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RULES of: MOAT HOMES LIMITED

*Registered under the Industrial &
Provident Societies Act 1965*

Register No. 17434R

ALL PREVIOUS RULES RESCINDED

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PART A

NAME AND OBJECTS

Name

A1 The name of the society shall be Moat Homes 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 social housing, other housing, accommodation, and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled (whether physically or mentally or learning disabled) or chronically sick people;

A2.2 any other charitable object that is not prohibited for Industrial and Provident Society registered as a non profit 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 take or grant any interest in land, including any mortgage, charge, floating charge or other security whatsoever, or carry out works to buildings;

B2.2 help any charity or other body not trading for profit in relation to housing and/or related services;

B2.3 subject to rules F13, F14, and F15 borrow money or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the effect of borrowing;

B2.4 subject to rule F17 invest the funds of the association.

B2.5 lend money to and/or borrow money from any subsidiary, parent or associate of the association in each case on such terms as the association shall think fit; and

B2.6 guarantee, enter into any contract of indemnity or suretyship in relation to, or provide security for, the borrowings or performance of the obligations of any subsidiary, parent or associate of the association in each case on such terms as the association shall think fit; and

B2.7 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 exposure of the association.

B3 The association shall not have power to receive money on deposit in any way which would require authorisation under the Banking Act 1987 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 accordance with rules D32 to D36. 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 meeting 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 of any regulations shall not be obliged to see or enquire if the board's powers are restricted by such 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.

- C2.1 There shall be two classes of shareholders and these shall be referred to as "Class X" and "Class Y".
- C2.2 Class X shall comprise members who are board members.
- C2.3 Class Y shall comprise members who are not board members.
- C2.4 On any vote of the members of the association, the votes of the two classes of members shall be counted separately and the resolution shall only be passed if there is:
- (1) an overall majority in favour (meeting the applicable requirements of these rules as to the requisite majority required from amongst those voting); and
 - (2) a majority of Class X shareholders in favour (meeting the applicable requirements of these Rules as to the requisite majority required from amongst those voting).
- 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 (alone or jointly with other nominees) of that unincorporated body.
- 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 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; or
 - C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting; or
 - C6.3 an employee of the association or an employee of any other body whose accounts must be consolidated with those of the association.
- 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 and review its policies and objectives for admitting new shareholders. The board shall only admit new shareholders in accordance with such policies. No tenant can be admitted as a shareholder if, on admission, a majority of the shareholders would be tenants.

- 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 by the secretary; or
 - C14.4 they do not participate in, nor deliver written apologies in advance, to two consecutive general meetings of the association; or
 - 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; or
 - C14.7 they cease to be eligible to be a shareholder under rule C6; or
 - C14.8 they are a tenant and they cease to be a tenant or, in the opinion of the board, they 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.
- 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 (if one is required by law) on those accounts and balance sheets
 - the board's report on the affairs of the association
- C17.2 to appoint the auditor (if one is required by law);
- C17.3 to elect ordinary board members if applicable;
- 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 proposed resolution(s) for which the meeting is to be convened;
- C18.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting.
- 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 C20.1 Subject to rule C20.2, all general meetings shall be convened by at least fourteen clear days' written notice posted or delivered or sent by fax or email to every member at the address fax number or email address given in the share register. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- C20.2 Shareholders may agree by a three quarters majority including a majority of the Class X shareholders by consenting in writing or by email to a general meeting being held on less than fourteen clear days' notice.
- 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 as specified in rule G15.12.

Proceedings at general meetings

- C22 Before any general meeting can start its business there must be a quorum present, in person or by proxy. A quorum is at least two shareholders present in person, and at least one shareholder must be present in person or by proxy from the Class X shareholders.
- C23 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 should begin.
- C24 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If too few shareholders are

present within half an hour of the time the adjourned meeting should have started, those shareholders present shall carry out the business of the meeting.

- C25 The chairman of any general meeting can:
- C25.1 take the business of the meeting in any order that the chairman may decide; and
 - C25.2 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.
- C26 At all general meetings of the association the chairman of the board shall preside. If there is no such chairman or if the chairman is not present or is unwilling to act, the deputy chairman (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

- C27 A proxy can be appointed by delivering a written appointment by post or by hand to the registered office by no later than 12 noon two business days before the date of the meeting at which the proxy is authorised to vote. It must be signed or confirmed electronically 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 chairman of the meeting whose decision shall be final. A proxy need not be a shareholder of the association.

Voting

- C28 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.
- C29 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 chairman of the meeting shall have a second or casting vote.
- C30 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chairman 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.
- C31 Any question as to the acceptability of any vote whether tendered personally or by proxy shall be determined by the chairman of the meeting, whose decision shall be final.
- C32 A ballot on a resolution may be demanded by any three shareholders at a meeting (in person or by proxy) or directed by the chairman (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.

- C33 A ballot shall be taken at the meeting at such time and in such manner as the chairman shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.
- C34 A resolution in writing sent to all shareholders by post, fax or email, or delivered by hand, and signed or confirmed electronically by three quarters of such shareholders, and by three quarters of the Class X shareholders, shall be as valid and effective as if it had been passed at a properly called and constituted meeting of shareholders.
- C35 A general meeting can take place in any manner which permits those attending to hear and comment on proceedings.

PART D

THE BOARD

Functions

- D1 The association shall have a board (in these rules referred to as "the board") which shall direct the affairs of the association in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- D1.1 define and ensure compliance with the values and objectives of the association and ensure these are set out in each corporate plan;
 - D1.2 determine the plans to achieve those objectives;
 - D1.3 approve each year's accounts prior to publication and approve each year's budget;
 - D1.4 establish and oversee a framework of delegation and systems of control;
 - D1.5 agree policies and make decisions on all matters that create significant financial risk to the association or which affect material issues of principle;
 - D1.6 monitor the association's performance in relation to these plans, budget, controls and decisions;
 - D1.7 appoint (and if necessary remove) the chief executive (if any);
 - D1.8 satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety;
 - D1.9 take appropriate advice; and
 - D1.10 ensure that, at all times that the association is registered with the Regulator, the association takes account of any obligation imposed upon the association by the Regulator in exercise of its powers.

Composition of the board

- D2
- D2.1 The board shall consist of five persons (including co-optees), or of such greater number not exceeding fourteen (including co-optees) as may be determined by the board from time to time.
 - D2.2 Up to one third of the board members may be tenant board members elected or appointed in accordance with rule D13. The remaining board members shall not be tenants, provided that in the event that at any time the number of tenant board members is greater than one third of the total number of board members, the board shall use all reasonable endeavours to ensure that this rule is complied with and may act notwithstanding this rule.

- D3 D3.1 Each Nominating Authority shall be entitled, in accordance with this rule D3, to appoint one person to the board.
- D3.2 Any person appointed in accordance with rule D3.1 shall serve for a maximum continuous period of six years.
- D3.3 Any person appointed by a Nominating Authority may be removed from the board by that Nominating Authority at any time.
- D3.4 Appointments under rule D3.1 shall be effective immediately on receipt of notice in writing delivered to the registered office of the association and any such notice shall be deemed to have been received as specified in rule G15.12.
- D3.5 The board may from time to time determine that a Nominating Authority shall, for such period and on such terms (including terms as to the mode and manner of appointment) as it determines, be entitled to appoint such further persons to the board (in addition to the right to nominate one person under rule D3.1) as the board may specify.
- D4 D4.1 Every board member shall sign a statement confirming that they will meet their obligations to the board and to the association. The board may vary the form of statement from time to time.
- D4.2 Any board member who has not signed such statement without good cause within one month of election or appointment to the board shall immediately cease to be a board member.
- D5 D5.1 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 cannot take part in the deliberations nor vote on the election of officers of the association nor any matter directly affecting shareholders.
- D5.2 The board may appoint or co-opt the association's chief executive and other directors provided they do not exceed one quarter of the total number of the board.
- 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 D7.1 Not more than two co-optees can be appointed to the board at any one time.
- D7.2 Not more than nine co-optees can be appointed by the board to serve on sub-committees of the board at any one time.
- D8 No one can become or remain a board member 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 within the last five years or they have been convicted of any other offence which in the opinion of the board brings or is likely to bring the association into disrepute or which is not considered by the board to be compatible with the role of board member, and the board resolves that they should be removed; or
- D8.3 they have absented themselves from four consecutive meetings of the board without special leave of absence from the board; or
- D8.4 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

- D8.5 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
- D8.6 they are a tenant, and in the opinion of the board they are in material or serious breach of their tenancy agreement or lease; or
- D8.7 they are an employee and their employment with the association or any parent, subsidiary or associate is terminated for any reason;

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 three quarters of the board members present (excluding the board member in question) 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.

Election to the board

D11 D11.1 Each ordinary board member shall be elected for a period expiring at the third annual general meeting after the date of his or her election (the normal term of office).

D11.2 At every annual general meeting, each ordinary board member whose normal term of office has come to an end shall retire from office.

D11.3 An ordinary board member retiring at the end of their normal term of office may stand for re-election to the board for a further period expiring at the third annual general meeting after the date of his or her re-election (extended period of office).

D11.4 An ordinary board member retiring at the end of their extended term of office may stand for re-election to the board for a further period expiring at the first annual general meeting after the date of his or her re-election (final period of office) and shall then cease to be eligible for re-election.

D12 If at an annual general meeting, the candidates for election as ordinary board members do not exceed the number of vacancies on the board the chairman shall declare those candidates to have been duly elected. If the number of candidates exceed the number of vacancies the meeting shall elect the board members by ballot in such a manner as the chairman directs.

D13 The board will agree from time to time whether there should be any, and if so how many, tenant board members and will publish the basis of selection of and mode and manner of election or appointment of the tenant board members that will be fair and equitable and will include the proper involvement of tenants or tenant groups. The

board will also publish from time to time the period for which tenant board members shall serve, and the rules as regards their retirement.

- D14 In an election 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 In casting their votes in an election, shareholders shall endeavour to ensure that the board possesses the quality, skills and experience which the association has from time to time determined that it requires.

Candidates for the board

- D16 Any candidate for election to the board shall submit a written statement to the association in such form as the board from time to time determines.

Quorum for the board

- D17 D17.1 Subject to the provisions of Rule D17.2 three board members, or half of the board (whichever is lower) shall form a quorum. The board may determine a higher number.
- D17.2 The board is not quorate unless less than half the quorum are employees of the association or any body whose accounts must be consolidated with the association.
- D17.3 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 D17.2 shall be suspended for that time. At the end of that time the only power that the board may exercise shall be to call a general meeting of the association to bring the number and make up of board members up to that required by these rules.

Board members' interests

- D18 No board member, co-optee or member of a committee (or connected person) may have any financial interest:
- D18.1 personally; or
- D18.2 as a member of a firm; or
- D18.3 as a director or senior employee (being an employee with managerial status) of a business trading for profit; or
- D18.4 in any other way whatsoever save that there shall be deemed to be no financial interest in relation to shares except in the circumstances referred to in rule D27.4

in any contract or other transaction with the association, unless it is expressly permitted by these rules.

- D19 The association shall not pay or grant any benefit to anyone who is a board member or a co-optee or a member of a committee (or a connected person) unless it is expressly permitted by these rules.
- D20 The following are permitted, subject to compliance with rule D24:
- D20.1 The payment, to board members, co-optees and members of committees, of:
- (1) properly authorised expenses, when actually incurred on the association's business; and
 - (2) any remuneration as shall be approved by the board from time to time after obtaining advice from an independent remuneration committee or from external advisors;
- D20.2 The payment (directly or indirectly) of the costs associated with insurance premiums in respect of insurance taken out to insure board members, co-optees, members of committees and employees against the cost of a successful defence to a criminal prosecution brought against them as officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty; and
- D20.3 The payment of any sums incurred by the association pursuant to the indemnifications permitted under rule E9; and
- D20.4 The payment, to board members, co-optees or committee members (or connected persons) who are also employees of the association or of any subsidiary of their remuneration for that employment; and
- D20.5 Any benefits to board members, co-optees or committee members (or to connected persons), which are granted on the same terms and in accordance with the same criteria as they would be granted to any other beneficiary of the association.
- D21 A board member, co-optee or member of a committee shall be deemed not to have an interest for the purpose of rules D18, D24 or D27 or a conflict of loyalties for the purpose of rule D25 as a board member, director, employee, or officer of the association the parent or any subsidiary or associate.
- D22 Board members, co-optees or members of committees who are tenants shall be deemed not have an interest for the purpose of rules D18, D24 or D27 in any decision affecting all or a substantial group of tenants.
- D23 For the purposes of rule D24 the interest of a connected person shall be treated as the interest of the relevant board member(s).
- D24 Any board member, co-optee or member of a committee having an interest in any arrangement with the association, or in any arrangement between the association and a third

party, shall disclose their interest before the matter is discussed by the board or any committee. 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. For these purposes an individual board member, committee member or co-optee shall be deemed not to have an interest in relation to permitted benefits applying to the whole board or the whole committee as appropriate. 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.

D25 If a potential or actual conflict of interest arises for a board member, co-optee or committee member because of a duty of loyalty owed to another organisation or person, and it is not otherwise permitted by these rules, the unconflicted board members and co-optees, or committee members, as appropriate, may authorise that conflict provided that no conflicted individual shall count in the quorum for such a decision. Such authorisation shall be on such terms and/or conditions as the board or committee (excluding any conflicted individuals) may determine, provided that such conditions shall include compliance with rule D24 when the authorised matter is discussed at any subsequent meetings.

D26 If a board member receives or has received any information otherwise than by virtue of his position as a board member, co-optee or committee member, and in respect of this information s/he owes a duty of confidentiality to another person, the board member, co-optee or committee member is under no obligation:

D26.1 to disclose any such information to the association, the board members or any other officer or employee of the association; nor

D26.2 to use or apply any such information in connection with the performance of his or her duties in connection with the association,

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach of the duty to avoid conflicts of interests, this rule shall apply only if such situation or relationship has been authorised under rule D25, or is otherwise permitted under these rules.

D27 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they, and any connected persons, have an interest as:

D27.1 a director or officer; or

D27.2 as a member of a firm; or

D27.3 as an official or elected member of any statutory body; or

D27.4 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

D27.5 as the occupier of any property owned or managed by the association; or

D27.6 any other significant or material interest.

- D28 No board member, co-opted or member of a committee shall be treated as having an interest of which that person has no knowledge and of which it is unreasonable to expect him or her to have knowledge.
- D29 If requested by a majority of the other board members 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.

Meetings of the board

- D30 The board shall meet at least three times every calendar year. At least seven clear days' written notice 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 all board members so agree.
- D31 Meetings of the board may be called by the secretary, or by the chairman, 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 within seven business days after receipt of such a request. The secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chairman or two board members, whichever is the case, shall call such a meeting.

Management and delegation

- D32 The board may delegate any of its powers under written terms of reference to any subsidiary or associate or to committees or to officers or employees of the association or any subsidiary or associate. Those powers shall be exercised in accordance with any written instructions given by the board.
- D33 The membership of any committee of the association shall be determined by the board. Every committee of the association shall include one board member or co-optee to the board. The board may appoint the chairman of any committee of the association and shall specify the quorum.
- D34 All acts and proceedings of any committee to which functions are delegated pursuant to rule D32 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 in writing 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 (as appropriate) shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee.
- D39 Meetings of the board can take place in any manner which permits those attending to hear and comment on the proceedings.
- D40 A board member acting in good faith shall not be liable to the association for any loss.
- D41 Notice may be given to board members by post or fax or email 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 **CHAIRMAN, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS**

The chairman

- E1 The association shall have a chairman, who shall also chair board meetings, and shall be elected by the board.
- E2 The chairman on election shall hold office until the commencement of the first board meeting after the next annual general meeting of the association (or until the chairman resigns as chairman or ceases to be a board member). The first item of business for any board meeting when there is no chairman or the chairman is not present shall be to elect the chairman. The chairman shall at all times be a shareholder and a board member and cannot be an employee. In the case of any equality of votes, the chairman shall have a casting vote.
- E3 The chairman of the association may be removed at a board meeting called for the purpose provided the resolution is passed by at least two thirds of the board members present, excluding the chairman.

The chairman's responsibilities

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

- E5 The chairman shall seek to ensure that there is a written statement of the chairman's responsibilities which shall be agreed with the board, and reviewed from time to time.

The chief executive

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

The secretary

- E7 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 to act as secretary in the secretary's absence for any reason. The secretary shall in particular:
- E7.1 ensure that all meetings of the association and the board are summoned under their direction and that minutes of those meetings are kept; and
 - E7.2 keep the registers and other books determined by the board; and
 - E7.3 make any returns on behalf of the association to the Registrar and the Regulator; and
 - E7.4 have charge of the seal of the association; and
 - E7.5 be responsible for ensuring compliance by the association with these rules.

Other officers

- E8 The board may designate as officers such other executives, internal auditor and staff of the association on such terms (including pay) as it from time to time decides.

Miscellaneous

- E9 Every officer or employee shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.
- E10 Except for the consequences of their own dishonesty or gross negligence no officer or employee shall be liable for any losses suffered by the association.

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 7 of the Friendly and Industrial & Provident Societies Act 1968.
- 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 An auditor may be appointed by the board or by resolution at a general meeting.
- F4 The association's first auditor shall be appointed at a general meeting within three months of its registration or when first required by law to do so, whichever is the later.

The board may make the appointment if no meeting is held within three months of the due date. The board may appoint an auditor to fill a casual vacancy.

- F5 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:
- F5.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
 - F5.2 the auditor does not want to act and has told the association so in writing; or
 - F5.3 the person is not qualified or falls within rule F2 (above); or
 - F5.4 the auditor has become incapable of acting; or
 - F5.5 notice to appoint another auditor has been given.
- F6 F6.1 Not less than twenty eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
- F6.2 The 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.
- F6.3 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 6 of the Friendly and Industrial and Provident Societies Act 1968.

Auditor's duties

- F7 The findings of the auditor shall be reported to the association, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968.
- F8 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

- F9 The end of the accounting year must be a date allowed by the Registrar.
- F10 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- F11 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

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

Borrowing

- F13 The total borrowings of the association at any time shall not exceed £1,000 million (one thousand million pounds) or such a larger sum as the association determines from time to time in general meeting. For the purposes of this rule F13 any amount of the association's borrowings in any currency other than pounds sterling (as may be permitted 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 borrowing.
- F14 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 or a member of staff.
- F15 F15.1 In respect of any proposed borrowing, for the purposes of rule F13, the amount remaining un-discharged of any deferred interest or index-linked monies previously borrowed by the association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and
- F15.2 For the purposes of rule F13 in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing.

Derivative transactions

- F16 F16.1 In exercising its power under rule B2.7 the association shall comply with the Regulator's regulatory requirements, or any other regulatory requirements applicable to the association at the relevant time, relating to the use of derivative transactions by non-profit registered providers of social housing. A person entering into a derivative transaction with the association who has received a written certificate signed by the secretary confirming that the association is entering into such transaction for the purpose specified in rule B2.7 and confirming the association's compliance with such regulatory requirements shall not be concerned to enquire further as to the purpose for which the association is entering into the transaction, nor as to whether the association has complied with such requirements, and such transaction shall be valid at the date that it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not it was entered into for the purpose specified in rule B2.7 and whether or not such regulatory requirements have been complied with.
- F16.2 For the purposes of rule B2.7 and this rule F16 "**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 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.

Investment

F17 The funds of the association may be invested and may be applied by the board in such manner as it determines, as permitted by the Industrial and Provident Societies Act 1965 or in cash or term deposits, or in the purchase or acquisition (either alone or jointly with other persons) of such shares, stock, funds, securities, land, buildings, chattels or other property of whatever nature and wherever situate, and whether involving liabilities or producing income or not, or in making such loans, with or without security, as the board thinks fit.

PART G

MISCELLANEOUS AND STATUTORY, REGISTERED OFFICE AND NAME

G1 The association's registered office is:

“Mariner House, Galleon Boulevard, Dartford, Kent, DA2 6QE”

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, adverts, official publications, cheques and invoices.

Disputes

G3 G3.1 Any unresolved dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:

- the association and an officer; or
- the association and a shareholder; or
- the association and a person claiming to be a shareholder; or
- the association and a person who was a shareholder in the last six months.

G3.2 In any other case a dispute can be resolved by an arbitrator jointly appointed by the parties if both parties to the dispute agree. If they do not agree the dispute shall be dealt with in the County Court.

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

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

Minutes, seal, registers and books

- G4 The minutes of all general meetings and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.
- 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.
- 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 shareholder 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 auditors 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 is 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 of the shareholders approved in advance by the board.

- G12.3 The rules can only be amended or rescinded by two thirds of the votes cast at general meetings or in the case of a written resolution in accordance with rule C34.
- G12.4 Amended rules shall be registered with the Financial Services Authority 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 accordance with the Act or 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 non profit provider of social housing with the Regulator any transfer or gift is governed by section 167 of the Housing and Regeneration Act 2008.

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context are inconsistent:-
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;
- G15.3 any reference to an Act shall include any amendment or re-enactment from time to time;
- G15.4 "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;
- G15.5 "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 "business day" shall mean Monday to Friday (inclusive) but excluding bank holidays;
- G15.8 "clear days", in respect of notice for a meeting, shall mean a period calculated excluding both the day on which any notice or communication is deemed to be received under these rules and the date of the meeting;
- G15.9 "connected person" shall mean, in relation to an individual who is a board member, co-optee or committee member (**the fiduciary**), a person or body with whom the fiduciary shares a common interest such that the fiduciary may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person or body, being either a member of the fiduciary's family or household, or a person or body who is a business

associate of the fiduciary, but (for the avoidance of doubt) this does not include a company with which the fiduciary's only connection is as the owner or controller of less than 2% of a company the shares in which are publicly quoted or less than 10% of any other company;

- G15.10 "local authority board members" shall mean board members appointed to the board by Nominating Authorities in accordance with rule D3;
- G15.11 "Nominating Authority" means Maldon District Council and any other local authority as may be so designated by the board from time to time;
- G15.12 notice shall be deemed to have been received by a person:
- if posted by first class post, two business days after being posted;
 - if faxed or emailed, 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 fax number or email address last notified by that person to the secretary;
 - if delivered by hand, on delivery to the person's address last notified by that person to the secretary;
- G15.13 "officer" shall include the chairman 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;
- G15.14 "ordinary board member" shall mean any board member who is not:
- a tenant board member;
 - a local authority board member;
 - the chief executive of the association; or
 - an employee of the association (other than the chief executive);
- G15.15 "persons claiming through a shareholder" shall include their personal representatives and also their nominees where a nomination has been made;
- G15.16 "property" shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.17 "register of shareholders" means the register kept in accordance with rule G6.1;
- G15.18 "Registrar" means the Financial Services Authority or such body as shall succeed to its functions as the registrar of industrial and provident societies;
- G15.19 "Regulator" means the Office for Tenants and Social Landlords (also known as the Tenant Services Authority) or such body as shall carry on substantially the same regulatory or supervisory functions;
- G15.20 "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;
- G15.21 "shareholder" shall mean one of the persons referred to in rule C5 and means "member" as defined by the Act;
- G15.22 "social housing" shall bear the meaning given to it in sections 68 to 70 of the Housing and Regeneration Act 2008;

- G15.23 "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, subject always to the provisions of rule C2;
- G15.24 "subsidiary" and "associate" shall bear the meanings given by section 271 of the Housing and Regeneration Act 2008
- G15.25 "tenant" means a person who alone or jointly with others hold a tenancy, lease or licence to occupy the association's premises for residential use or the premises of any body whose accounts must be consolidated with the association;
- G15.26 "tenant board member" shall mean a tenant elected to the board in accordance with rule D13.2;
- G15.27 "the Act" shall mean the Industrial and Provident Societies Acts 1965 to 1975;
- G15.28 "these rules" shall mean the registered rules of the association for the time being;
- G15.29 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;

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgement of Registration of Society

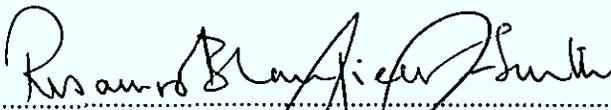
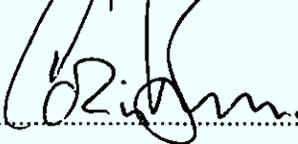
Register No 17434R

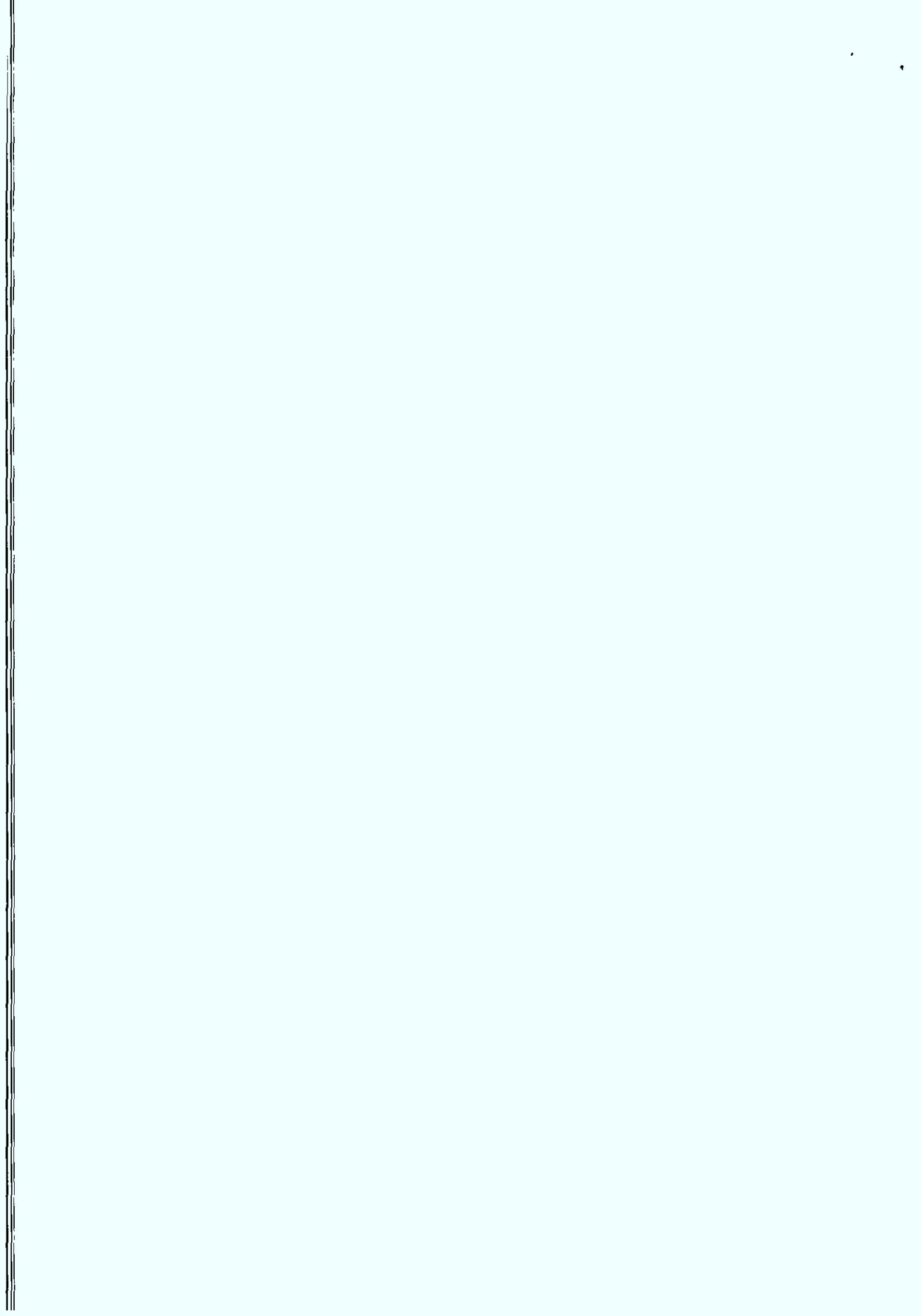
Moat Homes Limited

is this day registered under the Industrial and Provident Societies Act 1965.

Dated (Seal of Central Office)

Copy kept
..... Financial Services Authority

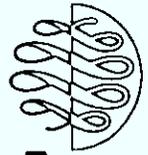
-
1.  Shareholder
 2.  Shareholder
 3.  Shareholder
 - Secretary
-



Financial Services Authority

R/IP/RA7

Form H



FSA®

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Register No. **17434 R**

The amendment of the rules of **Moat Homes Limited** to which this acknowledgement is attached, is this day registered under the Industrial and Provident Societies Act 1965.

Date: **11 November 2011**

C. H, M

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

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