



**RULES OF
Bron Afon Community Housing
Limited
(30235R)**

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**RULES OF BRON AFON COMMUNITY HOUSING
LIMITED**

Name

- 1** The name of the society is Bron Afon Community Housing Limited (Bron

Afon).

Objects

- 2** The objects of Bron Afon are to benefit people in need by reason of poverty, age, disability or illness in the community, directly or through local groups by:
 - 2.1 carrying on the business of
 - 2.1.1 providing and managing housing and accommodation;
 - 2.1.2 providing and managing facilities and amenities;
 - 2.1.3 assisting people with their housing needs;
 - 2.1.4 promoting community involvement in Bron Afon;
 - 2.1.5 community development through training and the provision of information;
 - 2.1.6 enabling and empowering members of the community to participate in the affairs of Bron Afon and local groups;
 - 2.1.7 delivering strategies in partnership with the Local Authority for the well-being of the community;
 - 2.1.8 developing and respecting the rights of members of the community, employees of Bron Afon and people dealing with Bron Afon as set out in the Charter of Fundamental Rights of the European Union having regard in particular to the need to provide information to member's and conduct the affairs of Bron Afon in accessible and appropriate ways;
 - 2.1.9 Any other charitable object that can be carried out by a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (the Act) registered as a social landlord with the Welsh Government (the Regulator); in order to achieve Bron Afon's purpose.

Powers

- 3** Bron Afon 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. Without limiting its general powers, in order to achieve its objects Bron Afon shall have power:
- 3.1 to take or grant any interest in land, or to carry out works to buildings;
 - 3.2 to help any charity or community benefit organisation or non-profit distributing body where this is consistent with its purpose or objects;
 - 3.3 subject to Rules 106 to 108 to borrow money or issue loan stock for the purposes of Bron Afon on such terms and on such security as Bron Afon thinks fit;
 - 3.4 subject to Rule 116 to invest the funds of Bron Afon
 - 3.5 to transfer (and accept back) and delegate (and accept back) any of the following to or from a local group in accordance with the provisions set out in the Rules
 - 3.5.1 assets
 - 3.5.2 powers
 - 3.5.3 responsibilities
 - 3.5.4 day to day management associated with any such transfer.
 - 3.6 to establish a Community Fund for investment in community businesses, projects or activities in order to achieve Bron Afon's purpose.
- 4** Bron Afon shall not have power to receive money on deposit.

Application of profits

- 5** The affairs of Bron Afon are to be conducted for the benefit of the community, and not for the profit of its members.
- 6** The profits of Bron Afon are not to be distributed to its members, but shall be applied:
- 6.1 to maintain prudent reserves;
 - 6.2 on expenditure to achieve Bron Afon's purpose and objects.

Organisation

- 7** The affairs of Bron Afon are to be conducted by the Board, the Executive and the member's in order to fulfil Bron Afon's purpose. The functions of the Board, Executive and member's, which shall be at all times exercised and performed in accordance with these Rules, are as follows:

Board

- 8** The Board's function is to ensure that the affairs of Bron Afon are conducted in accordance with its purpose, and to supervise the Executive. The Board's duties and powers, subject to these Rules, are as follows:
- 8.1** It may exercise all of Bron Afon's powers which are not required by these Rules or by statute to be exercised by Bron Afon's member's in a member's meeting. In particular:
- 8.1.1** it shall develop and approve the policies, strategies and objectives to be pursued by Bron Afon, and monitor the Executive in delivering them;
 - 8.1.2** it shall appoint and dismiss the Chief Executive, other members of the Executive and Secretary and decide and fix the terms and conditions of their employment;
 - 8.1.3** it may call upon the Chief Executive and/or Secretary to report or procure a report in writing upon any aspect of the affairs of Bron Afon;
 - 8.1.4** it shall determine from time to time the categories of transaction which require the approval of the Board; and
 - 8.1.5** it shall approve the use of Bron Afon's seal.
- 8.2** Save for the matters referred to above, it may delegate any of its powers to committees consisting of such of its own number as it thinks fit who shall, in the function entrusted to them, conform in all respects to the instruction given to them by the Board. The following provisions apply to any such delegation:
- 8.2.1** the Board may retain or give up the right to deal itself with the issues delegated;
 - 8.2.2** any delegation may be revoked and its terms may be varied;
 - 8.2.3** the proceedings of any such committee shall be governed by the Rules regulating the proceedings of the Board so far as they are capable of applying.
 - 8.2.4** other persons may be co-opted on to any such committee provided that full Board members form the majority of the committee and that a meeting of the committee is quorate only if a majority of those

present are full Board members.

- 9** Bron Afon shall have a Secretary who may be an employee, but may not be the Chief Executive. The Secretary's functions shall include:
- 9.1 acting as Secretary to the Board and any committee;
 - 9.2 summoning and attending all meetings of Bron Afon, and of the Board, and keeping the minutes of those meetings;
 - 9.3 keeping the register of member's and other registers and books required by these Rules to be kept;
 - 9.4 having charge of Bron Afon's seal;
 - 9.5 monitoring the conduct of Bron Afon's affairs and ensuring that it is in accordance with these Rules;
 - 9.6 publishing to members in an appropriate form information about Bron Afon's affairs to enable its purpose to be achieved;
 - 9.7 preparing and sending to the Financial Conduct Authority and any other statutory body all returns which are required to be made.

Executive

- 10** The function of the Executive is to conduct the day-to-day affairs of Bron Afon. The duties and powers of the Executive are, subject to the duties and powers of the Board as set out in these Rules, to carry out the day-to-day management of Bron Afon's business in accordance with these Rules. The Executive shall have power to act in the name of Bron Afon. Any third party dealing with Bron Afon in good faith and without prior notice of any irregularity is not to be concerned to see or enquire whether the powers of the Executive have been properly exercised.

Members

- 11** The function of member's meetings is to monitor the progress of Bron Afon in the pursuit of its purpose in the way set out in Rules 28 to 31 below and in such additional ways as the Board may propose to the member's meetings from time to time.
- 12** Individual members may take part in the activities of Bron Afon and in the delivery of its purpose in accordance with these Rules by:
 - 12.1 attending member's meetings;
 - 12.2 taking part in opinion testing;
 - 12.3 taking part in the democratic process of Bron Afon.
 - 12.4 any other manner approved by the Board that is consistent with these Rules.

Devolution and community empowerment

- 13** In accordance with Bron Afon's purpose, Bron Afon will at all times have in place and operate the following:
 - 13.1 a strategy and programme to secure the widest possible community involvement in Bron Afon;
 - 13.2 a strategy and programme for community development, training and communication, and the identification of communities for the purpose of the following Rules;
 - 13.3 a procedure for communities to communicate their wishes and aspirations.
- 14** Where there is a body of opinion in a community in favour of varying the current provision or management of its housing, the Board must:
 - 14.1 formulate a proposal in consultation with the community;
 - 14.2 communicate that proposal to all member's of the community;
 - 14.3 take such steps as are appropriate to establish the opinion of the majority of those tenants living in the community on the proposal.
- 15** If it is established that the opinion of the majority of those tenants living in a community is in favour of varying the current provision or management of its housing, the Board shall do one of the following:
 - 15.1 facilitate the establishment of a local group with similar objects to represent and carry forward the interests of the communities which may take any of the following forms:
 - 15.2 facilitate the establishment of a committee, working group or association within Bron Afon a majority of which shall comprise tenant members of Bron Afon;
 - 15.3 facilitate the establishment of a registered society in a form approved by the

Regulator;

- 15.4 delegate to the local group any of its supervisory powers and responsibilities relating to that community;
- 15.5 transfer assets, and delegate any of its powers or responsibilities and associated day-to-day management to the local group;
- 15.6 accept back any assets, powers or responsibilities.
- 16** No transfer of assets or delegation of powers and responsibilities for the provision or management of housing to a local group shall take place except:
 - 16.1 in accordance with Rule 15; and
 - 16.2 with the approval (where required) of the Regulator and the Financial Conduct Authority; and
 - 16.3 in compliance with the legal obligations of Bron Afon to third parties.

Membership

- 17** The members of Bron Afon are the people whose names are entered in the register of members.
- 18** The first members are the people who sign these Rules in applying for registration. Unless they qualify for membership under Rules 19, 20 or 0, the first member's shall cease to be members when the names of three other members have been entered in the register of member's under these Rules.
- 19** Membership must be offered to every person who is 16 years of age or more, agrees to be bound by these Rules and is registered as a sole or joint tenant or licensee of Bron Afon. These member's are known as "tenant members".
- 20** Provided that the majority of the membership consists of persons who qualify for membership under Rule 19 as tenants or licensees of Bron Afon, then membership must be offered to every person who is 11 years of age or more, agrees to be bound by these Rules and is either registered as a leaseholder of Bron Afon or has his only or principal home in the County Borough of Torfaen.
- 21** Every member holds one share.
- 22** Applications for membership and payment for shares shall be in such form as the Board may prescribe. No membership application shall be processed and accepted between the date of issue of the notice of Annual Member's meeting and the day after the Annual Member's meeting but Membership applicants may be invited to the meeting as observers and may speak but not vote.

Shares

- 23** The shares of Bron Afon have the nominal value of 10 pence each and may not be transferred or withdrawn. The nominal 10 pence value is not payable upon application for membership, but shall be payable at a later date if the Board requests it.
- 24** If a person ceases to be a member, the share registered in their name is to be cancelled and the amount subscribed for the share is to become the property of Bron Afon.
- 25** Shares do not carry any right to interest, dividend or bonus.

Removal of Members

- 26** A member shall cease to be a member if they:
- 26.1 cease to qualify for membership under any of Rules 19, 20 or 27; or
 - 26.2 are expelled under these Rules; or
 - 26.3 withdraw from membership by giving at least one month's written notice to the Secretary.
- 27** A member may be expelled by a resolution carried by the votes of not less than two-thirds of the members present in person or by proxy and voting on a poll at an annual or special member's meeting of which notice has been duly given. The following procedure is to be adopted:
- 27.1 Any member may complain to the Board that another member has acted in a way detrimental to the interests of Bron Afon.
 - 27.2 If a complaint is made, the Board may itself consider the complaint having taken such steps as it considers appropriate to ensure that each member's point of view is heard and may either:
 - 27.2.1 dismiss the complaint and take no further action; or
 - 27.2.2 call a meeting of members to consider a resolution to expel the member complained of; or
 - 27.2.3 arrange for a resolution to expel the member complained of to be considered at the next general meeting of Bron Afon held for other purposes.
 - 27.3 If a resolution to expel a member is to be considered at a general meeting, details of the complaint must be sent to the member complained of not less than one calendar month before the meeting with an invitation to answer the complaint and attend the meeting;
 - 27.4 At the meeting the members will consider evidence in support of the complaint and such evidence as the member complained of may wish to place before

them;

- 27.5 If the member complained of fails to attend the meeting without due cause the meeting may proceed in their absence;
- 27.6 A person expelled from membership will cease to be a member upon the declaration by the Chair of the meeting that the resolution to expel them is carried;
- 27.7 No person who has been expelled from membership is to be re-admitted except by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at an annual or special member's meeting of which notice has been properly given.

Annual member's meeting

- 28** Bron Afon shall hold a member's meeting called the annual member's meeting within six calendar months after the close of each of its financial years.
- 29** The functions of the annual member's meeting shall be:
 - 29.1 to receive the Board's annual report which shall contain:
 - 29.2 to receive a statement of the policies, strategies and objectives being pursued by Bron Afon;
 - 29.3 to receive the Board's report on the affairs of Bron Afon including reports on:
 - 29.3.1 the progress of the strategy and programme to secure the highest possible level of community involvement in Bron Afon;
 - 29.3.2 the progress of the strategy and programme for community development, training and communication, and the identification of communities;
 - 29.3.3 the current assessment of the wishes and aspirations of communities;
 - 29.3.4 the progress of the strategy and programme for the establishment of local groups and the delegation and transfer of powers, responsibilities and assets to or from local groups
 - 29.3.5 the revenue accounts and balance sheets for the last accounting period;
 - 29.3.6 the financial auditor's report on those accounts and balance sheets;
 - 29.3.7 the report of any other auditor of the affairs of Bron Afon;
 - 29.3.8 a statement of the obligations of Board member's to the Board and Bron Afon;
 - 29.3.9 a statement of the skills, qualities and experience required by the

Board amongst its members;

- 29.3.10 (where relevant) comparative information against objectives announced at any previous annual member's meeting;
- 29.3.11 to receive the Board's proposals for any matters to be referred to future member's meetings, or other opinion-testing including opinion poll, deliberative poll, citizens' forum, citizens' jury;
- 29.3.12 to receive and approve the Board's proposals for the Board Membership Policy or any amendments to it;
- 29.3.13 to appoint the financial auditor, and to authorise the appointment of the auditor of any other aspects of Bron Afon's performance; and
- 29.3.14 transact any other general business of Bron Afon included in the notice convening the meeting.

Special member's meetings

30 All member's meetings other than annual member's meetings shall be special member's meetings and shall be convened either:

- 30.1 by the Board; or
- 30.2 by a written requisition signed by one-tenth of the members or 20 members, whichever is the lesser stating the business for which the meeting is to be convened.

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.

31 A special member's meeting shall not transact any business that is not mentioned in the notice convening the meeting.

Notices for member's meetings

32 All member's meetings shall be convened by at least fourteen clear days written notice posted or delivered to every member at the address given in the register of member's. The notice shall state whether the meeting is an annual or special member's meeting, the time, date and place of the meeting, and the business for which it is convened, and shall include a proxy form. Notice of member's meetings shall be given to the financial and any other auditors of Bron Afon, and to the local press, and shall be posted on any website maintained by Bron Afon.

33 Any accidental failure to get any notice to any member or members, shall not invalidate the proceedings at that member's meeting. A notice or communication sent by prepaid first-class post to a member at their address shown in the register of members shall be deemed to have arrived two days

after being posted.

Quorum for member's meetings

- 34** Before any member's meeting can start its business there must be a quorum present. A quorum is one tenth of the membership or twenty members whichever is the lower number of whom at least 50% must be tenant members qualifying under Rule 20 who are present in person or by proxy.
- 35** A meeting held as a result of a member's requisition will be dissolved if too few members are present half an hour after the meeting should begin.
- 36** All other member's meetings with too few members will be adjourned to the same day, at the same time and place in the following week. If too few members are present within half an hour of the time the adjourned meeting should have started, those members present shall carry out the business of the meeting.

Adjournment

- 37** The chair of any member's meeting can adjourn the meeting if the majority of the members 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.

Chairing member's meetings

- 38** At all member's meetings of Bron Afon the chair of the Board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the vice chair (if any) shall chair the meeting, failing which any Board member present may chair the meeting. If no Board member is present, the members present shall elect one of their number to chair the meeting.

The conduct of member's meetings

- 39** The Board may decide where a general meeting is to be held and may also in the interests of democracy:
 - 39.1** arrange for the annual member's meeting to be held in different venues each year;
 - 39.2** make provision for a member's meeting to be held at different venues simultaneously or at different times. In making such provision the Board shall also fix an appropriate quorum for each venue, provided that the aggregate of the quorum requirements shall not be less than the quorum set out in Rule 34.

40 It is the responsibility of the Board, the chair of the meeting and the Secretary to ensure that at any member's meeting:

40.1 the issues to be decided are clearly explained;

40.2 sufficient information is provided to members to enable informed and rational discussion to take place;

40.3 where appropriate, members of the Executive, experts in relevant fields or representatives of special interest groups are invited to address the meeting.

41 If the chair of a member's meeting or the Secretary considers that steps should be taken to ensure:

41.1 the health and safety of people attending a member's meeting; or

41.2 the proper and orderly conduct of the meeting

they may take whatever steps are necessary to deal with the situation.

They may in particular, if they think it necessary, refuse to allow members into the meeting or have members removed from the meeting, where the behaviour of those members is or is likely to be violent or disruptive.

Proxies

42 A proxy can be appointed by delivering a written appointment in a form agreed by the Board to the registered office at least two days before the date of the meeting at which the proxy is authorised to vote. Where a proxy has been properly appointed, no member may attend the meeting unless the authority of the proxy is properly revoked. No person other than the chair may act as proxy for more than three members.

43 The proxy form must be signed by the member or a duly authorised advocate. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final. A proxy need not be a member of Bron Afon.

Voting at member's meetings

44 Subject to the provisions of these Rules or of any statute, a resolution put to the vote at a member's meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.

45 On a show of hands every member present in person and on a ballot every member present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

46 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair 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 Bron

Afon, shall be conclusive evidence of that fact.

- 47** Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- 48** A ballot on a resolution may be demanded by any three members at a meeting (in person or by proxy) or directed by the chair (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.
- 49** A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the Bron Afon member's meeting.

Board composition

- 50** The Board shall consist of up to twelve full members (excluding Board Co-optees appointed under Rule 54 and any reference in these Rules to "full Board member(s)" refers to any (or all as context permits) Board members excluding Board Co-optees).
- 51** Up to two Board members shall be appointed from amongst the tenants of Bron Afon (tenant Board members) in accordance with a Board Recruitment Policy.
- 52** Up to two Board members shall be nominated by Torfaen County Borough Council (the Local Authority) under Rule 60 and appointed under Rule 61 but subject to Rule 54 (local authority Board members).
- 53** The remaining Board members who shall not be Board Co-optees, Councillors or Officers of the Local Authority (local authority persons), but, for the avoidance of doubt, may be tenants of Bron Afon who have not been appointed as tenant Board members, shall be selected by the Board in accordance with a Board Recruitment Policy (independent Board members) and the following provisions shall then apply:
- 53.1** The proposal to appoint an independent Board member shall be notified to all members in writing together with a summary of the reasons for their appointment and the proposed term of office.
- 53.2** The Board may refer the proposal to appoint them to a member's meeting for their appointment to be confirmed.
- 53.3** If the Board do not refer the proposal to a member's meeting then Rules 53.4 to 53.8 apply.
- 53.4** Within a period of 14 days of written notification being sent to members of the proposal to appoint, members may request that their appointment is

considered at a member's meeting.

- 53.5 If more than 10 members request that a member's meeting be held to consider their appointment within the 14 day period, they shall not be appointed prior to the member's meeting being held.
- 53.6 If Rule 53.5 does not apply, then their appointment is confirmed for the term specified under Rule 53.1 at the expiry of the 14 day period referred to in Rule 53.4.
- 53.7 If a member's meeting is held, the Board may confirm the appointment unless a resolution is duly passed at the meeting that they should not be appointed.
- 53.8 If a member's meeting is held and a resolution is passed to change the term of office of the proposed independent Board member, the Board may, but is not obliged to, confirm the appointment for the term proposed by the member's resolution.
- 53.9 Any accidental failure to get any notice to any member or members shall not invalidate the appointment of an Independent Board member.
- 54** The Board may appoint up to 3 co-optees (Board Co-optees) to serve on the Board on such terms as the Board resolves and may remove such Board Co-optees. Save where otherwise stated in these Rules, a Board Co-optee may act in all respects as a Board member, but they cannot take part in the deliberations nor vote on the election of officers of Bron Afon nor any matter directly affecting members including any matters concerning the members' governance role in Bron Afon (in their capacity as members) as set out in these Rules or in the Act.
- 55** The Board shall ensure that there are sufficient tenant and independent board members on the Board so that the proportion of local authority Board members does not exceed 24% (excluding Board Co-optees). If at any time the number of local authority Board members exceeds 24% of all full Board members then:
- 55.1 the Local Authority may nominate, in writing to the Board, which local authority Board member or members they wish to withdraw as full Board member(s). On receipt by the Board of the Local Authority's notice, the local authority Board member (or members) nominated by the Local Authority shall immediately cease to be full Board member(s).
- 55.2 if the Local Authority does not give notice to the Board under Rule 54.1 within 21 days of the circumstances arising under Rule 54, then the most recently appointed local authority Board member, or local authority Board members, shall immediately cease to be full Board member(s) such that, following cessation, the number of remaining local authority Board member's does not exceed 24% of all Board members (excluding Board Co-optees).
- 56** The Board may propose any term of office they consider appropriate for the appointment of either or both tenant Board members and independent Board members not exceeding three years and subject to annual review.

- 57** Independent Board members may be reappointed for further terms of office provided that no independent Board member may serve for a period of more than three terms, each of a maximum of three years.
- 58** Any reappointment of an independent Board member where the second term does not continue immediately after completion of the first term shall be subject to the procedure set out in the previous Rule.
- 59** Where the term of office of an independent Board member is due to expire, the Board may begin a recruitment process (including where appropriate proposing to reappoint the same person for a further term) and initiate the procedure set out in Rule 53 above before that term of office expires.
- 60** Independent Board members shall be members of Bron Afon during their period of office and at the expiry of their term of office shall cease to be members unless they qualify for membership under Rule 19 or 20.
- 61** The Local Authority shall be entitled to nominate up to two full Board members subject to Rule 55.
- 62** Any nomination under Rule 61 shall:-
- 62.1 be given by notice in writing and addressed to Bron Afon;
- 62.2 specify the full name and address service for notices of each nominee; and
- 62.3 be countersigned by the relevant nominee to indicate his acceptance of such nomination.
- 63** The Board shall consider any nomination received under Rule 61 and shall, at its absolute discretion decide whether to approve a nominee as a full Board member.
- 64** If the Board do not approve a nominee under Rule 63 then the Local Authority can make further nominations until two nominees (in total) , subject to Rule 55, have been approved and appointed.
- 65** The Board may propose any term of office they consider appropriate for the appointment of the local authority Board members not exceeding three years. Local authority Board members may be reappointed for further terms of office provided that no local authority Board member may serve for a period of more than **three terms, each of a maximum of three years**.
- 66** No tenant Board member may be a full Board member for more than three terms of office, excluding any term served as a replacement for a tenant Board member who left office prior to his full term, and subject to the total period served not exceeding three terms each of a maximum of three years.9 years.
- 67** Any reappointment of a tenant Board member where the second term does not continue immediately after completion of the first term shall be subject to

the procedure set out in the previous Rule.

- 68** Where the term of office of a tenant Board member is due to expire, the Board may begin a recruitment process (including where appropriate proposing to reappoint the same person for a further term) and initiate the procedure referred to in Rule 51 above (and set out in the Board Recruitment Policy) before that term of office expires.

Disqualification from Board membership

- 69** No one (whether tenant Board member, Board Co-optee, independent Board member or local authority Board member) may become or remain a Board member (or Board Co-optee) if:
- 69.1 they are under 16 years of age;
 - 69.2 they are bankrupt or subject to an agreement with their creditors; or
 - 69.3 they have been convicted of an indictable offence within the last five years; or
 - 69.4 they have been convicted of any other offence at any time which in the opinion of the Board:
 - 69.4.1 brings Bron Afon into disrepute; or
 - 69.4.2 is incompatible with the role of a Board member; and in each case
 - 69.4.3 the Board resolves (by a two thirds majority) that they should be removed;
 - 69.5 they are not a member of Bron Afon, unless they are a Board Co-optee, local authority Board member or independent Board member; or
 - 69.6 they have failed to attend four consecutive meetings of the Board without special permission given by the Board; or
 - 69.7 they have not fulfilled the requirements of the training policy which shall be set by the Board to ensure that all Board members deliver the highest possible levels of skill and competence in carrying out their duties; or
 - 69.8 they have at any time failed to sign and deliver to the Board a statement in the form required by the Board confirming that they will meet their obligations to the Board and to Bron Afon and comply with the Board's code of conduct;
 - 69.9 other than Board Co-optees, they are former tenants of Bron Afon who owe money to Bron Afon;
 - 69.10 they are tenant Board members and cease to be tenants of Bron Afon;
 - 69.11 other than Board Co-optees, they are tenants of Bron Afon and owe more than the equivalent of 12 weeks arrears of rent or other charges to Bron Afon provided that this Rule shall not apply if the Board have previously considered and authorised them remaining as Board members as the arrears have

accrued because those arrears are beyond their control; or

69.12 in the case of tenant Board members and independent Board member's (only) if they are, or become, a Local Authority Person

Any Board member or Board Co-optee who at any time ceases to qualify under this Rule shall immediately cease to be a Board member (or Board Co-optee).

70 A Board member or Board Co-optee may be removed from the Board:

70.1 by a special resolution (a resolution passed by a two thirds majority of all members who vote in person or by proxy at a member's meeting); or

70.2 by a resolution passed by two-thirds of the full Board members, excluding the Board member subject of the proposed removal and excluding co-optees and employees, provided the following conditions are satisfied:

70.2.1 at least fourteen days' notice of the proposed resolution has been given to all Board members (excluding Board Co-optees); and

70.2.2 the notice sets out in writing the alleged breach(es) of the Board member or Board Co-optee's obligations to Bron Afon; and

70.2.3 the Board is satisfied that the allegation(s) is or are true;

70.2.4 in accordance with Rule 54; or

70.2.5 in accordance with Rule 55

Replacing Board members

71 Where a vacancy amongst the full Board members for any reason other than retirement, the vacancy shall be filled until the next annual member's meeting in the following way:

71.1 a vacancy amongst tenant Board members may be filled by a tenant appointed by the Board to fill the vacancy in accordance with Rule 51 and the Board Recruitment Policy;

71.2 a vacancy amongst the independent Board members shall be filled (in accordance with the Board Recruitment Policy) by the Board and the procedure set out above in Rule 53;

71.3 a vacancy amongst the local authority Board member's shall be filled by using the process in Rules 60 to 64.

72 A vacancy arising amongst the Board Co-optees may be filled by the Board in accordance with Rule 54, but the Board is not obliged to fill such vacancy.

73 Appointment of tenant Board members shall be held in accordance with arrangements to be determined by the Board and in accordance with the Board Recruitment Policy. These arrangements may be varied by the Board

from time to time and may include:

- 73.1 seeking to ensure that those appointed live in different geographical areas;
- 73.2 advertising vacancies, and the recruitment procedure; and
- 73.3 assessment of tenants by an approved training course prior to appointment.

Quorum for Board meetings

- 74** A quorum shall consist of at least half the Board members (counting any Board Co-optees) present in person or through telephone or video conferencing.

Board member's interests

- 75** No Board member or any Board Co-optee shall have any financial interest:

- 75.1 personally; or
- 75.2 as a member of a firm; or
- 75.3 as a director or other officer of a business trading for profit; or
- 75.4 in any other way whatsoever in any contract or other transaction with Bron Afon, unless it is expressly permitted by these Rules.

- 76** Bron Afon shall not pay or grant any benefit to anyone who is a Board member or Board Co-optee, unless it is expressly permitted by these Rules and by statute.

- 77** Any Board member or Board Co-optee, having an interest in any arrangement between Bron Afon and someone else shall disclose their interest before the matter is discussed by the Board. Unless it is expressly permitted by these Rules they shall not remain present unless requested to do so by the Board, and they shall not have any vote on the matter in question. Any decision of the Board shall not be invalid because of the subsequent discovery of an interest which should have been declared.

- 78** Every Board member and Board Co-optee shall ensure that the Secretary at all times has a list of:

- 78.1 all other bodies in which they have an interest as:
 - 78.1.1 a director or officer; or
 - 78.1.2 as a member of a firm; or
 - 78.1.3 as an official or elected member of any statutory body; or
 - 78.1.4 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

- 78.2 any property owned or managed by Bron Afon which they occupy; or
- 78.3 any other significant or material interest.
- 79** If requested by a majority of the Board at a meeting convened specially for the purpose, a Board member or Board Co-optee failing to disclose an interest as required by these Rules shall vacate their office either permanently or for a period of time.
- 80** Board membership and the role of Board Co-optee may be paid... Bron Afon may pay properly authorised expenses to Board members and Board Co-optees when actually incurred on Bron Afon's business and shall publish the annual expenses paid to each Board member and Board Co-optee
- 81** A Board member or Board Co-optee shall not have an interest for the purpose of Rules 73, 76 and 75 as a board member, co-optee (including a Board Co-Optee) director, or officer of any other body whose accounts are or ought to be consolidated with Bron Afon's accounts.
- 82** Board members and Board Co-optees who are tenants of Bron Afon do not have an interest for the purpose of Rules 73 and 76 in any decision affecting all or a substantial group of tenants.
- 83** Local authority Board members do not have an interest for the purposes of any contract between Bron Afon and the Local Authority.

Meetings of the Board

- 84** The Board shall meet at least four times every calendar year. Save in the case of emergencies or the need to conduct urgent business, at least seven days written notice of the date and place of every Board meeting shall be given by the Secretary to all Board members (and Board Co-optees) and published in a local newspaper or newspapers circulating in the area served by Bron Afon. Unless the Board decides otherwise in relation to all or part of a meeting for reasons of commercial confidentiality or on other proper grounds, all meetings of the Board shall be held in public.
- 85** Meetings of the Board may be called by the Secretary, or by the Chair, or by two Board members (and/or Board Co-optees) 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 Board Co-optees as soon as possible 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 Chair or two Board members, whichever is the case, shall call such a meeting.
- 86** The Board may delegate any of its powers under written terms of reference to committees (subject to Rule 8). Those powers shall be exercised in accordance with any written instructions given by the Board and the provisions above applying to Board members' interests shall apply in relation

to such committees.

87 The membership of any committee shall be determined by the Board. The Board will appoint the chair of any committee and shall specify the quorum.

88 All acts and proceedings of any committee shall be reported to the Board.

89 No committee can incur expenditure on behalf of Bron Afon unless the Board has previously approved a budget for the relevant expenditure.

Miscellaneous provisions concerning the Board

90 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.

91 A resolution in writing sent to all Board members and Board Co-optees and signed or confirmed by email by three quarters of the Board members and Board Co-optees or all the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the Board or committee.

92 Meetings of the Board can take place in any manner which permits those attending to hear and comment on the proceedings.

93 A Board member or Board Co-optee acting in good faith shall not be liable to Bron Afon for any loss.

Chair of the Board

94 The Board shall select a Chair either from amongst the existing members of the Board (but excluding Board Co-optees) or to fill a vacancy specifically for this purpose and shall determine the term of office of the Chair not exceeding three years. The Chair shall be eligible for reappointment provided the Chair shall not serve for a continuous period exceeding a maximum of three terms each of three years. The Chair shall be selected on merit and in accordance with a Board policy on the selection of the Chair. The first item of business for any Board meeting when there is no chair or vice chair shall be to elect the chair for that meeting. The Board may appoint a vice chair from amongst the members of the Board (but excluding Board Co-optees) and the provisions of these rules, including this rule 94 will apply in relation to any vice chair so far as possible.

95 The chair or vice chair of Bron Afon may be removed at a Board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the Board including any Board Co-optees at the meeting.

Miscellaneous

96 Every officer (including any Board Co-optees and/or other co-optees) or employee shall be indemnified by Bron Afon for any amount reasonably

incurred in the discharge of their duty.

- 97** Except for the consequences of their own dishonesty or gross negligence no officer (including any Board Co-optees and/or other co-optees) or employee shall be liable for any losses suffered by Bron Afon.

Financial auditor

- 98** Bron Afon shall appoint a financial auditor to act in each financial year. They must be qualified as provided by Section 91 of the Co-operative and Community Benefit Societies Act 2014 (the Act)..

- 99** The following cannot act as financial auditor:

99.1 an officer (including any Board Co-optees and/or co-optees) or employee of Bron Afon;

99.2 a person employed by or employer of, or the partner of, an officer (including any Board Co-optees and/or co-optees) or employee of Bron Afon.

- 100** A financial auditor must be appointed by resolution at a member's meeting.

- 101** Where a financial 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:

101.1 a member's meeting has appointed someone else to act or has resolved that the auditor cannot act; or

101.2 the auditor does not want to act and has told Bron Afon so in writing; or

101.3 the person is not qualified or falls within Rule 99 (above); or

101.4 the financial auditor has become incapable of acting; or

101.5 notice to appoint another financial auditor has been given.

- 102** Not less than twenty eight days notice shall be given of a meeting to consider a resolution to appoint another person as financial auditor, or to forbid a retiring financial auditor being re-appointed. Bron Afon shall send a copy of the proposed resolution to the retiring financial auditor and give notice to its members at the same time and in the same manner, if possible. If not, Bron Afon shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring financial auditor can make representations to Bron Afon which must be notified to its members under Section 95 of the Act.

Financial Auditor's duties

- 103** The findings of the financial auditor shall be reported to Bron Afon in accordance with Section 87 of the Act.

- 104** The Board shall produce the revenue account and balance sheet audited by the financial auditor, and the financial auditor's report at each annual

member's meeting. The Board shall also produce its report on the affairs of Bron Afon which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

105 Bron Afon shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 75 and 76 of the Act and in accordance with the regulatory requirements of the Welsh Government.

106 Bron Afon shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual return and balance sheets

107 Every year, within the time specified by legislation, the secretary shall send Bron Afon's annual return to the Financial Conduct Authority. The return shall be up- to-date to the time specified in the Act, or such other date allowed by the Financial Conduct Authority. The annual return shall be accompanied by the financial auditor's reports for the period of the return and the accounts and balance sheets to which it refers.

107.1

107.2 rate cap transaction is the floating rate payer.

108 Prior to exercising its power under Rule **Error! Reference source not found.** Bron Afon shall obtain and consider proper advice on the question of whether the rate cap transaction is satisfactory having regard to:

108.1 possible fluctuations in the rate of interest payable by Bron Afon under its variable rate borrowings during the term of the rate cap transaction(s);

108.2 Bron Afon's ability to meet its payment obligations under the variable rate borrowings during the term of the rate cap transaction(s) if that transaction was not entered into;

108.3 the payment obligations under the rate cap transaction(s); and

108.4 Bron Afon's actual and projected annual income and expenditure position.

109 Bron Afon shall have the power to enter into and perform a swap transaction, or series of swap transactions, where the Board (or a duly authorised committee established under these Rules) considers entry by Bron Afon into such transaction(s) to be in the best interests of Bron Afon provided that at the time of entry into any such transaction(s) the sum of the calculation amount of any swap transaction previously entered into and remaining in effect and the calculation amount of the proposed swap transaction(s) shall not exceed the lower of:-

109.1 £500 million; or

109.2 the aggregate amount of Bron Afon's variable rate borrowings then drawn

down plus the amount of any existing contractually committed loan facilities not yet drawn down in respect of amounts which Bron Afon intends at the effective date when drawn will become variable rate borrowings having regard at the effective date to Bron Afon's obligations to repay variable rate borrowings and the amount of variable rate borrowings which will be outstanding at any time on or prior to the proposed termination date.

- 110** Prior to exercising its power under Rule 109 Bron Afon shall obtain and consider proper advice on the question of whether the swap transaction is satisfactory having regard to:
- 110.1 Bron Afon's anticipated payment obligations under its existing borrowings pursuant to Rule **Error! Reference source not found.**;
 - 110.2 the payment obligations under the proposed swap transaction;
 - 110.3 the terms and conditions of the swap transaction; and
 - 110.4 Bron Afon's actual and projected annual income and expenditure position.
- 111** For the purposes of Rules 108 and 110 proper advice is the advice of a person who is reasonably believed by the Board to be qualified by their ability in and practical experience of financial matters and rate cap transactions and the appropriate derivative transaction and is properly authorised to give such advice under the provisions of the Financial Services and Markets Act 2000 such advice may be given by a person notwithstanding that they give it in the course of their employment as an officer.
- 112** A person entering into a rate-cap transaction as floating rate payer with Bron Afon or a person entering into a swap transaction with Bron Afon who has received a written certificate signed by the Secretary confirming Bron Afon's compliance with Rules **Error! Reference source not found.** to 111 shall not be concerned to enquire further whether or not Bron Afon has complied with the provisions of Rules **Error! Reference source not found.** to 111 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 the provisions of Rules **Error! Reference source not found.** to 111 have been complied with.
- 113** For the purposes of Rules **Error! Reference source not found.** to 111:
- 113.1 "calculation amount" "effective date" "floating rate payer" "term" and "termination date" have the respective meanings given in the 2000 ISDA Definitions as amended from time to time;
 - 113.2 "variable rate borrowing" means any borrowing by Bron Afon pursuant to Rule **Error! Reference source not found.** in respect of which the rate of interest has not been fixed for a term in excess of twelve months and the term "fixed" shall exclude any borrowing where the rate of interest is indexed in accordance with a retail prices index or other published index;
 - 113.3 "rate cap transaction" means a cap transaction within the meaning of "swap

transaction" as defined in the 2000 ISDA Definitions as amended from time to time;

113.4 "swap transaction" means any transaction which is a rate swap transaction, a forward rate transaction, interest rate option purchased or collar transaction as referred to in the definition of "swap transaction" appearing in the 2000 ISDA Definitions as amended from time to time save that:

113.5 it shall exclude:-

113.5.1 any transaction where any calculation amount is expressed in a currency other than pounds sterling; and

113.5.2 any transaction dealing in commodities; and,

113.5.3 rate swap transaction shall be deemed to include a retail prices (or other published index) interest rate transaction; and

113.5.4 forward rate transactions shall include an option to buy a forward rate transaction (but not sell).

Investment

114 The funds of Bron Afon may be invested by the Board as it determines and as permitted by law.

Administrative provisions

115 Bron Afon's registered office is:

Bron Afon Community Housing Limited
Tŷ Bron Afon
William Brown Close
Llantarnam Industrial Park
Cwmbran
NP44 3AB

116 Bron Afon's registered name must:

116.1 be placed prominently outside every office or place of business; and

116.2 be engraved on its seal; and

116.3 be stated on its business letters, notices, adverts, official publications, cheques and invoices.

Disputes

117 Every unresolved dispute which arises out of these Rules between Bron Afon

and:

117.1 an officer; or

117.2 a member; or

117.3 a person claiming to be a member; or

117.4 a person who was a member in the last six months is to be submitted to an arbitrator agreed by the parties and in default of agreement nominated by Community Housing Cymru.

118 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.

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

Minutes, seal, registers and books

120 The minutes of all member's 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.

121 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 (excluding any Board Co-optee) signing and the Secretary countersigning or in such other way as the Board resolves.

122 Bron Afon must keep at its registered office:

122.1 The register of members showing:

122.1.1 the names and addresses of all the members and their categories of membership (subject to any statutory protection that may exist to protect the identify of individual members); and

122.1.2 a statement of all the shares held by each Board member and the amount paid for them; and

122.1.3 a statement of other property in Bron Afon held by the member; and

122.1.4 the date that each member was entered in the register of members.

122.2 a duplicate register of members showing the names and addresses of members and the date they became members.

122.3 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;

122.4 a register of holders of any loan;

122.5 a register of mortgages and charges on land;

122.6 a copy of the Rules of Bron Afon.

123 Bron Afon must display a copy of its latest balance sheet and auditors report at its registered office.

124 Bron Afon shall give to all members on request copies of its last annual return with the financial auditor's report on the accounts contained in the return, free of charge.

125 The Secretary shall give a copy of the Rules of Bron Afon to any person on demand who pays such sum as Bron Afon considers appropriate, not

exceeding 10 pence.

Statutory applications to the Financial Conduct Authority

- 126** Ten members can apply to the Financial Conduct Authority to appoint an accountant to inspect the books of Bron Afon, provided all ten have been members of Bron Afon for a twelve month period immediately before their application.
- 127** The members may apply to the Financial Conduct Authority in order to get the affairs of Bron Afon inspected or to call a special member's meeting. One hundred members, or one-tenth of the members, whichever is the lesser, must make the application.

Amendment of Rules

- 128** Rules of Bron Afon can be changed or rescinded but not so as to stop Bron Afon being a charity as follows:-
- 128.1 Rules 7-16 and 29 can only be changed or rescinded by three fourths of the votes cast at a member's meeting;
- 128.2 Rules 2, 5, 6, 50-53, 62-68, 71-74, 74, 83, 121-126, 131-136 and this Rule can only be changed or rescinded:
- 128.2.1 by three fourths of the votes cast at a member's meeting; and
- 128.2.2 on which not less than 10% of member's have cast a vote, unless the meeting at which such resolution is to be considered has been called and the resolution is recommended by the Board; and
- 128.3 other Rule can be changed or rescinded by two thirds of the votes cast at a member's meeting.
- 129** Amended Rules shall be registered with the Financial Conduct Authority as soon as possible after the amendment has been made. An amended Rule is not valid until it is registered.

Amalgamation and transfer of engagements

- 130** The Act provides that Bron Afon may by special resolution:
- 130.1 amalgamate with another society or a company registered under the Companies Acts;
- 130.2 transfer its engagements to another society or a company registered under the Companies Acts; or
- 130.3 convert itself into a company registered under the Companies Acts.

Dissolution

- 131** Bron Afon may be dissolved by a three fourths majority of members who sign

an instrument of dissolution in the prescribed form, or by winding-up under the Act.

132 Any property that remains, after Bron Afon is wound-up or dissolved and all debts and liabilities dealt with, the members may resolve to give or transfer to:

132.1 another charitable body incorporated to carry on business for the benefit of the community in the area served by Bron Afon; or failing that

132.2 a charity operating within the area served by Bron Afon; or failing that

132.3 a charitable body with objects similar to that of Bron Afon.

Representatives and nominees

133 Under the provisions of these Rules no member is entitled to property of Bron Afon in that capacity, and in the event of death a person shall cease to be a member, their share shall be cancelled and the amount paid up on that share shall become the property of Bron Afon. The following make provisions for representatives and nominees taking into account the provisions of these Rules:

133.1 The Act provides that a member may nominate a person or persons to whom property in Bron Afon at the time of his/ her death shall be transferred. As any such share will have been cancelled, no person so nominated under the Act shall be entitled to any property of that member on their death.

133.2 No property shall be capable of transfer to any personal representative of a deceased member.

134 Upon a claim being made by a trustee in bankruptcy of a bankrupt member to the share held by that member, Bron Afon shall transfer such share to which the trustee in bankruptcy is entitled and as the trustee in bankruptcy may direct them.

The Members below attest that this document was approved at the Bron Afon Annual Member's Meeting duly convened and held on 17th September 2020.

Amlawrence Member *[Signature]* Member
[Signature] Member *Neil Edwards* Secretary