.

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Minutes, seal, registers and books

G4 The minutes of all general meetings, and all Board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and ~~kept safe~~stored securely.

G5 The Board shall ensure that proper minutes are kept of all general, Board and sub-committee meetings of the Society. Such minutes shall include a record of those present and of any decisions taken and shall be available for inspection by any member and any Board member of the Society at all reasonable times.

G6 The Society must keep at its registered office:

G6.1 the register of shareholders showing:

- a. the names and addresses of all the shareholders; and
- b. a statement that one share only is held by each Board member and that ~~one pound~~ten pence has been paid, or agreed to be considered as paid, on each share; and
- c. a statement of other property in the Society held by the shareholder; and
- d. the date that each shareholder was entered in the register of shareholders, and the date at which any person ceased to be a member.

G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders (excluding points b and c above).

G6.3 ~~a the~~ register ~~of~~ should contain the names and addresses of Board members, their offices and the dates on which they assumed those offices and dates on which they retired from office.

G6.64 a copy of the registered rules of the Society.

G7 The Society shall have a seal kept in the custody of the secretary at the registered office and used only by the authority of the board. Sealing should be attested by the signatures of two Board members or of one Board member and the secretary.

~~G8~~ The Society shall give to any shareholder on request a copy 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.

~~G8~~G9 The secretary shall give a copy of the rules of the Society to any person on demand who pays such reasonable sum as permitted by law.

~~G9~~ The secretary shall keep a register of organisations in which Board members have an interest

Statutory applications to the ~~FSA~~FCA

G10 Ten shareholders can apply to the ~~Financial Services Authority~~Financial Conduct Authority to appoint an accountant to inspect the books of the Society, provided all ten have been shareholders of the Society for a twelve month period immediately before their application. The members who make the application must deposit with the FCA as security for the costs of the proposed inspection such sum as the FCA may require.

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- G11 The shareholders may apply to the ~~Financial Services Authority~~Financial Conduct Authority in order to get the affairs of the Society 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

- G12 G12.1 The rules of the Society may be rescinded or amended,
G12.2 The rules may only be amended by a resolution put before the general meeting by the Board and approved by at least two thirds of the Board.
G12.3 Rules A2; A3; A4; B1; B2; C3; C4; D3; ~~D24D23;D25~~; G12 and G14 can only be amended or rescinded 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.
G12.4 Amended rules shall be registered with the ~~Financial Services Authority~~Financial Conduct Authority as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

Dissolution

- G13 The society may be dissolved by a three fourths majority of members who sign an instrument of dissolution; or by winding-up under the Act.
- G14 G14.1 Any property that remains, after the Society is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another body with objects similar to that of the Society within or as near to the Area as possible.
~~G14.2 If the Society is registered as a social landlord with the Housing Corporation any transfer or gift is governed by paragraph 15 of Schedule 1 of the Housing Act 1996.~~
G14.3 ~~If no such institution exists, the property shall be transferred or given to the Housing Association's Charitable Trust.~~

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context are inconsistent:-
G15.1 words importing the singular or plural shall include the plural and singular respectively;
G15.2 words importing gender shall include the male and female genders;
G15.3 any reference to an Act shall include any amendment or re-enactment from time to time
G15.4 "shareholder" shall mean one of the persons referred to in rule ~~E5-C6~~ and means "member" as defined by the Act
G15.5 "the Society" shall mean the Society of which these are the registered rules;

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- G15.6 “The Area” is set out in the management agreement or Right to Manage Notice.
- G15.7 “Tenants” is a person living within “The Area” who is a lawful resident in one of the landlord(s) properties, and holds a tenancy agreement, licence or lease with the landlord(s) with whom the TMO has or intends to have a management agreement with
- G15.8 “Resident” is any person, over 18, who is lawfully living within “The Area” including people who are also a “tenant”
- G15.9 “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 including a person co-opted to the Board under rule D.56.1 and ~~D5D6.2~~,
- G15.10 “officer” shall include the chair, treasurer and secretary of the Society and any Board member for the time being and such other persons as the Board may appoint under rule ~~E8E9~~;
- G15.11 “persons claiming through a shareholder” shall include their personal representatives and also their nominees where a nomination has been made;
- G15.12 “amendment of rules” shall include the making of a new rule and the rescission of a rule, and “amended” in relation to rules shall be construed accordingly;
- G15.13 “register of shareholders” means the register kept in accordance with rule G6.1
- G15.14 “secretary” means the officer appointed by the Board to be the secretary of the Society or other person authorised by the Board to act as the secretary’s deputy;
- G15.15 “the Act” shall mean the ~~Industrial and Provident Societies Acts 1965 to 2010~~; Co-operative and Community Benefit Societies Act 2014
- G15.16 “these rules” shall mean the registered rules of the Society for the time being;
- G15.17 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;
- G15.18 “special resolution” means a resolution at a general meeting passed by a two thirds majority of all shareholders who vote in person or by proxy
- G15.19 “property” shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.20 references to the “~~Financial Services Authority~~Financial Conduct Authority” shall include any statutory successor carrying on the relevant function of the “~~Financial Services Authority~~Financial Conduct Authority”.

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Priority Estates Project Limited
/ National Federation of Tenant Management Organisations

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**CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT
2014**

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgement of Registration of Society

Register No. R

..... Limited

| is this day registered under the Co-operative and Community Benefit Societies Act 2014.
| Industrial and Provident Societies Act 1965.

Dated

(Seal of Central Office)

Copy kept

| ~~Financial Services Authority~~Financial Conduct Authority

1. Shareholder

2. Shareholder

3. Shareholder

4
..... Secretary
