

Register No: 31116R

R U L E S

of

GREEN PASTURES CBS LIMITED

As amended 16 October 2019

Registered under the Industrial and Provident Societies Act 1965

1 **NAME**

The name of the society (hereinafter called 'the Society') is **Green Pastures CBS Limited**.

2 **REGISTERED OFFICE**

The registered office of the Society shall be at 9 Mornington Road, Southport, Merseyside, PR9 0TS, or such other address as the directors of the Society may from time to time decide.

3 **OBJECTS**

The objects of the Society shall be to carry on for the benefit of communities in England, Wales, Scotland, Northern Ireland and the Channel Islands:

- 3.1 all or any of the businesses of housing the homeless, (including without limitation developing and renovating all types of residential property and the acquiring, developing and converting properties to residential use) and carrying on the businesses of serviced and unserviced accommodation and other related amenities and services for the benefit of the homeless;
- 3.2 to promote and deliver, directly or indirectly, national, regional and local policies for community and social benefit improvement;
- 3.3 to support whether financially or otherwise other charitable organisations including Christian churches in their respective activities for community benefit;
- 3.4 the relief of poverty through the provision of housing and other amenities and services;
- 3.5 the advancement of education on issues relating to poverty, citizenship and community development and
- 3.6 the furtherance of the charitable work of the Society by the advancement of such other charitable purposes as the directors shall from time to time decide.

4 **POWERS**

The Society shall have full power to do all things necessary or expedient for the furtherance or attainment of all or any of its objects including without limitation:

- 4.1 to take over the businesses and assets of community projects relating to housing, accommodation, and the relief of poverty by the provision of housing and other amenities and services;
- 4.2 to purchase, take on lease, or in exchange, hire or otherwise acquire real or personal property and rights or privileges, and to construct, maintain and alter buildings or erections;
- 4.3 subject to any consents required by law, to sell, let or mortgage, dispose of or turn to account all or any of the property or assets of the Society;
- 4.4 to purchase or otherwise acquire plant and machinery including computer hardware and software, furniture, fixtures, fittings and all other effects of every description and to apply for registration of any patents, rights, copyrights, licences and the like;

- 4.5 to subscribe, underwrite, purchase or otherwise acquire and to hold, dispose of and deal with, any shares or other securities or investments of any nature whatsoever and any options or rights in respect thereof or interest therein;
- 4.6 to take and accept any gift of money, property or other assets whether subject to any special trust or not;
- 4.7 to take out all such insurances as the directors may from time to time consider appropriate;
- 4.8 to draw, make, accept, endorse, discount, execute and issue promissory notes, unsecured loan stock, bills, cheques and other instruments and to operate bank accounts. The Society shall not have the power to receive any money on deposit in any way which would require authorisation under the Financial and Markets Act 2000 or any other authority required by statute unless it has such authorisation;
- 4.9 to invest moneys of the Society not immediately required for its purposes in or upon such investments, loans, securities or property as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law;
- 4.10 to make any donations in cash or assets or establish or support or aid in the establishment or support of and to lend money (with or without security) to or for any charitable associations or institutions;
- 4.11 to engage and pay any person or persons (including all directors) whether on a full-time or part-time basis or whether as consultant or employee to supervise, organise, carry on the work of and advise the Society and to make any reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of directors, employees or former employees and their wives, husbands and other dependants;
- 4.12 to co-operate with any companies, institutions, societies or associations which shall have objects for the benefit of the community;
- 4.13 to pay out of funds of the Society the costs, charges and expenses of and incidental to the formation and registration of the Society;
- 4.14 to enter into any arrangement with the European Union or any supra national or international body or any Government authority, supreme, dependant, municipal, local or otherwise, and to obtain from the European Union or any such supra national or international body or any such Government authority any rights, concessions, privileges and permissions (including Planning Permissions) that may seem conducive to the Society's objects or any of them;
- 4.15 to carry on any other activity which may seem to the Society capable of being conveniently carried on in connection with any activity which the Society is authorised to carry on or may seem to the Society calculated directly or indirectly to benefit the Society or to enhance the value of or render profitable any of the Society's properties or rights;
- 4.16 to enter into partnership or into any arrangement for joint, shared or mutual promotion, investment or development, union of interests, reciprocal concession or co-operation with any

person, partnership or company carrying on, engaged in or about to carry on or engage in any business or transaction which the Society is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to further the objects of the Society or any of them and to take or otherwise acquire and hold shares or stock in any securities of and to make grants to or otherwise assist any person, partnership or company and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stocks or securities;

- 4.17 to provide indemnity insurance to cover the liability of the directors, officers and employees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Society or any subsidiary which they may have as a result of their involvement with such subsidiary;
- 4.18 to enter into guarantees, contracts of indemnity and suretyships of all kinds and without prejudice to the generality of the foregoing, with or without consideration to guarantee or give security for the payment of any monies payable to any society which holds shares in the Society or which is a subsidiary of the Society, and of any company which is a subsidiary of the Society;
- 4.19 to do all such other lawful things as shall further the attainment of the objects of the Society or any of them.

5 **COMMUNITY BENEFIT**

The business of the Society is for the benefit of the communities served by the Society.

6 **MEMBERSHIP**

- 6.1 The subscribers to these Rules and such other persons over 18 years of age and Corporations as are admitted to membership in accordance with these Rules shall be members of the Society. No person shall be admitted a member of the Society unless he is approved by the directors. Every person who wishes to become a member shall deliver to the Society an application for membership in such form as the directors require executed by him.
- 6.2 A member may at any time withdraw from the Society by giving at least 21 days written notice to the Society.
- 6.3 Membership shall not be transferable and shall cease :
 - 6.3.1 on death;
 - 6.3.2 on resignation;
 - 6.3.3 on bankruptcy; or
 - 6.3.4 in the case of a Corporation entering into receivership, administration or passing a resolution for winding up.
- 6.4 Every member shall hold at least one hundred Ordinary Shares in the Society.

- 6.5 No member shall be entitled to vote at any general meeting of the Society who is not the registered holder of a fully paid up Ordinary Share in the Society.
- 6.6 A member may be expelled by a resolution passed by not less than two thirds of the members present in person or by proxy and voting on a poll at an annual or special general meeting of the Society of which notice has been duly given, subject to:
- 6.6.1 the conduct complained of has been notified in writing to such member not less than 14 days before the meeting;
- 6.6.2 the said member being invited to answer the complaint and attend the meeting;
- 6.6.3 at such meeting the members shall consider evidence in support of the complaint and such evidence as the member may wish to place before the meeting;

Provided always if the member concerned fails to attend a meeting without due cause, the meeting may proceed in his or their absence.

- 6.7 A person expelled from membership shall cease to be a member at the time at which the resolution to expel him was carried under the preceding paragraphs of this Rule.
- 6.8 No person who has been expelled from membership shall be re-admitted.

7 SHARE CAPITAL

- 7.1 The share capital of the Society shall be Ordinary Shares of £1 each. The Ordinary shares shall not carry a right to interest, dividend, bonus or any distribution on a winding up.
- 7.2 Ordinary Shares are transferable but not withdrawable.
- 7.3 The directors may in their absolute discretion and without giving any reason refuse to accept any application for Ordinary Shares in the Society.
- 7.4 All issues of shares are subject to the limits and regulations imposed by law.

8 SHAREHOLDINGS

- 8.1 Every holder of Ordinary Shares shall hold (whether solely or jointly) shares to the value in the Society's books of not less than £100. No person, firm or company shall hold shares exceeding in value the maximum prescribed from time to time by statutory authority.
- 8.2 The Society in general meeting on the recommendation of the Board may from time to time alter the nominal value of shares specified in Rule 7.1.
- 8.3 A member who holds not less than the minimum value of shares required to be held by him at the time of his acceptance into membership but less than the minimum value currently required shall be taken to be in compliance with this Rule unless and until that member's shareholding is increased to the minimum value currently required by the issue or transfer to him of more shares.

9 **TRANSFER OF ORDINARY SHARES**

- 9.1 Subject to the restrictions imposed by this Rule, any member may transfer all or any of his Ordinary Shares by a written instrument in any form approved by the Board executed by or on behalf of the transferor and the transferee but the transfer shall not be effective until the transferee is entered in the register of members as the holder of the shares transferred.
- 9.2 The Board shall decline to register any transfer of shares if it would result in a contravention of Rule 8.
- 9.3 The Board in its absolute discretion may decline to register a transfer of Ordinary Shares to a person who is not already a member but if the Board registers the transfer then that person shall be entered in the register of members.

10 **REPAYMENT**

- 10.1 If the membership of a person ceases as specified in Rule 6.3 then the Society shall repay the sums paid up on all of the shares held by him immediately before the cessation of his membership.
- 10.5 Notwithstanding the foregoing provisions of this Rule no payment shall be made thereunder unless and until the Board is satisfied that there is a sufficient provision for the payment of all subsisting claims on the Society.
- 10.6 On repayment of shares under this Rule those shares shall be cancelled.

11 **ABSENT SHAREHOLDERS – CANCELLATION OF SHARES**

- 11.1 If all of the following apply, namely:
- 11.1.1 a shareholder holds Ordinary Shares in the Society;
- 11.1.2 for a period of not less than three years from the first return to the Society through the post of notice pursuant to these Rules sent to that member at his address shown in the register of members other than such notices have been returned and the Society has not received any communication from that member;
- 11.1.3 no alternative address of that member is known to the Society;
- 11.1.4 the Society sends by registered post to that address a notice of intention to cancel his shares and for a period of not less than six months thereafter no reply is received;

then the Board may cancel those shares whereupon the amount paid up thereon with any interest , dividend or bonus accrued due but unpaid shall be forfeited to the Society.

12 **LIEN AND FORFEITURE**

- 12.1 The Society shall have a first and paramount lien on every share held (whether solely or jointly) by a member for all moneys (whether presently payable or not) due from him or his estate to the Society.

- 12.2 If the Board at any time gives written notice to any member who is indebted to the Society that if the debt is not paid within a specified period being not less than fourteen days his shares will be liable to be forfeited or sold and the debt is not paid then the Board may:
- 12.2.1 declare those shares or some of them to be forfeited in which case the debt shall be reduced by the amount paid up on the shares forfeited; or
- 12.2.2 sell those shares or some of them to such person as it thinks fit and may authorise some person to give effect to the sale by executing a transfer to the purchaser in which case the proceeds of sale shall be applied to extinguishing or reducing the debt and any balance remaining shall be paid to that member.
- 12.3 On forfeiture of shares under this Rule those shares shall be cancelled.

13 JOINT SHAREHOLDINGS

A share may be held by two or more persons jointly. All acts done or notices given in respect of a share held jointly shall be taken to be valid if done or given by or to the person designated from time to time for this purpose by the joint holders by written notification to the Secretary or, in the absence of any such notification, the person whose name stands first in the register of members as a joint holder of that share.

14 DEATH, DISSOLUTION OR BANKRUPTCY OF MEMBER

- 14.1 Subject to Rule 14.2, upon receiving a claim from the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society of the deceased or bankrupt member the Board at its discretion either shall transfer the property to which the personal representative or trustee in bankruptcy has become entitled or shall pay an equivalent sum in either case to or to the order of the personal representative or trustee in bankruptcy.
- 14.2 In the event of the death of an individual or the dissolution of a body corporate who or which is a joint holder of a share the remaining joint holder shall give the Society written notification of that event whereupon the name of the deceased or dissolved joint holder shall be removed from the register of members and the remaining joint holder shall continue to have all of the rights and obligations of a member under these Rules.

15 NOMINATIONS

A member may nominate in accordance with the Act a person to whom any of his property in the Society shall be transferred on his death. On receiving satisfactory proof of the death of a member who has made a nomination which is valid under the Act the Board at its discretion either shall transfer the property comprised in the nomination to the extent that it is so valid or shall pay an equivalent sum to the person or persons entitled thereunder.

16 REGISTER OF MEMBERS

- 16.1 The Society shall keep at its registered office registers of members and shareholders containing the following particulars, namely:

- 16.1.1 the names and addresses of those persons admitted as members under Rule 6;
- 16.1.2 the names and addresses of and the number of shares and class held by each shareholder and the amount paid or agreed to be considered as paid on the shares of each shareholder;
- 16.1.3 the other property in the Society held by each member or shareholder;
- 16.1.4 the date at which each person was entered in the register as a member or shareholder and the date at which any person ceased to be a member or shareholder;

and the register shall be kept in any such way as permitted by the Act.

- 16.2 The Society shall keep at its registered office a register of
 - 16.2.1 the names and addresses of the officers of the Society with the offices held by them respectively and the dates on which they assumed office and ceased to hold office;
 - 16.2.2 debentures and loans.

17 **BORROWINGS**

- 17.1 The Society may borrow money on such terms as the Board shall from time to time determine, provided that such borrowings shall not exceed £500,000,000.
- 17.2 The Society shall have power to mortgage or charge any of its property, including the assets and undertakings of the Society present and future to issue debentures and other securities for money borrowed or for the performance of any contracts of the Society or bodies having dealings with the Society.
- 17.3 The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or on mortgage from a building society or local authority shall not exceed 9% per year or such other amount as the directors may from time to time determine.
- 17.4 The Society may receive from any persons, firms and companies donations. The Society shall not accept deposits. The Society shall issue loan stock only in accordance with the Financial Services and Markets Act 2000 (FSMA). The Society may receive loans only in accordance with law (including without limitation FSMA).
- 17.5 The directors may in their absolute discretion suspend repayment of any loan at any time and from time to time.

18 **GENERAL MEETINGS**

- 18.1 The Society shall within 6 months of the end of each financial year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. The annual general meeting in each year shall be held at such time and place as the directors shall appoint. All general meetings other than annual general meetings shall be called special general meetings.

18.2 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a special general meeting for a date not later than 28 days after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Society may call a general meeting.

18.3 A special general meeting shall only transact the business set out in the notice convening it.

19 **NOTICE OF GENERAL MEETINGS**

19.1 An annual general meeting and a special general meeting shall be called by at least 14 Clear Days' notice unless (subject always to the provisions of the Act) it is agreed by all members of the Society having the right to attend and vote at such a meeting a resolution may be proposed and passed at a meeting of which less than 14 Clear Days' notice has been given.

19.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

19.3 The business of the annual general meeting shall be to receive a revenue account and a balance sheet, appoint auditors and elect directors and such other ordinary business as may from time to time be specified in the notice convening the meeting.

19.4 The notice shall be given to all the members, all the Ordinary Shareholders and to the directors and auditors.

19.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

19.6 A general meeting not convened in compliance with the sub-rules of this Rule 19 shall be deemed to have been properly convened if all the members of the Society are present in person or by proxy and agree that the meeting shall be deemed to have been properly convened.

20 **PROCEEDINGS AT GENERAL MEETINGS**

20.1 No business shall be transacted at any meeting unless a quorum is present. Three Ordinary Shareholders entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a Corporation, shall be a quorum.

20.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time as the directors may determine Provided Always :

20.2.1 if no quorum is present within half an hour of the time appointed for the meeting convened on a requisition of the members it shall be dissolved;

20.2.2 if no quorum is present within half an hour of the time for an adjourned meeting, those members present shall be a quorum.

- 20.3 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 20.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 20.5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting.
- 20.6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least 7 Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 20.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- 20.7.1 by the chairman; or
- 20.7.2 by members representing not less than one-tenth of the members present at the meeting;
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
- 20.8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 20.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 20.10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 20.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

- 20.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such other time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 20.13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
- 20.14 Subject to these Rules or to any Act of Parliament a resolution put to the vote at a general meeting shall, except where a poll is demanded or directed, be decided upon a show of hands.

21 **VOTES OF MEMBERS**

- 21.1 On a show of hands every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote.
- 21.2 A Corporation which is a member may by written notice appoint such person to represent it and attend and vote at any general meeting, and such appointment shall be valid until written notice revoking it is received by the Society.
- 21.3 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 21.4 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 21.5 Save as provided by these Rules or by law, all resolutions shall be decided by a simple majority of the votes cast.

22 **PROXY**

- 22.1 An instrument appointing a proxy shall be in writing, Executed by or on behalf of the appointor and shall be in such form as the directors may from time to time approve.
- 22.2 The instrument appointing a proxy and any authority under which it is Executed or a copy of such authority certified notarially or in some other way approved by the directors may:

- 22.2.1 be deposited at the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Society in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- 22.2.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- 22.2.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- 22.3 A vote given or poll demanded by proxy or by the duly authorised representative of a Corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Society at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

23 **NUMBER OF DIRECTORS**

- 23.1 The Society shall have a Board of directors which shall manage the business of the Society. The first directors of the Board shall be those people who sign these Rules in applying for registration. Future directors shall be appointed as provided subsequently in these Rules.
- 23.2 The Board shall consist of not less than three nor more than thirteen directors, or such other number as may be determined in general meeting.

24 **POWERS OF DIRECTORS**

- 24.1 Subject to the provisions of the Act, these Rules and to any directions given by resolution in general meeting, the business of the Society shall be managed by the directors who may exercise all the powers of the Society. No alteration of these Rules and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Rule shall not be limited by any special power given to the directors by the remainder of these Rules and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 24.2 In addition to all powers hereby expressly conferred upon them and without detracting from the generality of the powers under the Rules the directors shall have the following powers, namely:
 - 24.2.1 to expend the funds of the Society in such manner as they shall consider most beneficial for the achievement of the objects and to invest in the name of the Society such part of the funds as

they may see fit and to direct the sale or transposition of any such investments and to extend the proceeds of any such sale in furtherance of the objects of the Society;

24.2.2 to enter into contracts on behalf of the Society

24.3 The Board may make such Bye-Laws as may be necessary for regulating the nomination, election and retirement of Directors, the orderly and efficient conduct of its own proceedings and of the proceedings of general meetings of the Society, the appointment of its own meetings, the proper supervision and use of funds of the Society and the regulation of the Board and the Committees and affairs of the Society provided they be not repugnant to or inconsistent with the terms of these Rules. The Board may at any time and from time to time revoke or alter any of the said Bye-Laws Provided that this shall not authorise the making, revoking or altering of any Bye-Laws without a resolution in general meeting if it would amount to such an alteration of or addition to the Rules as could not otherwise be made without resolution in general meeting.

25 **DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Rules regulating the proceedings of directors so far as they are capable of applying.

26 **APPOINTMENT AND RETIREMENT OF DIRECTORS**

26.1 At the first annual general meeting all the directors shall retire from office, and at every subsequent annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

26.2 Subject to the provisions of the Act, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment but as between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

26.3 If the Society, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost.

26.4 No person other than a director retiring by rotation shall be appointed or re-appointed a director at any general meeting unless:

26.4.1 he is recommended by the directors; or

- 26.4.2 not less than 14 nor more than 35 Clear Days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Society of the intention to propose that person for appointment or re-appointment stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Society's register of directors together with notice executed by that person of his willingness to be appointed or re-appointed.
- 26.5 Not less than 7 nor more than 28 Clear Days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or re-appointment as a director at the meeting or in respect of whom notice has been duly given to the Society of the intention to propose him at the meeting for appointment or re-appointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the Society's register of directors.
- 26.6 Subject as aforesaid, the Society may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
- 26.7 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Rules as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not re-appointed at such annual general meeting, he shall vacate his office at the conclusion thereof.
- 26.8 Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

27 **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 27.1 The office of a director shall be vacated if:
- 27.1.1 he ceases to be a director by virtue of any provision of the Act or is disqualified from acting as a director by virtue of the Company Directors Disqualification Act 1986 (or any statutory re-enactment or modification of that provision); or
- 27.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 27.1.3 he is, or may be, suffering from mental disorder and either:
- 27.1.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
- 27.1.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the

appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

27.1.4 he resigns his office by notice to the Society (but only if at least three directors will remain in office when the notice of resignation is to take effect); or

27.1.5 he shall have been absent without permission of the directors from three meetings of directors.

28 A Board member may be removed from office 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 general meeting of the Society of which notice has been duly given. A Board member may be suspended from office by a resolution of the other members of the Board on the grounds of conduct detrimental to the interests of the Society subject to such Board member having been provided with a fair opportunity to be heard.

29 **REMUNERATION OF DIRECTORS**

29.1 The directors may be paid all reasonable travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committee of directors or general meetings or separate meetings of the holders of debentures of the Society or otherwise in connection with the discharge of their duties.

29.2 Subject to the provisions of the Act and of the Rules, the directors may appoint such of them to any executive office under the Society and may enter into an agreement or arrangement with any such director for his employment by the Society or for the provision by him of any services outside the scope of the ordinary duties of a director. Any appointment of a director to an executive office shall terminate if he ceases to be a director.

29.3 The directors may be paid such fees and such reasonable and proper remuneration for any services rendered to the Society as the Board may from time to time approve.

30 **DIRECTORS' INTERESTS**

30.1 A director shall disclose to the Board the nature and extent of any material interest of his in any transaction or arrangement being considered by the Board and shall then not participate in the consideration and discussions of and vote on the matter in which he has an interest and shall not be counted in the quorum.

30.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

33 **PROCEEDINGS OF DIRECTORS**

33.1 Subject to the provisions of the Rules, the directors may regulate their proceedings as they think fit. A director may, and the Secretary at the request of a director shall, call a meeting of the directors. Meetings shall (except in emergency) be convened on 5 Clear Days' notice. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

- 33.2 The quorum for the transaction of the business of the directors may be fixed by the directors and unless otherwise fixed in general meeting shall be three.
- 33.3 The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within 5 minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
- 33.4 The directors may appoint one or more sub-committees consisting of three or more directors for the purpose of making any enquiry or supervising or performing any function or duty which in the opinion of the directors would be more conveniently undertaken or carried out by a sub-committee: provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the directors.
- 33.5 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 33.6 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors as (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors.
- 33.7 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 33.8 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.
- 33.9 Subject to the Rules, directors are participating in a directors meeting, or part of a directors meeting, when:
- 33.9.1 the meeting has been called and takes place in accordance with the Rules, and
- 33.9.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 33.10 In determining whether directors are participating in a directors meeting it is irrelevant where any direct is or how they communicate with each other.
- 33.11 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

34 **INVESTMENTS**

Subject to the Act the Society may deposit or invest any part of its funds in or upon any security whatsoever.

35 **SECRETARY**

35.1 Subject to the provisions of the Act, the Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

35.2 The Secretary shall carry out such duties as are from time to time required by the Board of directors.

36 **MINUTES**

36.1 The directors shall cause minutes to be made in books kept for the purpose:

36.1.1 of all appointments of officers made by the directors; and

36.1.2 of all proceedings at meetings of the Society, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

36.2 The minutes and records of the Society may be kept in hard copy or electronic form provided that if in electronic form are capable of being produced in hard copy. The directors must take precautions against falsification of such minutes and records.

37 **THE SEAL**

If the Society has a Seal it shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a director and by the Secretary or by two directors.

38 **ACCOUNTS**

The Society shall, in respect of each year of account, prepare a revenue account which deals with the affairs of the Society for that year and a balance sheet as at that date which shall give a true and fair view of the state of the affairs of the Society.

39 The Society shall lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor before each annual general meeting, accompanied by a report by the Board on the affairs of the Society signed by the chair of the Board meeting at which the report is adopted.

40 The Society shall not publish any revenue account or balance sheet unless it has previously been audited by the auditor and it incorporates a report by the auditor that it gives a true and fair view of the income and expenditure, or the state of the affairs of the Society, as the case may be. Every revenue account and balance sheet published is to be signed by the Secretary and by two Board members acting on behalf of the Board.

41 The Society shall keep a copy of the latest balance sheet, hung up at all times in a conspicuous position at the Office of the Society.

42 **DEDUCTIONS**

The Society may deduct from the sum payable to a shareholder in a distribution of profits all sums due from that member to the Society but unpaid at the time of the distribution.

43 **METHOD OF PAYMENT**

43.1 Every payment under any Rule shall be by way of cash payment or electronic payment.

43.2 Cash payments may be made by cheques sent by ordinary post to members and shareholders at their respective addresses as shown in the register of members and register of shareholders and the Society shall not be liable for any losses thereby occasioned.

43.3 Subject to such protocols as shall from time to time apply thereto electronic payments will be made to such bank account or building society account as the member or shareholder shall have given written notice thereof to the Society and the Society shall not be liable for any losses thereby occasioned.

44 **RESERVES**

Before declaring or recommending a distribution of net profits the Board may put to reserve such sum as they think proper and all sums so put to reserve may be employed in the business of the Society or invested in any manner authorised by these Rules. The primary purpose of the Society's reserves is to fund the activities of the Society.

45 **AUDITOR**

The Society shall appoint a Registered Auditor to audit its accounts and balance sheet for each year.

46 The Registered Auditor shall, in accordance with Section 9 of the Industrial and Provident Societies Act 1968, make a report to the Society on the accounts examined by them and on the revenue account or accounts and the balance sheet of the Society for the year in respect of which they were appointed.

47 None of the following persons shall be appointed as auditor of the Society

47.1 an officer or servant of the Society;

47.2 a person who is a partner of, or in the employment of, or who employs, an officer or servant of the Society; or

47.3 a person prohibited under Section 8(2) of the aforesaid 1968 Act.

48 Save as provided in the Rules every appointment of a Registered Auditor is to be made by resolution of a general meeting of the Society.

48.1 The Board shall as soon as practicable following registration of the Society appoint the first auditor of the Society.

48.2 The Board may appoint a Registered Auditor to fill any casual vacancy occurring between general meetings of the Society.

49 A Registered Auditor appointed to audit the accounts and balance sheet of the Society for the preceding year of account (whether by a general meeting or by the Board) is to be re-appointed as auditor of the Society for the current year of account (whether or not any resolution expressly re-appointing them has been passed) unless:

50.1 a resolution has been passed at a general meeting of the Society appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

50.2 the auditor has given to the Society notice in writing of his unwillingness to be re-appointed; or

50.3 he is ineligible for appointment as auditor of the Society for the current year of account, or

50.4 he has ceased to act as auditor of the Society by reason of incapacity

50.5 notice of an intended resolution to appoint another person in his place has been given but the resolution cannot be proceeded with because of the death, incapacity or ineligibility of that other person.

51 A resolution at a general meeting of the Society:

51.1 appointing another person as auditor in place of a retiring auditor; or

51.2 providing expressly that a retiring auditor is to not be re-appointed

shall not be effective unless notice of the intention to move it has been given to the Society not less than twenty-eight days before the meeting at which it is to be moved.

51.3 The Society shall forthwith send a copy of the notice to the retiring auditor and to its members

51.4 The Society shall notify the members as required by Section 6 of the Industrial and Provident Societies Act 1968 of any representations made by the retiring auditor.

52 **ANNUAL RETURNS**

The Society shall make an annual return to the FCA as required by the Act.

53 The Society shall supply a copy of the last annual return with all supporting documents to any member on request and without charge.

54 **AMENDMENT TO RULES AND COPIES**

- 54.1 Unless these Rules say otherwise any Rule may be altered or rescinded, or any new rule may be made, by resolution of at least three quarters of the members who vote in person or by proxy at a general meeting. No change to these Rules shall be valid until registered.
- 54.2 A copy of the registered Rules of the Society shall be sent by the Society to any person who demands it subject to payment by that person of such sum not exceeding 10 pence or such other sum as may be prescribed by law from time to time.
- 54.3 At such time as the Society is recognised as a charity no amendment may be made to the Rules of the Society whose effect is that the Society ceases to be a charity at law.

55 **WINDING UP AND DISSOLUTION**

- 55.1 The Society may be dissolved subject to the provisions of the Act.
- 55.2 Upon the winding up of the Society any surplus remaining after the satisfaction of all its debts and liabilities shall be applied first to repaying the sums paid up on Ordinary Shares. After the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Society, but shall be given or transferred to Green Pastures Housing, a registered charity, or whom failing to some other body or bodies having objects similar to the objects of the Society, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Society under or by virtue of these Rules, such body or bodies to be determined by the members of the Society at or before the time of dissolution, and if so far as effect cannot be given to such provision, then to some charitable body.

56 **LIABILITY OF MEMBERS ON WINDING UP**

Where the Society is wound up by virtue of Section 55(a) of the Act the provisions of Section 57 shall apply.

57 **INDEMNITY**

Directors and Officers will be indemnified by the Society against all costs, losses and expenses which they may reasonably incur in discharge of their duties, including travelling expenses, and the amount for which such indemnity is provided will immediately attach as a charge on the property of the Society.

58 **DISPUTES**

Subject to the provisions of the Act every dispute between the Society or an Officer and member of the Society or any person aggrieved who has ceased to be a member of the Society not more than 6 months previously or any person claiming through a member of the Society or any such person aggrieved or any person claiming under the Rules of the Society shall be submitted to a Solicitor appointed by the President for the time being of the Law Society who shall act as an expert and not as an arbitrator and whose decision shall be final and binding and conclusive on all parties, and the costs thereof shall be borne equally between the Society and person aggrieved except in the case of the expert deciding the person aggrieved acted

maliciously or otherwise without just cause when the costs shall be borne as the expert shall, in his discretion, decide.

59 **CONVERSION**

- 59.1 Subject to the Act and any subsequent legislation enacted and affecting Industrial and Provident Societies, the Society may by special resolution determine to convert itself into or amalgamate with or transfer its engagements to a company under the Companies Acts or as provided under any other legislation.
- 59.2 The members of the Society in general meeting, or the Board, may resolve to accept a transfer of engagements.

60 **NOTICES**

- 60.1 Any notice to be given to or by any person pursuant to the Rules shall be in writing except that a notice calling a meeting of the directors need not be in writing. Writing shall include email or other method of electronic communication.
- 60.2 The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to the recipient's address. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
- 60.3 A member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 60.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or in the case of electronic communication, 12 hours after it was sent. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

61 **DEFINITIONS**

'ACT' means the Industrial and Provident Societies Acts 1965 to 2002 (as amended or re-enacted from time to time)

'CORPORATION' any body corporate

'CLEAR DAYS' in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

'EXECUTED' includes any mode of execution

'FCA' means the Financial Conduct Authority and includes reference to the statutory successor carrying on the relevant function it.

'MEMBER' means the natural persons and companies admitted to membership under Rule 6.

'OFFICE' means the registered office of the Society.

'REGISTERED AUDITOR' means a firm which undertakes regulated audit work and that is registered with a recognised supervisory body and is a qualified auditor under Section 7 of the Industrial and Provident Societies Act 1968 and Section 1212 of the Companies Act 2006 and 'auditor' shall be interpreted accordingly.

'RULES' means the registered rules of the Society for the time being

'THE SEAL' means the common seal of the Society

'SECRETARY' means the Secretary of the Society or any other person appointed to perform the duties of the Secretary of the Society, including a joint, assistant or deputy secretary

Words importing the masculine gender only shall include the feminine gender; one gender includes all genders.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgment of Registration of Society

Registered Number : [] ®

Green Pastures CBS Limited is this day registered under the Industrial and Provident Societies Act 1965.

Dated: 2010

Financial Services Authority
25 The North Colonnade
Canary Wharf
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Signature of Applicants

Full Names

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