



## **Shareholder role and shareholder admission policy**

This policy sets out the role that shareholders play in the governance of the Association. It also details how someone can apply to become a shareholder.

### **Background**

Harrogate Housing Association is a Cooperative and Community Benefit Society. Its governing document (also called its rules) makes provision for individuals, corporate bodies and unincorporated bodies to be shareholders. All shares cost £1 which is non refundable. They do not entitle the holder to any financial benefits from the Association.

The Association has adopted the NHF Code of Governance 2020 which requires the role of shareholders in the governance of the Association to be documented and understood and the criteria for admission of shareholders to be published, the purpose of this policy.

### **Shareholder role**

Each year the Association, like a limited company, holds an annual general meeting to which all shareholders are invited. At this meeting the shareholders play an important role as they elect the Board of Management of the Association (its directors), appoint the external auditors and receive the annual report of the Board of Management and financial accounts.

Additional general meetings can be called as required to obtain approval from shareholders for specific matters which were not raised at the annual general meeting. All shareholders will be invited to such meetings to vote on the matter to hand.

Approval of shareholders is required for changes to the rules of the Association and any other matter which, under corporate law, requires a special or general resolution. Such resolutions include those required to merge the Association with another body or to approve it becoming a subsidiary.

Shareholders are able to ask questions of the Board and the Associations employee's in relation to any of the above matters before or at the meetings.

Each shareholder can only hold one share and only has one vote at meetings.

Shareholders agree to be bound by the obligations on them as set out in the Rules of the Association and to act at all times in the best interests of the Association and for the benefit of the community, as guardians of the objects of the Association.

## Shareholder admission policy

All applications to be a shareholder are considered by the Board, which has absolute discretion in determining whether to accept or reject any application. There is no right of appeal.

All applications must be in writing to The Secretary, Harrogate Housing Association, 10 High Street, Harrogate, HG2 7HY or by some other method agreed with the Company Secretary if this is not possible in line with the Associations equality, diversity and inclusion obligations.

Applicants will be able to demonstrate at least one or more of the following criteria:

- The applicant will have a long-term interest in and support for the Association or the communities in which it operates
- The applicant will have the appropriate skills and experience to make a significant contribution to the Association by becoming a member of the Board either at the time of application or in the future
- The applicant will have the appropriate skills and experience to make a positive contribution to the Association by becoming a member of the Resident Liaison Committee or in some other way
- The applicant will help improve the representation of local communities within the Association's shareholding
- The applicant will contribute to achieving a balanced mix of skills and experience within the Association's shareholding and/or Board membership

All Board members are shareholders. They must relinquish their shareholding when they cease to be a Board member unless they continue to fulfil one of the above criteria.

The following will not be admitted as a shareholder:

- a minor – as determined by the Board from time to time (currently anyone under the age of 18);
- a person who has been expelled as a shareholder, unless authorised by a resolution at a general meeting;
- an employee of the Association;
- a person who has been removed by the board in accordance with rule D9;
- 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 resident in respect of whom a possession order has been obtained or whose tenancy, license or lease with the Association has been terminated for any reason.
- 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

Part C of the rules of the Association contains additional information about shareholders and general meetings. A copy of the rules can found on the Associations website or can be obtained from the Secretary.