



Policy on Shareholding Membership

Approved by: Board

Approved on: March 30 2022

Next review Date: December 2022

Applies to: RHP (Association)

Statement of intent

RHP is committed to developing and maintaining an active membership, as a means of enhancing the association's accountability to its residents and to the wider community.

The Rules state that the Board shall set, review and publish its policies and objectives on admitting shareholders.

Relevance

This policy is relevant to all RHP shareholding members.

RHP's shareholding membership plays a key role in the governance of RHP through electing the RHP board and having the right to make decisions on key issues such as rule changes.

Shareholders attend the Annual General Meeting (AGM) at which they elect members of the Board of Management, receive the accounts, ask questions on the annual report and approve the appointment of auditors and deal with any other business contained in the notice for the meeting which might, for example include recommendations to change the Rules. The Rules also provide for shareholders to call a Special General Meeting to consider such matters as are notified in the requisition.

Guiding Principles

Shareholding is a mechanism for resident and community scrutiny and empowerment and allows people to become involved in the work of RHP. It is however only one of the ways that RHP offers for tenants and homeowners (leaseholders) to be involved.

By admitting shareholders RHP seeks:

- ▶ to ensure an informed body of shareholders exists that can play a proper role at general meetings,
- ▶ to establish an effective balance of inputs by the two classes of shareholder,
- ▶ to contribute positively to RHP's aim of providing a wide range of formal and informal ways that residents can be involved in RHP,
- ▶ to provide an opportunity and encouragement for individuals and organisations that can make a positive contribution to the affairs of RHP,
- ▶ to contribute to RHP's aim to conduct its business in an open and transparent manner and provide one of the ways that RHP accounts for its activities and performance,
- ▶ to maintain a link with the areas and communities that RHP serves.

Connected Documents

This policy should be read in conjunction with:

- ▶ The Code of Conduct
- ▶ The Rules of Richmond Housing Partnership Limited
- ▶ The Standing Orders and Delegated Authority

Explicit exclusions

The following are not eligible for shareholding membership:

- ▶ Applications that do not fall within the shareholding membership policy as detailed below.

Definitions

“Shareholding Membership” in this policy refers to the Shareholders of Richmond Housing Partnership. A shareholder of the association is a person or body whose name and address is entered in the register of shareholders.

“Homeowner” in this policy means a leaseholder of a flat or house i.e. a holder of a long lease where RHP is the freeholder or head leaseholder.

Responsibilities

The Board of Management is responsible for implementing this policy.

Procedures for implementation

1. Rights and obligations of shareholding membership

- 1.1 All shareholding members of the association have the right to attend and vote at the Annual General Meeting and other general meetings. They can also call general meetings in accordance with the Rules.
- 1.2 All shareholding members of the association:
 - a. Receive the association's annual report and audited accounts;
 - b. Have the right to vote on the election of Board members where such election is required to be held under the Rules;
 - c. Approve the appointment of the auditors and any proposed changes to the association's Rules.
- 1.3 All shareholding members receive communications from the RHP Board during the year to keep them informed of the organisation's progress and activities. They may also be invited to RHP events.
- 1.4 Tenant and leaseholder shareholders also form a group of involved customers who can be consulted on service priorities or initiatives.
- 1.5 All shareholding members agree to be bound by the obligations on them as set out in the Rules of the association. When acting as shareholding members 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.
- 1.6 Shareholders have no financial liability other than their £1 share.
- 1.7 Shareholders do not have rights to any dividend from RHP and may not receive any gifts or bonuses from RHP.
- 1.8 Shareholders cannot hold more than one share.
- 1.9 Shares cannot be held jointly or be transferred.

1.10 Each share carries one vote (proportional in that each shareholding class holds ½ of the voting).

1.11 Under the Rules of the association, management of the association is the responsibility of the Board, not the shareholding members. Shareholding members will be given opportunities to question the Board of Management and to raise issues with them.

2. Eligibility for Shareholding Membership

2.1 RHP will admit to the appropriate class of shareholding all persons appointed and/or elected to the Board other than those Board members not required to be or excluded from being shareholders under the Rules.

2.2 RHP encourages tenants and homeowners, who wish to make a positive contribution to the association, to apply for vacancies within that class of shareholding membership.

2.3 The Board of Management will also invite or receive applications for vacancies in the independent shareholding class of membership from other people or organisations with a legitimate interest in the association and its affairs.

2.4 The following are excluded from shareholding membership (Rule C6):

- a. A person under 18 years of age (a minor);
- b. A person who has been expelled as a Shareholder, unless authorized by special resolution at a general meeting;
- c. An employee of the association or an employee of any other RHP Group member;
- d. a person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to the association stating that the person has become physically or mentally incapable of exercising their rights as a Shareholder and may remain so for more than three months;
- e. Persons or organisations that do not support the aims and objectives of the association.

3. Admission of Shareholders

3.1 There are two classes of shareholder:

- a. Tenants and leaseholders of RHP (50% voting shares apportioned equally amongst them)
- b. Independent shareholders (50% voting shares apportioned equally amongst them).

3.2 RHP wishes its shareholding to be meaningful and to be kept to a size where shareholder meetings can be called and held without undue cost and with the possibility of real discussion. Accordingly the policy is to have no more than [20] tenant and leaseholder shareholders and [20] independent shareholders.

3.3 RHP wishes its tenant and leaseholder shareholding membership to broadly reflect the balance between its tenants and leaseholders and in any event will implement the recruitment of shareholders such that tenants represent at least 50% of that class.

3.4 Applications for tenant and leaseholder shareholding and independent shareholding will be considered in accordance with the Rules by the Board, (or a committee if the

Board decides to delegate this), which has absolute discretion to accept or reject the application.

3.5 Applications must be accompanied by a written statement setting out the applicant's reasons for applying and why they consider they qualify within the terms of this policy.

3.6 All applicants will be informed of the outcome of their application within 10 working days of its consideration. If the application is successful and they pay £1 then one share in the association will be issued to the applicant.

3.7 The Board will consider applications from tenants and leaseholders and independent applicants on the following basis:

- a. There being an appropriate vacancy.
- b. The applicant being eligible to be a shareholder under the Rules.
- c. Preference will be given to tenants and leaseholders who can demonstrate that they have been an involved resident through RHP's resident involvement structures.
- d. Tenants and leaseholders will not be admitted to shareholding if they are (or have been within the preceding 12 months) in material breach of their lease/tenancy.
- e. Independent applicants will be admitted if they can evidence an interest in and understanding of RHP's social housing and charitable activities and the areas in which RHP operates.
- f. All applicants will be expected to express their support for and commitment to RHP's aims and objectives.

3.8 Consideration of applications will take account of RHP policies on inclusion.

4. Ending shareholding membership

4.1 A shareholding member shall cease to be a member if:

- a. they die;
- b. they are expelled under the Rules of the association;
- c. they withdraw from the association by giving one month's notice to the secretary;
- d. they do not participate in, nor deliver written apologies in advance to, a general meeting of the association in the period starting with one annual general meeting up to and including the next annual general meeting;
- e. in the case of a corporate body it ceases to be a corporate body;
- f. in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body;
- g. in the case of a tenant or leaseholder shareholding member they cease to be either a tenant or a leaseholder.

4.2 A shareholding member may only be expelled by a special resolution at a special general meeting called by the Board.

- a. The Board must give the shareholding member at least one month's notice in writing of the general meeting. The notice to the shareholding member must set out the particulars of the complaint of conduct detrimental to the association, and must request that the shareholding member attends the meeting to answer the complaint

- b. At the general meeting called for this purpose the shareholding members shall consider the evidence presented by the Board and by the shareholding member (if any provided). The meeting may take place even if the shareholding member does not attend
- c. If the resolution to expel the shareholding member is passed in accordance with this rule, the shareholding member shall immediately cease to be a shareholding member.
- d. When a shareholding member ceases to be a shareholding member or is expelled from the association, his or her share shall be cancelled. The amount paid up shall become the property of the association