Homes & Communities Agency

The social housing regulator

THE REGULATOR OF SOCIAL HOUSING (the Regulator)

In the matter of the Housing and Regeneration Act 2008

In the matter of **ISLINGTON AND SHOREDITCH HOUSING ASSOCIATION LIMITED** a Registered Society registered under the Co-operative and Community Benefit Society Act 2014, whose registered office is at **102 Blackstock Road London N4 2DR**

WHEREAS

- **ISLINGTON AND SHOREDITCH HOUSING ASSOCIATION LIMITED ('the Society')** is a non-profit private registered provider within the meaning of Section 80(3) of the Housing and Regeneration Act 2008. It wishes to change its rules in order to alter the society's objects, or to make provision about the distribution of assets to members, or to enable the society to become or cease to be a subsidiary or associate of another body.
- Such an amendment of the rules requires the consent of the Regulator.

The Regulator of Social Housing BY THIS ORDER pursuant to its powers under Section 212(2) of the Housing and Regeneration Act 2008 HEREBY CONSENTS to the amendment of the rules of the Society which alter the Society's objects.

BY ORDER OF THE OFFICE REGULATOR OF SOCIAL HOUSING in witness whereof the COMMON SEAL was hereto affixed this 8TH day of OCTOBER 2014.

Authorised Signatory

Seal No
C5767Z

Arpley House, 110 Birchwood Boulevard, Birchwood, Warrington, WA3 7QH

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NATIONAL HOUSING FEDERATION

RULES of: ISLINGTON AND SHOREDITCH HOUSING ASSOCIATION LIMITED

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

Register No. 11614 R

MODEL RULES 2011(version 2) with 2014 updates as per changes in legislation or regulatory guidance

National Housing Federation

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CONTENTS

Part A **Name and objects**

A1 Name
A2 Objects
A3-A4 Non-profit

Part B **Powers of association, board, and shareholders**

B1-B3 Powers
B4-B6 Powers of the board
B7 Limited powers of shareholders in general meeting
B8-B9 General

Part C **Shareholders and general meetings**

C1 Obligations of shareholders
C2-C4 Nature of shares
C5-C10 Nature of shareholders
C11-C13 Admission of shareholders
C14-C15 Ending of shareholding
C16-C17 Annual general meeting
C18-C19 Special general meetings
C20-C22 Calling a general meeting
C23-C27 Proceedings at general meeting
C28 Proxies
C29-C36 Voting

Part D **The board**

D1 Functions
D2-D10 Composition of board
D11-D15 Terms of office and election to the board
D16 Quorum for the board
D17-D27 Board members' interests
D28-D29 Meetings of the board
D30 Availability of certain board statements
D31-D36 Management and delegation
D37-D40 Miscellaneous provisions

Part E **Chair, vice chair, chief executive, secretary and other officers**

E1-E4 The chair
E5-E6 The chair's responsibilities
E7 The chief executive
E8 The secretary
E9 Other officers
E10-E11 Miscellaneous

Part F **Financial control and audit**

F1-F5 Auditor
F6- F7 Auditor's duties
F8-F10 Accounting requirements
F11 Annual returns and balance sheets
F12-F14 Borrowing
F15 Investments

Part G **Miscellaneous and statutory**

G1-G2 Registered office and name
G3 Disputes
G4-G9 Minutes, seal, registers and books
G10-G11 Statutory applications to the Registrar
G12 Amendment of rules
G13-G14 Dissolution
G15 Interpretation of terms

PART A NAME AND OBJECTS

Name

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

Objects

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

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

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

Non-profit

A3 The association shall not trade for profit.

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

PART B POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS

Powers

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

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

B2.1 purchase, acquire or dispose, take or grant any interest in land including any mortgage, charge or other security whatsoever, construct or carry out works to buildings; B2.2 help any charity or other body not trading for profit in relation to housing and related services;

B2.3 subject to rules F12, F13, and F14, borrow money or issue bonds, notes loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing;

B2.4 enter into and perform any derivative transaction on such terms as the association thinks fit for the purpose of hedging or otherwise managing any treasury risk or other financial exposure of the association;

B2.5 subject to rule F15, invest the funds of the association;

B2.6 lend money on such terms as the association shall think fit.

B3 The association shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and

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Markets Act 2000 or any other authority required by statute unless it has such authorisation.

Powers of the board

B4 The business of the association shall be directed by the board.

B5 Apart from those powers which must be exercised in general meeting:

B5.1 by statute; or

B5.2 under these rules

all the powers of the association may be exercised by the board for and in the name of the association.

B6 The board shall have power to delegate, in writing, subject to rules D31-36, the exercise of any of its powers to committees and to employees of the association on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

B7 The association in general meetings can only exercise the powers of the association expressly reserved to it by these rules or by statute.

General

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

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

PART C SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders

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

Nature of shares

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

C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee of that unincorporated body (alone or jointly with other nominees).

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

Nature of shareholders

C5 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders.

C6 The following cannot be shareholders:

C6.1 a minor;

C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;

C6.3 an employee of the association or an employee of any other group member;

C6.4 a person who has been removed by the board in accordance with rule D9;

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

C7 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.

C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.

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

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

Admission of shareholders

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

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

C12.1 setting out their reasons for applying and their qualifications in accordance with the association's policies; and

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

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

Ending of shareholding

C14 A shareholder shall cease to be a shareholder if:

C14.1 they die; or

C14.2 they are expelled under rule C15; or

C14.3 they withdraw from the association by giving notice to the secretary, which shall be effective on receipt; or

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

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

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

C14.7 they cease to be a shareholder under rule C6;

C14.8 having been a board member of the association, they cease to be a board member (unless the board in its absolute discretion resolves that they shall remain as a shareholder);

C14.9 they are a resident of the association and are subject to a possession order or are in breach of a suspended possession order, or are subject to any of the following types of court order: anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, or closure order;

C14.10 the association has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the association provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a shareholding member upon failing to meet the terms of the order;

C14.11 they are a resident of the association and in the opinion of the board are in material or serious breach of their tenancy agreement or lease.

C15 A shareholder may only be expelled by a special resolution at a special general meeting called by the board provided that the following rules apply to the process:.

C15.1 The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the association and must request the shareholder to attend the meeting to answer the complaint.

C15.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.

C15.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

Annual general meeting

C16 The association shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years or such later date as may be permitted by law.

C17 The functions of the annual general meeting shall be:

C17.1 to receive the annual report which shall contain:

- the revenue accounts and balance sheets for the last accounting period
- the auditor's report on those accounts and balance sheets
- the board's report on the affairs of the association;

C17.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law)

C17.3 to elect (or re-elect) board members(or re-elect);

C17.4 to transact any other general business of the association set out in the notice convening the meeting including any business that requires a special resolution.

Special general meetings

C18 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:

C18.1 upon an order of the board; or

C18.2 upon a written requisition signed by one-tenth of the shareholders (to a maximum of twenty-five but not less than three) stating the business for which the meeting is to be convened; or

C18.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the shareholders who have signed the requisition may convene a meeting.

C19 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

Calling a general meeting

C20 Subject to rule C22 all general meetings shall be convened by at least fourteen clear days' written notice posted or delivered by hand or sent by electronic communication to every shareholder at the address, or electronic communication address given in the share register. The notice shall state whether the meeting is an annual general meeting or special general meeting, the time, date and place of the meeting, and the business for which it is convened.

C21 Any accidental failure to get any notice to any shareholder shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived two days after being posted.as specified in rule G15.11

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

Proceedings at general meetings

C23 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all shareholders, with a minimum number of six and a maximum number of 25. As part of the quorum at least two shareholders must be present in person.

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

C25 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and at the registered office in the following week. If less than the number of shareholders set out in C23 are present within half an hour of the time the adjourned meeting is scheduled to have started, those shareholders present shall carry out the business of the meeting.

C26 The chair of any general meeting can:

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

C26.2 adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with

matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.

C27 At all general meetings of the association the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the vice chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

Proxies

C28 Any shareholder entitled to attend and vote at a general meeting may appoint another person, whether or not a shareholder, as their proxy to attend and vote on their behalf. A proxy can be appointed by delivering a written appointment which may be electronic, to the registered office, or such other place as may be selected by the board and stated in the meeting notice, at least two days before the date of the meeting at which the proxy is authorised to vote. It must be signed or approved and sent by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final.

Voting

C29 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.

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

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

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

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

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

C35 Subject to the Act, a resolution in writing signed or approved by letter, or by electronic communication by or on behalf of the requisite majority of the shareholders, for the time being, entitled to vote on the relevant resolution shall be as valid and effective as a resolution passed at a properly called and constituted meeting of shareholders provided that a copy of the proposed resolution has been delivered in accordance with these rules to

all shareholders and the requisite majority of shareholders referred to in rule C36 has delivered their agreement in accordance with these rules. Such resolution when signed or approved may comprise more than one document in the same form, each signed or approved, by one or more shareholders.

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

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

PART D THE BOARD

Functions

D1 The association shall have a board (in these rules referred to as "the board") who shall direct the affairs of the association in accordance with its objects and rules and ensure that its functions are properly performed. These functions will be agreed by the board and set out separately in a code of governance or otherwise in writing.

Composition of the board

D2 D2.1 The board shall consist of between five and twelve board members (including co-optees) as may be determined by the board. A majority of board members shall always be capable of appointment or election by the shareholders.

D2.2 No employee may be appointed (or co-opted) to the board if, following their appointment (or co-option), more than one-third of the board will at that time be employees.

D3 Except for co-optees and employees only shareholders can be board members.

D4 D4.1 The board shall make available the obligations (including the expected standards of conduct) of every board member (including co-optees) to the board and to the association. The board shall review and may amend the obligations of board members from time to time.

D4.2 No board member (including co-optees) may act as such until they have signed and delivered to the board a statement, confirming that they will meet their obligations (including the expected standards of conduct) to the board and to the association. The board may vary the form of statement from time to time.

D4.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the

board or, if later, within one month of adoption of these rules, shall immediately cease to be a board member.

D5 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations nor vote on the election of officers of the association nor any matter directly affecting shareholders.

D6 For the purposes of these rules and of the Act, a co-optee is not included in the expression "board member" or "member of the board". For the purposes of the Housing and Regeneration Act 2008, a co-optee is an officer.

D7 Not more than five co-optees can be appointed to the board or to any committee at any one time.

D8 No one can become or remain a board member or co-optee at any time if:

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

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

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

D8.4 they are not a shareholder (unless they are a co-optee or employee of the association or any other group member; or

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

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

D8.7 they are an employee and their contract of employment is terminated; or

D8.8 they are a resident and are in material or serious breach of their tenancy agreement or lease and fail to rectify the breach within a reasonable timeframe as agreed with the association, or are subject to any of the following types of court order: anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, or closure order;

D8.9 they are a specifically elected or appointed resident board member and cease to be a resident;

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

D9 A board member may be removed from the board:

D9.1 by a special resolution at a general meeting; or

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

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

- the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with rule D4.1; and
- the board is satisfied that the allegation(s) is or are true.

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

Terms of office and election to the board

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

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

D13

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

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

D14

D14.1 Board members will be elected in accordance with election procedures set from time to time by the board.

D14.2 The board shall set and publish selection criteria in relation to candidates wishing to stand for election as board members including a statement of the skills, qualities and experience required by the board amongst its members. These may provide for prospective candidates to be approved by the board before they are eligible to stand to election as board members.

D14.3 The board, in accordance with the election procedures set under rule D14.1 shall endeavour to ensure that the board possesses the quality, skills, competencies and experience which the board has from time to time determined that it requires.

D14.4 If at elections for board members, the number of candidates for election as board members does not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates exceeds the number of vacancies the meeting shall elect the board members by ballot in such a manner as the chair directs and in accordance with the procedures set under rule D14.1

D14.5 In an election for candidates wishing to be board members at a general meeting every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate

D15 D15.1 Any candidate for election to the board as a board member under Rule D14 shall submit a written statement to the association in such form as the board from time to time determines. It shall set out the candidate's full name, address, and occupation, whether or not they are a resident and the reasons for their suitability to be a board member.

D15.2 In addition, a candidate who is not retiring as a board member must be nominated in writing by a shareholder.

D15.3 The statement and nomination shall be delivered to the association in accordance with the procedures set under rule D14.

Quorum for the board

D17 D16.1 Subject to the provisions of rule D16.2 three board members, shall form a quorum. The board may determine a higher or impose additional requirements.

D16.2 The board is quorate if the majority of the board members present are not employees of the association.

D16.3 If the number and make up of board members falls below the number and make up necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months and the provisions of D16.2 shall be suspended for that time. At the end of that time the only power that the board may exercise shall be to bring the number and make up of board members up to that required by these rules.

Board members' interests

D17 No board member, co-optee or member of a committee shall have any financial interest:in any contract or other transaction with the association or with any other group member, or be granted a benefit by the association, unless such interest or benefit

D17.1 is expressly permitted by these rules or under any determination or guidance by the Regulator from time to time; or

D17.2 would not be in breach of, and would not be inconsistent with, any determination, guidance, standard or code published by the Regulator or any code of conduct and/or governance adopted by the board.

D18 Any board member, co-optee or member of a committee, having an interest in any arrangement between the association and someone else shall disclose their interest, before the matter is discussed by the board or any committee. Such disclosure must comply with any code of conduct and/or governance adopted by the board from time to time. Unless it is expressly permitted by these rules they shall not remain present (unless requested to do so by the board or committee), and they shall not have any vote on the matter in question.

D19 Subject to rule D20, if a question arises at a meeting of board members or of a committee of board members as to the right of a board member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair, whose ruling in relation to any board member other than the chair is to be final and conclusive.

D20 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the board members at that meeting, for which purpose the

chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

D21 Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

D22 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of

D22.1 all other bodies in which they have an interest as:

- a director or officer or
- a member of a firm or
- an official or elected member of any statutory body or
- the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company;

D22.2 any property owned or managed by the association which they occupy; or

D22.3 any other significant or material interest.

D23 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time as the board directs.

D24 Notwithstanding rule D17, the association may, following independent advice:

D24.1 pay properly authorised reasonable and proper expenses to board members, co-optees and members of committees when actually incurred on the association's business;

D24.2 pay insurance premiums in respect of insurance taken out to insure officers and employees;

D24.3 pay reasonable and proper remuneration, fees, allowances or recompense for loss of earnings to board members, co-optees and members of committees; and

D24.4 grant benefits to board members, co-optees and members of committees; provided that any such payment or benefit is in accordance with any code of conduct and/or governance adopted by the board from time to time.

D25 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D18 to D20 as a board member, director or officer of any other group member.

D26 Board members, co-optees or members of committees who are residents of the association or any other group member shall be deemed not to have an interest for the purpose of rules D17 to D22 in any decision affecting all or a substantial group of residents of the association or of any other group member.

D27 The grant of a tenancy, licence or lease by the association or by any other group member at the direction of another body or on a basis which is consistent with any applicable guidance, determination, standard or code of practice of the Regulator (or any code of conduct and/or governance of the board from time to time, adopted by the board)to a board member, co-optee or member of a committee is not the grant of a benefit for the purpose of rule D17.

Meetings of the board

D28 The board shall meet at least three times every calendar year. At least seven days' written notice (sent by post, or electronic communication) of the date and place of every board meeting shall be given by the secretary to all board members and co-optees. The board may meet on shorter notice where not less than seventy-five per cent of the board members so agree.

D29 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members and co-optees to the board as soon as possible after receipt of such a request. Pursuant to the request, the secretary shall call a meeting on at least seven days' notice but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

Availability of certain board statements

D30 The board shall agree and make available:

- the board's statement of the values and objectives of the association;
- a statement of the current obligations of board members to the board and the association;
- the policy for admitting new shareholders.

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

Management and delegation

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

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

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

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

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

D36 For the purposes of the Housing and Regeneration Act 2008 any member of a committee shall be an officer.

Miscellaneous provisions

D37 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.

D38 A resolution sent to all board members or all members of a committee and signed, or confirmed electronically by three-quarters of the board members or three-quarters of the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee and may consist of documents in the same form and signed or confirmed electronically by one or more persons.

D39 Meetings of the board or a committee can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting and whether or not all are assembled in one place.

D40 Notice may be given to board members by post, or electronic communication at the last address for such communication given to the secretary. The accidental failure to give notice to a board member or the failure of the board member to receive such notice shall not invalidate the proceedings of the board.

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

The chair

E1 The association shall have a chair, who shall chair board meetings, and shall be elected by the board on such terms as the board determines. The association may also have a vice chair who, in the chair's absence, shall act as the chair and have the chair's powers and duties and who shall be elected by the board. The arrangements for election and removal of any vice chair shall be determined by the board.

E2 The first item of business for any board meeting when there is no chair (or vice chair) or the chair (or vice chair) is not present shall be to elect a chair for the purpose of the meeting. The chair shall at all times be a shareholder and a board member and cannot be an employee.

E3 In a case of an equality of votes, the chair shall have a second vote.

E4 The chair of the association may be removed at a board meeting called for that purpose provided the resolution is passed by at least two-thirds of the members of the board present and voting at the meeting.

The chair's responsibilities

E5 The chair shall seek to ensure that:

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

E6 The board shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.**The chief executive**

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

The secretary

E8 The association shall have a secretary who shall be appointed by the board and who may be an employee. The board may also appoint a deputy secretary (who may also be an employee) to act as secretary in the secretary's absence. The secretary shall in particular:

E8.1 summon and attend all meetings of the association and the board and keep the minutes of those meetings;

E8.2 keep the registers and other books determined by the board;

E8.3 make any regulatory returns on behalf of the association to the regulator and registrar;

E8.4 have charge of the seal (if any) of the association; and

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

Other officers

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

Miscellaneous

E10 Every officer or employee shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.

E11 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the association or any group member.

PART F FINANCIAL CONTROL AND AUDIT

Auditor

F1 The association, if required by law to do so, shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 91 of the Co-operative and Community Benefit Societies Act 2014

F2 The following cannot act as auditor:

F2.1 an officer or employee of the association;

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

F3 The association's auditor may be appointed by the board or by a resolution of shareholders.

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

F4.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or

F4.2 the auditor does not want to act and has told the association so in writing; or

F4.3 the person is not qualified or falls within rule F2 (above); or

F4.4 the auditor has become incapable of acting; or

F4.5 notice to appoint another auditor has been given.

F5

F5.1 No less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed;

F5.2 the association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible;

F5.3 if not, the association shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the association which must be notified to its shareholders under Section 95 of the Co-operative and Community Benefit Societies Act 2014

Auditor's duties

F6 The findings of the auditor shall be reported to the association, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014

F7 The board shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, at each annual general meeting. The board shall also produce its report on the affairs of the association which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

F8 The end of the accounting year must be a date allowed by the registrar.

F9 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014

F10 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

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

Borrowing

F12 The total borrowings of the association at any time shall not exceed £500 million (five hundred million) pounds sterling or such a larger sum as the association determines from time to time in general meeting. For the purpose of this rule F12, any amount of the association's borrowings in any currency other than pounds sterling (as may be permitted or not prohibited by the regulator from time to time) shall be converted to sterling at the exchange rate or rates applicable under the related derivative transaction or transactions by which the association has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowings.

F13 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.

F14 F14.1 In respect of any proposed borrowing, for the purposes of rule F12 and in relation to the amount remaining un discharged of any deferred interest or index-linked monies or amounts on any deep discounted security previously borrowed by the association, the amount of such pre-existing borrowing shall be deemed to be the amount required to repay such pre-existing borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing;

F14.2 for the purposes of rule F13 in respect of any proposed borrowing intended to be on deferred interest or index-linked terms or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing; and

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

Investment

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

PART G MISCELLANEOUS AND STATUTORY

Registered office and name

G1 The association's registered office is:

102 Blackstock Road. London N4 2DR.....

G2 The association's registered name must:

G2.1 be placed prominently outside every office or place of business; and

G2.2 be engraved on its seal; and

G2.3 be stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

Disputes

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

Minutes, seal, registers and books

G4 The minutes of all general meetings and all board and committee meetings shall be recorded, agreed at the relevant subsequent meeting and signed by the chair of the subsequent meeting and stored safely.

G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves. The board may in the alternative authorise the execution of deeds in any other way permitted by law.

G6 The association must keep at its registered office:

G6.1 the register of shareholders showing:

- the names and addresses of all the shareholders and
- a statement of all the shares held by each board or committee member and the amount paid for them and
- a statement of other property in the association held by the shareholder and
- the date that each shareholder was entered in the register of shareholders;

G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders;

G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate;

G6.4 a register of holders of any loan;

G6.5 a register of mortgages and charges on land; and

G6.6 a copy of the rules of the association.

G7 The association must display a copy of its latest balance sheet and auditor's report (if one is required by law) at its registered office.

G8 The association shall give to all shareholders on request copies of its last annual return with the auditor's report (if one is required by law) on the accounts contained in the return, free of charge.

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

Statutory applications to the registrar

G10 Ten shareholders can apply to the Registrar to appoint an accountant to inspect the books of the association, provided all ten have been shareholders of the association for a twelve-month period immediately before their application.

G11 The shareholders may apply to the registrar in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

G12 G12.1 The rules of the association may be rescinded or amended, but not so as to stop the association being a charity.

G12.2 The rules may only be amended by a resolution put before the shareholders by the board and approved by at least two-thirds of the board prior to approval by the shareholders.

G12.3 Rules A2; A3; A4; B1; B2; B3; C2; C3; D17; D27; G12 and G14 can only be amended or rescinded by way of a written resolution or by three-fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two-thirds of the votes cast at a general meeting or by way of a written resolution.

G12.4 Amended rules shall be registered with the Registrar as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

Dissolution

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

G14 G14.1 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another charitable body with objects similar to that of the association;

G14.2 if no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust;

G14.3 if the association is registered as a provider of social housing with the regulator any transfer or gift must be in compliance with the Housing and Regeneration Act 2008 or any other relevant legal and regulatory provisions which exist from time to time.

Interpretation of terms

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

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

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

G15.3 "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;

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

G.15.5 "the association" shall mean the association of which these are the registered rules;

G15.6 "board" shall mean the board appointed in accordance with Part D and "board member" or "member of the board" shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D5;

G15.7 "chair" shall, save in rule E1 and where applicable, include the vice chair;

G15.8 **derivative transaction** means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic

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indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these transactions.

G15.9 **electronic communication** shall have the meaning set out in section 148 of the Act;

G15.10 **group member** means the association, each subsidiary of the association, anybody corporate of which the association is a subsidiary and any subsidiary of such body corporate and for this purpose "subsidiary" has the meaning within the Act and/or the Housing and Regeneration Act 2008 and/or the Companies Act 2006.

G15.11 **notice** shall be deemed to have been received by a person:

(1) if posted by first class post at least two business days after being posted;

(2) if sent by electronic communication one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication and the transmission is to the electronic communication address or number last notified by that person to the secretary;

(3) if delivered by hand, on delivery to the person's address last notified by that person to the secretary;

G15.12 **officer** shall include the chair and secretary of the association and any board member for the time being and such other persons as the board may appoint under rule E8;

G15.13 **property** shall include all real and personal estate (including loan stock certificates, books and papers);

G15.14 **register of shareholders** means the register kept in accordance with rule G6.1;

G15.15 **Registrar** means the Financial Conduct Authority or any statutory successor to or any assignee of any or all of its relevant functions from time to time;

G15.16 **Regulator** means the Homes and Communities Agency acting through its Regulation Committee established pursuant to the Housing and Regeneration Act 2008 or any future body or authority (including any statutory successor) carrying on similar regulatory or supervisory functions

G15.17 **resident** means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the association's premises for residential use or the premises of anybody whose accounts must be consolidated with the association's or any other group member;

G15.18 "secretary" means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;

G15.19 "shareholder" shall mean one of the persons referred to in rule C5 and means "member" as defined by the Act;

G15.20 social housing means low cost rental accommodation and low cost home ownership accommodation as defined in section 68 and

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

G15.21 "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;

G15.16 "these rules" shall mean the registered rules of the association 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;

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Acknowledgement of Registration of Society

Register No..... 11614 R

Islington and Shoreditch Housing Association Limited

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

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

Copy kept..... **Registrar**

1. ..... Shareholder

2. ..... Shareholder

3. ..... Shareholder

..... Secretary

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Form H

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Tel: +44 (0)20 7066 1000
Fax: +44 (0)20 7066 1099
www.fca.org.uk

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

Acknowledgement of registration of a rule amendment

The FCA today acknowledges the registration of the amendment of the attached rules under the Co-operative and Community Benefit Societies Act 2014 for:

Society name: **Islington and Shoreditch Housing Association Limited**
Registration number: **11614 R**

Date: **27 October 2014**

Financial Conduct Authority Mutual

Registered as a Limited Company in England and Wales No. 1920623. Registered office as above.