

## Shareholder Policy

### 1.0 Introduction

The Board are required to have a policy and objectives for the admittance of new shareholders. Any new shareholders can only be admitted by the Board in accordance with such policies.

All shareholders must agree to be bound by the obligations on them as set out in the Association's rules. When acting as shareholders they must 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.

### 2.0 Objectives

The objective of the policy is to encourage persons individually or as representatives of corporate or unincorporated bodies to apply to become shareholders. The Board are elected from this pool of shareholders and so it is important that the pool enables the obligations on the Association to be fulfilled. The Board must:-

- be comprised of people with a balance of relevant skills
- be diverse, reflecting the communities the Association serves
- seek to have a balance of gender, age, minority groups such as BME and people with a disability
- be free from undue influence by any other body
- be adequately trained
- be knowledgeable about and committed to the communities it serves
- be regularly reviewed to ensure that this remains the case

This policy therefore reflects these obligations.

### 3.0 Shareholders

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

Shareholder membership involves three types of member:-

- Individuals who wish to join the Association because of a particular interest in social housing, who want to help in some way by the use of their particular personal skills and who have the potential to be Board members.
- Nominees of unincorporated bodies. In this instance the application for membership must give the name and address of the person nominated as the representative.
- Corporate bodies.

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

#### **4.0 Exclusions to shareholders**

4.1 The following may not be admitted as shareholders:

- a minor – as determined by the Board from time to time;
- a person who has been expelled as a shareholder, unless authorised by a resolution at a general meeting;
- an employee of the association or any other group member;
- a person who has been removed by the board in accordance with rule D5;
- a person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the effect that that person has become physically or mentally incapable of acting as a board member and may remain so for more than three months;
- a person in respect of whom, by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- a person who is disqualified from acting as a Director of a company for any reason, or has been convicted of an indictable offence.

4.2 The Board will also have regard to the potential for conflicts of interest when considering applications (e.g. membership or officer of another housing association).

#### **5.0 Applications**

5.1 Applications to become a shareholder must be submitted in writing to the Chief Executive setting out the reasons for the application and the qualifications for membership, and enclosing the sum of one pound (which shall be returned to them if the application is not approved).

5.2 Each application will be considered at an early Board meeting. It may be necessary for an applicant for membership to be interviewed by the Chair (or other delegated member) and the Chief Executive. This will be decided at the Board meeting considering the application.

5.3 In considering the application the Board will have regard to the skills, qualities and experience the applicant will bring to the Association.

The Board will also have regard to the potential for conflicts of interest when considering applications e.g. membership or officer of another housing association.

5.4 The Board has power of absolute discretion in determining whether to accept or reject an application.

5.5 All applicants will be informed by the secretary of the outcome of their application within 10 working days of its consideration. In instances where the application is refused, the reasons for the refusal will be given and the applicant will not be

allowed to re-apply for consideration until a period of a further twelve months has elapsed.

- 5.6 If approved, the name of the applicant and the other necessary particulars will be entered in the register of members by the Secretary. One share in the Association and a copy of the Association rules shall be issued to the applicant.

## **6.0 Criteria for consideration**

6.1 In considering an application the Board will have regard to the following:-

- The skills, qualities and experience the applicant will bring to the Association (reflecting the need for the Board to have a balance of appropriate skills including (but not exhaustively) legal, business, financial, technical, community work, housing sector experience, relevant public sector experience, human resources and governance);
- The need for the applicant to demonstrate an empathy with social housing; and
- The requirement that the applicant has the potential to become a Board member.

6.2 Any applicant should be able to fulfil all of the above objectives to be eligible for acceptance as a shareholder.

6.3 In addition the Board will have regard to:

- diversity and the need to have a balance of gender, age, minority groups such as BME and disabled people; and the need to reflect the communities where the Association operates.

## **7.0 Ending of shareholding**

7.1 A shareholder shall automatically cease to be a shareholder if:-

- they die;
- they are expelled by resolution at a special general meeting;
- they withdraw from the association by giving one month's notice to the secretary;
- they do not participate in, nor deliver written apologies in advance for, three consecutive annual general meetings of the Association;
- in the case of a body corporate it ceases to be a body corporate;
- in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body;
- they cease to be a shareholder under section 4.1 above;
- The Association serves notice on the shareholder asking them to indicate (within a set 3 month period) if they wish to remain as a shareholder, and they fail to reply within that period;

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

7.2 A shareholder can only be expelled under rule C15 of the Association.

### **8.0 Equality / Diversity Implications**

The shareholder policy has been agreed to maximise the diversity of applicants for shares.

### **9.0 Resident Participation Implications**

Residents are an integral part of the Association's shareholders and make up a third of the Board. This policy applies equally to them.

### **10.0 Legal Implications**

This policy complies with the Association's rules on shareholders.

### **11.0 Financial Implications**

The Association's share capital is raised by the issue of shares. Each share has the nominal value of one pound which carries no right to interest, dividend or bonus.

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 shall become the property of the Association.

### **12.0 Health and Safety Implications**

There are no health and safety implications.

### **13.0 Welsh Language Implications**

The Association has a Welsh Language Scheme and applications for shares are bilingual.

### **14.0 Monitoring**

Applications are monitored by the Chief Executive's Department and the Board.

### **15.0 Review**

This policy was reviewed and approved by the Board in June 2015.