

# CONSTITUTION OF WELLINGTON MILLS HOUSING CO-OPERATIVE

## 1. NAME, STATUS AND REGISTERED OFFICE

- 1.1 The name of the Co-operative shall be the Wellington Mills Housing Co-operative Limited (referred to in these Rules as the Co-operative).
- 1.2 The Co-operative shall be a bona fide co-operative within the meaning of section 1 (2) of the Industrial and Provident Societies Act 1965.
- 1.3 The Registered Office of the Co-operative shall be at 24 Mead Row, London SE1 7JG.
- 1.4 The Registered Office may be changed by resolution of a General Meeting. Notice of any change shall be sent to the Registrar of Friendly Societies within 14 days of such change or as required by regulation.

## 2. OBJECTS

The objects of the Co-operative shall be:-

- 2.1 the purchase, provision, construction, conversion, improvement, or management on co-operative principles of dwellings for letting to members of the Co-operative or to other tenants who have been granted a tenancy by the Co-operative or the Co-operative's landlord;
- 2.2 the provision and improvement on co-operative principles of land, buildings, amenities, or services for the benefit of the members of the Co-operative or other tenants, either exclusively or in conjunction with other persons;
- 2.3 the provision of housing management services to members of the Co-operative and to the tenants and occupants of dwellings that are the subject of a management agreement under which the Co-operative is acting as managing agent for a landlord body;
- 2.4 In carrying out these objects the Co-operative will work towards the elimination of direct or indirect discrimination on any grounds, singly or in combination, which:
  - are contained in legislation or
  - are contained in the Co-operative's equal opportunities policy or
  - cause any person to be treated with injustice.

## 3. POWERS

The Co-operative shall have the power to do all things necessary or expedient for:

- 3.1 the fulfilment of its objects;
- 3.2 the support and development of bodies which:
  - 3.2.1 are concerned with the provision, management or promotion of co-operative housing; or

3.2.2 have objects approved by the Co-operative and are charities registered in the United Kingdom.

3.3 If the Co-operative is or becomes a registered Housing Association under section 5 of the Housing Associations Act 1985, its powers under Rule 3 shall be limited so as to conform to the requirements of the said Act.

#### **4. TRADING**

4.1 The Co-operative shall not trade for profit.

#### **5. SHARE CAPITAL**

5.1 A member shall hold only one share in the Co-operative. Shares shall not be held jointly, unless by nominees of an Unincorporated Body.

5.2 The share capital of the Co-operative shall consist of shares of the nominal value of 5p each issued to members of the Co-operative upon admission to membership.

5.3 Shares shall be neither withdrawable nor transferable and shall carry no right to interest, dividend or bonus.

5.4 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).

5.5 Shares shall be forfeited and cancelled upon cessation of membership from whatever cause and the amount paid up thereon shall become the property of the Co-operative.

#### **6. MEMBERSHIP**

6.1 The members of the Co-operative shall be those persons whose names are entered in the register of members.

6.2 Membership shall be open to those persons who fall within the following categories:

6.2.1 Tenants;

6.2.2 the nominee of an Unincorporated Body holding a lease for a property owned or managed by the Co-operative or in respect of which the Co-operative seeks to negotiate a management agreement. In such cases the register shall contain the name and address of the member and shall designate the member as the nominee of a named Unincorporated Body. The address of the Unincorporated Body shall also be entered in the register if it differs from the address of the member nominee.

6.2.3 a Corporate Body holding a lease for a property owned or managed by the Co-operative or in respect of which the Co-operative seeks to

negotiate a management agreement. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the Secretary.

6.2.4 the Partners, Children and Grandchildren of Tenants while those Partners, Children or Grandchildren dwell in Co-operative premises;

- 6.3 Only persons aged 18 or over are eligible to become members.
- 6.4 The register of members shall include the address of each member; it shall be the responsibility of the member to advise the Co-operative of any change.
- 6.5 Any requirement in the Act or in the Rules of the Co-operative that a notice be served on the member shall be satisfied if notice has been delivered to the address given in the register.
- 6.6 The General Meeting may establish categories of Associate Members for other persons under a procedure laid down by the General Meeting. Such persons may not hold a share and may not vote.

#### **Application for Membership**

- 6.7 Any application for membership shall be considered under the procedure laid down by the General Meeting from time to time. An application for membership by a tenant of a residential property provided or managed by the Co-operative shall not be unreasonably rejected.
- 6.8 If an application is approved, the Co-operative will issue the applicant with one share upon payment of 5 pence.

#### **Termination of Membership**

- 6.9 A member shall cease to be a member if he or she:
  - 6.9.1 resigns either by writing to the Secretary or in person at a General Meeting; or
  - 6.9.2 is expelled from membership by a General Meeting; or
  - 6.9.3 dies; or
  - 6.9.4 surrenders the tenancy or sells the lease; or
  - 6.9.5 in the case of a Corporate Body it ceases to be a Corporate Body; or
  - 6.9.6 in the case of the nominee of an Unincorporated Body, that body transfers its share to another nominee of the body; or
  - 6.9.7 if the dwelling he or she occupies is repossessed by the Co-operative or the landlord body.

#### **Expulsion of Members**

- 6.10 A member may be expelled by a Resolution carried by the votes of a simple majority of the total membership of the Co-operative on a secret ballot at a General Meeting of which notice has been duly given.
- 6.11 At the meeting members shall consider the evidence in support of the complaint and such evidence as the member complained about may wish to place before them. If after due notice the member fails to attend the meeting without due cause the meeting may proceed in his or her absence.
- 6.12 No person who has been expelled from membership shall be re-admitted except by a Resolution carried by the votes of a simple majority of the total membership of the Co-operative on a secret ballot at a General Meeting of which notice has been duly given.

## **7. GENERAL MEETINGS**

- 7.1 General Meetings of the Co-operative may be attended by any member and all members present shall be entitled to speak and vote.
  - 7.1.1 General meetings may be held in person or online
- 7.2 The Co-operative shall hold at least three General Meetings including the Annual General Meeting in each calendar year and all meetings shall be conducted in accordance with procedure laid down by the Co-operative in General Meeting.
- 7.3 The function of each Ordinary General Meeting shall be:
  - 7.3.1 to transact such of the general business of the Co-operative and to exercise such powers of the Co-operative as are reserved to the Co-operative in General Meeting;
  - 7.3.2 to lay down regulations or standing orders relating to the exercise of any power of the Co-operative not inconsistent with these Rules.
- 7.4 The function of a Special General Meeting shall be to transact only the business of the Co-operative specified in the Notice convening the meeting.

### **Annual General Meetings**

- 7.5 The Annual General Meeting shall be held within six months of the close of the financial year of the Co-operative and it shall:
  - 7.5.1 consider an annual report on the business of the Co-operative during the previous financial year;
  - 7.5.2 receive the accounts and balance sheet for the previous financial year;
  - 7.5.3 appoint an auditor;
  - 7.5.4 declare the results of elections to the Management Committee,

except as provided for in Rule 10.7;

- 7.5.5 consider any resolution stating that the Co-operative wishes to continue managing the Wellington Mills estate under the terms of any Management Agreement with the Council.

### **Administration of General Meetings**

- 7.6 The Secretary shall call a General Meeting as required by the Co-operative's Rules or procedures or at the written and signed request of not less than 12 of the members of the Co-operative who may proceed to call the meeting if the Secretary does not do so within 14 days of receipt of the request. Three quarters of the signatories must attend.
- 7.7 Each member shall be given at least 7 days' written notice of the date, time and place of each General Meeting, and of the issues upon which decisions are to be taken. The accidental omission to send any notice or the non-receipt of any notice by a member shall not invalidate the proceedings at any General Meeting.
- 7.8 A Notice of communication sent by post to a member at his or her registered address shall be deemed to have been duly served 48 hours after being posted.

## **8. PROCEEDINGS AT GENERAL MEETINGS**

### **Quorum**

- 8.1 No business shall be transacted at any General Meeting unless 25 of the Co-operative's members are present throughout the meeting.
- 8.2 If no quorum is present within 15 minutes of the time appointed for the meeting, the meeting shall either stand adjourned and be reconvened at a time and place as shall be agreed at the meeting and notified to members or shall continue without any votes being taken.
- 8.3 If at the reconvened meeting a quorum is not present within 15 minutes of the time appointed for the meeting then the members present shall be a quorum.

### **Chairperson**

- 8.4 At all General Meetings of the Co-operative the Chairperson of the Committee shall preside as Chairperson or if he/she is not present or if he/she is unwilling to act as Chairperson, the members present shall elect a Chairperson to preside over the Meeting.

### **Adjournments**

- 8.5 The Chairperson of the Meeting may, with the consent of a majority of the members present, adjourn any meeting, but no business shall be transacted at any adjourned meeting other than the business not reached or left unfinished at the meeting from which the adjournment took place.
- 8.6 Every adjourned meeting shall be deemed a continuation of the original meeting and any Resolution at an adjourned meeting shall for all

purposes be treated as having been passed on the date on which it was in fact passed.

- 8.7 Notice of an adjourned meeting shall be given in accordance with Rule 7.7 except that the length of notice shall be 48 hours.

## **Voting**

- 8.8 Subject to these Rules or to legislation, a Resolution put to the vote at a General Meeting shall be decided on a show of hands.

8.8.1 If agreed by the Chair and the Secretary of the Management Committee not less than two weeks before a General Meeting, a Resolution may instead be put to the vote by means of a postal ballot.

- 8.9 Every member present in person at a General Meeting shall have one vote. Except where otherwise specified in these Rules, Resolutions shall be decided upon a majority vote of members present and voting. A motion on which voting is tied shall fall.

- 8.10 A member who is unable to attend a meeting may request to the Secretary not less than 24 hours beforehand, to nominate another person as their proxy to vote on their behalf. This person need not be a member of the Co-Operative.

8.10.1 No person may control more than one proxy vote.

- 8.11 If the Chairperson declares and the Minutes state that a Resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, it shall be conclusive evidence of the fact.

- 8.12 Votes shall be taken openly unless, before a motion is put to the vote, a secret ballot is demanded by not less than one-tenth of the members present.

- 8.13 If a secret ballot be demanded or directed it shall be conducted in accordance with procedure laid down by the Co-operative in General Meeting.

## **9. COMMITTEE OF MANAGEMENT**

### **Composition**

- 9.1 The Co-operative shall have the following officers: a Chairperson, a Secretary, an Assistant Secretary and a Treasurer.

9.1.1 The role of Chairperson may be split between two members (who will be referred to as Co-Chairpersons).

- 9.2 These officers together with a minimum of three and a maximum of eleven ordinary Committee members shall form a Committee of Management.

### **Powers**

- 9.3 The business of the Co-operative shall be conducted by the Committee which may exercise all such powers as may be exercised by the Co-operative except to determine those issues specifically designated under these Rules as the responsibility of a General Meeting.
- 9.4 The General Meeting shall retain responsibility for the adoption of regulations and procedures governing the election and composition of the Committee and the term of office of Committee members except that no Committee member may serve more than 3 years without being required to seek re-election.
- 9.5 The General Meeting may adopt a resolution delegating some or all of this responsibility to the Committee, may make such delegation subject to conditions, and may revoke it.
- 9.6 The Committee shall report on the affairs of the Co-operative to each General Meeting and shall submit an annual report to the Annual General Meeting.
- 9.7 The Committee may establish sub-committees consisting of at least one elected Committee member and such other persons as the Committee shall think fit, provided that a majority of any sub-committee shall be members of the Co-operative. The powers and proceedings of a sub-committee shall be determined by the Committee in written terms of reference.
- 9.8 All acts done in good faith by any meeting of the Committee or any sub-committee shall, notwithstanding that it shall afterwards be discovered that there was any defect in the appointment of any member of the Committee or that any one or more of them were disqualified, be as valid as if every member of the Committee had been duly appointed and was duly qualified to serve.
- 9.9 A Resolution in writing signed by all members of the Committee or by all members of a sub-committee shall be as valid as if it had been passed at a meeting of the Committee or sub-committee.

## **10. ELECTION OF MEMBERS OF THE COMMITTEE**

- 10.1 Only members of the Co-operative are eligible for election to the Committee.
- 10.2 Elections will be held in accordance with the procedure laid down in General Meeting.
- 10.3 New members of the Committee hold office immediately following the declaration of their election at a General Meeting but may meet beforehand to elect Officers and agree other necessary business
- 10.4 Retiring members of the Committee hold office until the new Committee is declared by the General Meeting
- 10.5 A retiring member of the Committee shall be eligible for two further terms of 3 years after which a year must elapse before eligibility for a further term of office.

## **Nominations**

- 10.6 Nominations for the Committee shall be in writing stating the full name and address of the member nominated, be signed by the member making the nomination, contain a signed statement by the member nominated expressing his/her willingness to stand and be left at the Registered Office not less than 4 days before the date appointed for the election.
- 10.7 If within the limited time only 15 nominations or fewer have been left at the Registered Office the persons nominated shall be declared duly elected without holding elections.
- 10.8 If the number of nominees exceeds 15, then the members to serve on the Committee shall be elected from amongst them by ballot. A General Meeting shall make regulations governing the conduct of the ballot, provided that each member shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate.
- 10.9 If within the limited time fewer nominations have been left at the Registered Office than are necessary to form a Committee of seven persons, nominations shall be re-opened for a fixed period in accordance with the procedure laid down by the Co-operative in General Meeting. If, after this extended time, sufficient nominations have still not been received, those persons nominated shall be declared duly elected without holding elections but may not form a Management Committee or elect officers until after a General Meeting, at which additional members up to the maximum Committee size may be elected directly. If the General Meeting fails to elect sufficient additional members, then the nominations shall be opened again, indefinitely, until the minimum number of nominations have been received or the matter has been resolved by a further General Meeting.

## **Results of Election**

- 10.10 The result of elections to the Committee shall be declared at the Annual General Meeting and elected Committee members shall enter upon their duties at the next Management Committee meeting following the Annual General Meeting at which their election is declared.
- 10.11 If the results of the election are declared at a General Meeting instead of the Annual General Meeting then the election of the Committee shall take place in accordance with Rule 10 except that references to the Annual General Meeting in those rules shall apply to the General Meeting at which the results of the election shall be declared.

## **11. ELECTION OF OFFICERS**

- 11.1 The officers of the Committee, that is, the Chairperson, Secretary, Assistant Secretary and Treasurer, shall be elected either by a secret ballot overseen by the current Secretary, or by a simple a show of hands, at a meeting of the incoming members of the Committee before the next General Meeting. In the event of a tie, the incoming members of the committee may choose either to vote again, or to table the matter at the next General Meeting.

## **12. CO-OPTION**

- 12.1 The Committee may from time to time co-opt for any period any member of the Co-operative to serve on the Committee as non-voting members. No more than five such members shall serve on the Committee at any one time.
- 12.2 Subject to Rule 16 the Co-operative in General Meeting may select a member to fill a vacancy among the voting members of the Committee or as an additional member of the Committee provided that the number on the Committee does not exceed the limit allowed by Rule 9.2.
- 12.3 If the number of voting Committee Members falls below seven, any non-voting co-opted members shall immediately be made voting members, with the limit that no more than five such determinations shall be made between one election and the next

### **13. TERMINATION OF MEMBERSHIP OR CO-OPTION**

- 13.1 Every member of the Committee or person co-opted to the Committee shall cease to be a member of the Committee or person co-opted to the Committee if he or she:
  - 13.1.1 resigns in a written letter to the Chair or
  - 13.1.2 ceases to be a member of the Co-operative or
  - 13.1.3 in the opinion of the Committee contravenes the Management Committee's Code of Conduct or
  - 13.1.4 in the opinion of the Committee is unreasonably absent from four consecutive meetings of the Committee or
  - 13.1.5 is convicted of a related criminal offence or becomes bankrupt or
  - 13.1.6 becomes incapable because of mental disorder, illness or injury.
- 13.2 The Committee may remove non-voting co-opted members by majority decision of the voting members.
- 13.3 A General Meeting may remove any one or more of the Committee members by a Resolution carried by two-thirds of the members present and voting providing that at least seven days' notice of the motion has been given to all members of the Co-operative. The General Meeting may fill any resulting vacancy.

### **14. PROCEEDINGS AT COMMITTEE MEETINGS**

#### **Administration of Meetings**

- 14.1 The Committee shall meet at least ten times a year. Meetings shall be conducted in accordance with the procedure laid down by the Cooperative in General Meeting and participants may attend in person or online.
- 14.2 A meeting of the Committee may be convened by the Secretary at any time and shall be convened by the Secretary on the written request of not less than 3 members of the Committee. If the Secretary and Assistant Secretary are unable or unwilling to act, it may be convened by not less

than 3 members of the Committee.

- 14.3 At least 48 hours notice of any meeting of the Committee shall be given to all members of the Committee and persons co-opted to the Committee. The accidental omission to give notice to or the non-receipt of notice by any person shall not invalidate the proceedings of any meeting.

#### **Quorum**

- 14.4 Half the Committee members (rounded up to the nearest whole number), or five members of the Committee, whichever is greater, shall constitute a quorum unless a General Meeting sets a higher quorum. For the avoidance of doubt, a meeting that is declared quorate shall be deemed to remain quorate for its entirety.
- 14.5 If the number of voting members of the Committee falls below five, the Committee may act only to convene a General Meeting

#### **Committee Members' Interests**

- 14.6 No Committee member or co-optee shall have any financial interest:

- 14.6.1 personally; or
- 14.6.2 as a member of a firm; or
- 14.6.3 as a director or other officer of a business trading for profit; or
- 14.6.4 in any other way whatsoever

in any contract or other transaction with the Co-operative, unless it is expressly permitted by these Rules.

- 14.7 The Co-operative shall not pay or grant any benefit to anyone who is a Committee member or a co-optee, unless it is expressly permitted by these Rules.
- 14.8 Any Committee member or co-optee, who has an interest in any arrangement between the Co-operative and someone else shall disclose it, before the matter is discussed by the Committee. Unless it is expressly permitted by these Rules he or she shall not remain present unless requested to do so by the Committee, and shall not have any vote on the matter in question. Any decision of the Committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 14.9 Every Committee member and co-optee shall ensure that the Secretary at all times has a list of all other bodies in which they have an interest:
- 14.9.1 as a director or officer; or
  - 14.9.2 as a member of a firm; or
  - 14.9.3 as an official or elected member of any statutory body; or
  - 14.9.4 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
  - 14.9.5 as the occupier of any property owned or managed by the Co-operative; or
  - 14.9.6 any other significant or material interest.

- 14.10 If requested by a majority of the Committee at a meeting convened specially for the purpose, a Committee member or co-optee failing to disclose an interest as required by these Rules shall vacate their office either permanently or for a period of time.
- 14.11 A Committee member or co-optee shall not have an interest for the purpose of Rules 14.6 to 14.8 as a Committee member, director, or officer of any other body whose accounts are or ought to be consolidated with the Co-operative's accounts.
- 14.12 Committee members or co-optees shall not have an interest for the purpose of Rule 14.8 in any decision affecting all or a substantial group of tenants (where a substantial group shall mean more than one third of tenants).
- 14.13 The grant of a tenancy by the Co-operative at the direction of another body to a Committee member or co-optee or as permitted by the Housing Act 1996 is not the grant of a benefit for the purpose of Rule 14.7.

#### **Chair**

- 14.14 The Chair of the Co-operative shall normally preside at Committee meetings. If at any Committee meeting the Chair is unable or unwilling to act, the Committee shall elect one of its members to chair the meeting.

#### **Voting**

- 14.15 The Committee shall determine issues by a majority of Committee members present and voting. Every member of the Committee except those co-opted by the Committee shall have one vote. If any vote is tied, the proposal shall be deemed to have fallen.

### **15. DUTIES OF OFFICERS AND OTHER MEMBERS OF THE COMMITTEE**

#### **Chair**

- 15.1 The Chair shall normally preside at all General Meetings and Management Committee meetings.
- 15.2 He/She shall undertake any other duties assigned to him/her by the Co-operative or the Committee.

#### **Secretary**

- 15.3 The Secretary shall ensure that meetings are properly called and minutes kept, that the register of members and officers is maintained, that applications for membership are administered, that the use of the seal is controlled and recorded, and that the appropriate returns are made to the Registrar of Friendly Societies.
- 15.4 He/She shall undertake any other duties assigned to him/her by the Co-operative or the Committee.
- 15.5 He/She shall produce or give up all books, documents and property of the

Co-operative in his/her possession whenever required to do so by a Resolution of the Co-operative or the Committee.

#### **Assistant Secretary**

- 15.6 The Assistant Secretary shall assist the Secretary in all his/her duties and shall assume his/her duties temporarily if the Secretary is unable or unwilling to perform them.
- 15.7 He/She shall undertake any other duties assigned to him/her by the Co-operative or the Committee.

#### **Treasurer**

- 15.8 The Treasurer shall ensure that the financial affairs of the Co-operative are properly administered and that adequate records are kept.
- 15.9 He/she shall render a full and clear account of each Audit whenever required by a Resolution of the Co-operative or the Committee.
- 15.10 He/She shall undertake any other duties assigned to him/her by the Co-operative or the Committee.
- 15.11 He/She shall produce or give up all books, documents and property of the Co-operative in his/her possession whenever required to do so by a Resolution of the Co-operative or the Committee.

#### **Committee Members**

- 15.12 All Committee members shall undertake such duties as are assigned to them by the Co-operative or the Committee.

### **16. RESIGNATIONS OR DEATH OF OFFICERS**

- 16.1 If the Chair, Assistant Secretary or Treasurer resigns or dies or becomes permanently unable to perform his/her duties, the Committee shall appoint a replacement from amongst the members of the Committee to hold office until the next elections.
- 16.2 If the Secretary resigns or dies or become permanently unable to perform his/her duties the Assistant Secretary shall assume the position of Secretary until a Secretary is duly elected under the procedure laid down by the Co-operative in General Meeting.

### **17. INDEMNITY OF OFFICERS AND OTHER MEMBERS OF THE COMMITTEE**

- 17.1 The Co-operative shall pay the properly authorised expenses, when actually incurred on the Co-operative's business, of any member of the Committee or sub-committees.
- 17.2 Members of the Committee or sub-committees shall not be liable for any loss incurred by the Co-operative through the execution of their duties unless the loss is the consequence of their dishonesty or recklessness.

### **18. INVESTMENT**

- 18.1 The Co-operative may invest any part of the funds of the Co-operative in any manner expressly authorised by the Act or by the Co-operative in General Meeting, in both cases in accordance with independent expert advice.
- 18.2 The Co-operative may, to the extent permitted by law, delegate in writing to a suitable person the exercise of the management or investment of the property of the Co-operative. A suitable person shall be a person whom the Co-operative reasonably believes to be qualified by ability and experience in the matters delegated and who is an exempted person for the purposes of Part I the Financial Services Act 1986 as amended or re-enacted.

## **19. AUDIT**

### **Auditor**

- 19.1 In accordance with sections 4, 7 and 8 of the Friendly and Industrial and Provident Societies Act 1968 as amended by the Companies Acts 1989 and 2006, the Co-operative shall appoint a qualified auditor annually to whom the accounts of the Co-operative shall be submitted for audit.
- 19.2 The auditor shall have the rights provided in the said Act in relation to notice of and audience at General Meetings, access to books and the supply of information.
- 19.3 The auditor shall be appointed by the Co-operative at the Annual General Meeting. The Committee may appoint an auditor to fill any casual vacancy occurring between Annual General Meetings of the Co-operative.
- 19.4 The provisions of sections 5 and 6 of the said Act apply to the reappointment, removal or replacement of the auditor.
- 19.5 In accordance with section 9 of the said Act, the auditor shall make a report to the Co-operative on the accounts examined by him/her and on the Revenue Account and the Balance Sheet of the Co-operative for the year of account in respect of which he/she is appointed.

### **Financial Statements**

- 19.6 The Committee shall lay before each Annual General Meeting the Financial Statements, that is, the annual Revenue Account and Balance Sheet audited and signed by the auditor and incorporating the report of the auditor. It shall be accompanied by the annual report of the Committee on the position of the affairs of the Co-operative. The Account shall be made up to such date as the Co-operative shall determine to be the end of the Financial Year.
- 19.7 Every year not later than the date required by the Registrar, the Secretary, or the Secretary's delegate (for example the Estate Director), shall send the Registrar of Friendly Societies in the form prescribed the annual return relating to the Co-operative's affairs for the period required by the Act together with a copy of the complete Financial Statements.

19.8 The Co-operative shall supply without charge to every member of the Co-operative:

19.8.1 an extract of the Financial Statements and a notice informing them how to obtain a copy of the complete Financial Statements at least 7 days before the Annual General Meeting;

19.8.2 an Income and Expenditure Account relating to the last quarter before each following General Meeting, unless one has already been supplied.

19.9 The Co-operative shall keep a copy of the most recent complete Financial Statements at its Registered Office and shall supply copies gratuitously to any person or organisation with a proper interest in the funds of the Co-operative.

## **20. APPLICATION OF PROFITS**

20.1 The Co-operative may apply any surpluses towards carrying out the objects of the Co-operative.

20.2 Any surpluses not applied shall be carried forward.

20.3 No portion of the income, profits or property of the Co-operative shall be paid or transferred either directly or indirectly to members of the Co-operative, except where the tenancy provides, on surrender to the Co-operative, for payments to the tenants of dwellings that are the subject of a management agreement under which the Co-operative is acting as managing agent for a landlord body.

## **21. BORROWING POWERS**

21.1 The Co-operative shall have powers to borrow for the purpose of the Co-operative and to issue loan stock and to secure the repayment of any money borrowed by mortgaging or charging any of its property provided that the amount of money borrowed for the time being remaining undischarged shall not exceed ten million pounds.

21.2 The rate of interest payable at the time at which terms of borrowing are agreed shall not exceed the prevailing market rate of interest for borrowings of similar amount and on similar terms.

21.3 The Co-operative shall not receive money on deposit.

21.4 The Co-operative shall have power to determine from time to time the terms and conditions upon which money is borrowed or loan stock is issued and to vary such terms and conditions subject to the provisions of Rule 21.3.

21.5 The Co-operative may receive donations towards the work of the Co-operative from any source.

## **22. MINUTES, SEAL, REGISTERS AND FINANCIAL RECORDS**

22.1 Minutes of every General Meeting and of every meeting of the Committee shall be kept. These Minutes shall be circulated before the next of such Meetings respectively and signed by the Chair of the Meeting at which they

are approved. All Minutes so signed shall be conclusive evidence of any facts stated therein.

- 22.2 The Co-operative shall have a seal kept securely in the Registered Office and used only by the authority of the Co-operative. Sealing shall be attested by the signatures of the Secretary and two members of the Committee
- 22.3 The Co-operative shall keep at its Registered Office:
  - 22.3.1 a register of members containing their addresses, their dates of joining and leaving the Co-operative, the dates on which they assumed and relinquished any office in the Cooperative or membership of any committee established by the Co-operative;
  - 22.3.2 a duplicate register of current members kept for inspection from which particulars of shares are excluded;
  - 22.3.3 minutes of all General Meetings and of all Management Committee meetings;
  - 22.3.4 the registered Rules including any amendments;
  - 22.3.5 a register of all standing orders and other documents concerning the conduct of the Co-operative's affairs setting out the terms, and the date and the authority on which they were adopted;
  - 22.3.6 a register of the dates on which the seal was used, and for what purposes, and on what authority;
  - 22.3.7 a copy of any management agreement complete with schedules including any amendments under which the Co-operative is acting as managing agent for a landlord body;
  - 22.3.8 any other documents or records necessary for the management of the Co-operative's affairs or required by law.
- 22.4 The Co-operative shall keep at its Registered Office:
  - 22.4.1 proper records of its accounts;
  - 22.4.2 records of the Co-operative's assets and liabilities;
  - 22.4.3 a register of any holders of loan stock;
  - 22.4.4 a register of all mortgages or charges on land assumed by the Co-operative;
  - 22.4.5 any other information necessary for the control of the Co-operative's finances and to allow annual accounts to be prepared and audited.
- 22.5 The Co-operative shall establish and maintain satisfactory records of income and expenditure and of its cash holdings.

## **23. INSPECTION OF BOOKS**

- 23.1 Any member or other resident shall be allowed to inspect:
  - 23.1.1 his/her own account;
  - 23.1.2 the duplicate share register.
- 23.2 A representative of a landlord body or of the Housing Corporation if applicable, shall be allowed to inspect:
  - 23.2.1 the records of income and expenditure;
  - 23.2.2 the duplicate share register.
- 23.3 Such inspections may be made during the opening hours of the Registered Office, subject to any conditions as to the time and manner of the inspection made by the General Meeting of the Co-operative.

#### **24. STATUTORY APPLICATIONS TO THE REGISTRAR**

- 24.1 Any ten members each of whom has been a member of the Co-operative for not less than twelve months immediately preceding the date of the Application may apply to the Registrar to appoint an accountant or actuary to inspect the books of the Co-operative and to report on them.
- 24.2 One-tenth of the membership may apply to the Registrar:
  - 24.2.1 for the appointment of an Inspector to examine the affairs of the Co-operative and to report on them, or
  - 24.2.2 for the calling of a General Meeting of the Co-operative.

#### **25. PROCEEDINGS ON THE DEATH OF A MEMBER AND NOMINATIONS**

- 25.1 When a claim is made to any property held by the Co-operative by the personal representatives of a deceased member or the trustees in bankruptcy of a bankrupt member, the Co-operative shall pay or transfer to the representative or trustee any property to which he or she has become entitled.
- 25.2 A member may, in accordance with the Act, nominate a person or persons to whom any of his or her property held by the Co-operative, other than share capital, shall be transferred at his or her death.

#### **26. DISPUTES**

- 26.1 Any dispute on a matter governed by these Rules which cannot be resolved satisfactorily between the Co-operative or an officer of the Co-operative and a member, or a person who has ceased to be a member less than six months previously, or a person claiming through such a member or recent member, or a person claiming under these Rules, may be submitted with the consent of all parties:
  - 26.1.1 to the County Court; or
  - 26.1.2 to an independent arbitrator to be agreed between the parties.

- 26.2 The decision of the arbitrator shall be binding and conclusive on all parties without appeal and shall not be removable into any court of law or restrained by injunction. Application for the enforcement of the arbitrator's decision shall be made by any party to the County Court.
- 26.3 The costs of arbitration shall be borne as the arbitrator directs, and before arbitration the complaining party shall deposit with the Co-operative the sum of £150 which shall be refunded provided that the complaining party complies with the decision reached by the arbitrator.

## **27. AMALGAMATION, TRANSFER OF ENGAGEMENTS AND DISSOLUTION**

- 27.1 Subject to Rule 27.4 the Co-operative may by special Resolution in the manner prescribed in the Act amalgamate with or transfer its engagements to any other association having similar objectives.
- 27.2 Subject to Rule 27.4 the Co-operative may be dissolved:-
- 27.2.1 by an Order to wind up the Co-operative or a Resolution for the winding up of the Co-operative made as directed under the Companies Act 1948; or
- 27.2.2 by the consent of three-fourths of the members testified by their signature to an instrument of dissolution in the form provided by the Treasury Regulations.
- 27.3 If on the winding up or dissolution of the Co-operative any property remains, after satisfaction of all its debts and liabilities, it shall be disposed of in any manner decided by a General Meeting provided that no member shall receive any property or sum beyond the repayment of his/her share investment.
- 27.4 If the Co-operative is or becomes a registered Housing Association, the consent of the Housing Corporation must be obtained.

## **28. COPIES OF RULES TO BE SUPPLIED**

- 28.1 When requested the Secretary shall provide a copy of the Rules of the Co-operative free to every member, and to every other person on payment of a sum not exceeding one pound.

## **29. MAKING, RESCINDING AND AMENDING RULES**

- 29.1 Any Rule of the Co-operative may be rescinded or amended or a new Rule may be made, in the manner provided in the following Rule.
- 29.2 Rules 2, 3, 4, 5.2, 5.3, 5.4, 5.5, 20 and this Rule are hereby declared to be fundamental and shall not be amended or rescinded except by a Resolution carried by the votes of not less than two-thirds of the total membership of the Co-operative on a secret ballot taken in accordance with the Chairperson's direction given at a General Meeting of which Notice has been given specifying the intention to propose such rescission or amendment.
- 29.3 Any Rule not declared to be fundamental may be rescinded or amended or

a new Rule may be made by a Resolution carried by two-thirds of the votes at a General Meeting of which Notice has been given specifying the intention to propose such rescission or amendment or a new Rule.

- 29.4 No amendment of these Rules is valid until it is registered by the Registrar of Friendly Societies, and, if the Co-operative is a registered Housing Association, approved by the Housing Corporation.
- 29.5 Every member shall be issued with a copy of the amendment as soon as practicable after registration and the amendment shall be supplied with every copy of the Rules.

### **30. INTERPRETATION OF TERMS**

30.1 In these Rules, unless the subject matter or context are inconsistent therewith:

- words importing the singular or plural shall include the plural or singular respectively;
- "Amendment of Rules" shall include the making of a new Rule and the rescission of a Rule, and 'amendment' in relation to rules shall be construed accordingly;
- "Children and Grandchildren" shall mean children or grandchildren over the age of 18 of Tenants or leaseholders (who may or may not be members) who occupy co-operative premises;
- "Committee" shall mean a Committee of Management established under Rule 9;
- "Committee member" shall include any person, whether a member of the Co-operative or not, who is elected, appointed, or co-opted to serve on the Committee;
- "Co-operative Principles" refers to the principles adopted by the 23rd and 24th Congresses of the International Co-operative Alliance in 2004 or as subsequently amended;
- "Corporate Body" shall mean a body which has a separate legal identity from that of its owners or members;
- "General Meeting" shall mean any meeting of the Co-operative convened under Rule 7.6 including Annual General Meetings and Special General Meetings;
- "Partners" shall mean the spouse, civil partner or partner of Tenants or leaseholders (who may or may not be members) who occupy co-operative premises;
- "Persons claiming through a member" shall include his/her nominee where a nomination has been made;
- "Property" shall include all real and personal estate (including Loan Stock Certificates, books and papers);

- Subject to Rule 9.1, "Secretary" means the person elected by the Co-operative in General Meeting to be the Secretary of the Co-operative or other person authorised by the Committee to act as his/her deputy;
- "Surpluses" shall mean any money shown in any year's accounts as remaining after the Co-operative's current expenses and obligations have been provided for and adequate allowance has been made for the Co-operative's reasonably foreseeable future requirements;
- "Tenant" shall mean any person who holds, either individually or jointly, an introductory, secure or leasehold tenancy entitling him or her to occupy residential property owned or managed by the Co-operative or in respect of which the Co-operative seeks to negotiate a management agreement;
- "The Act" refers to the Industrial and Provident Societies Acts 1965 to 1978, or any Act or Acts amending or in substitution for them for the time being in force;
- "The Registrar" shall have the meaning given to it by the Act;
- "These Rules" shall mean the registered rules of the Co-operative for the time being;
- "Treasury Regulations" shall mean regulations made in accordance with section 71 of the Industrial and Provident Societies Act 1965; and
- "Unincorporated Body" shall mean any body which is not a Corporate Body.

#### **Amendments November 2019**

- 7.2 General Meeting frequency reduced from four to **three**
- 9.2 Reduce minimum officers from eight to **four**
- 14.1 Reduce Committee meeting minimum frequency from eleven to **ten**
- 14.4 Reduce quorate members from eight to **six**
- 14.5 Reduce minimum membership from eight to **six**

#### **Amendments 2022-2024**

- 6.2.5 Temporary full membership given to sub-tenants
- 7.1.1, 8.2, 8.8.1 Modernization and simplification of General Meeting administration
- 8.10 Provision of proxy voting
- 9.1.1 Provision to allow Co-Chairs
- 9.2, 12.3 Reduce minimum new (elected) committee size from eight to seven

10.3, 10.9, 11.1, 11.2, 11.3, 11.4 Simplification of committee and officer elections and provision for the new committee to undertake essential business before formal confirmation at the AGM

14.4. Reduce quorate members to half the committee (rounded up to nearest whole number) or five, whichever is greater

14.6 Reduce minimum membership from six to five

19.7 Provision for Secretary to delegate completion of certain require paperwork (e.g. to the Estate Director)

22.2 Provision for Seal to be kept in registered office rather than in the personal possession of the Secretary