

**Paragon Asra Housing Limited**

# **Shareholding Membership Policy**

June 2018

**Owning manager**  
**Department**  
**Approved by the Board**  
**Next review date**

Marion Hall  
Governance  
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## AUDIT LOG

<b>Date of Change</b>	<b>Who updated</b>	<b>Details of the change</b>

## **1. Introduction**

- 1.1 Paragon Asra Housing Ltd (PA Housing) is registered under the Co-operative and Community Benefit Societies Act 2014. PA Housing is a not for profit organisation and nothing shall be transferred or paid in the way of profit to shareholders.
- 1.2 In their shareholding role, shareholders should act as guardians of PA Housing's objects for the benefit of the community and in PA Housing's best interests at all times.
- 1.3 The aim of this policy is to explain the criteria and procedure for the admission of new shareholders.

## **2. Definition**

- 2.1 A shareholder is a person or body whose name and address is entered in the register of shareholders.

## **3. Legislation and regulation**

- 3.1 PA Housing's Rules are based on the National Housing Federation's (NHF) Model Rules 2015. All shareholders are bound by the obligations in the Rules.
- 3.2 The Rules state that PA Housing shall have a shareholding membership policy.
- 3.3 PA Housing is required to admit shareholders in a manner which is open and transparent in line with the NHF's 2015 Code of Governance, which PA Housing has adopted.

## **4. Key points of policy**

- 4.1 New shareholders will only be admitted in accordance with this policy.
- 4.2 The Governance and Remuneration Committee is responsible for recommending this policy to the Board and implementing it.
- 4.3 The appointment of shareholders is restricted to those appointed as non-executive board members. Co-optees are not eligible to be made shareholders. PA Housing, as a corporate body, shall be a shareholder of its subsidiary housing associations.
- 4.4 Applications to become a board member and shareholder will be invited from persons who will provide a discernible benefit to PA Housing and meet the skills set required to join PA Housing's Board.
- 4.3 Applications are welcome regardless of race, gender or gender reassignment, disability, religion or belief, sexual orientation, age, marriage, civil marriage and partnership, and pregnancy and maternity.
- 4.4 A person cannot apply to be a shareholder if they are:

- a minor
  - a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting
  - a PA Housing employee
  - otherwise ineligible to become a shareholder by virtue of any provision of PA Housing's Rules.
- 4.5 The Governance and Remuneration Committee will review all applications and make recommendations for appointment to the Board as appropriate. Once the applicant is accepted as a board member they will become a shareholder. The acceptance or rejection of the applicant is wholly at the Board's discretion.
- 4.6 If the application is accepted, the applicant's name and address will be included in the register of shareholders, which shows names and other necessary particulars. A duplicate register is also maintained.
- 4.7 PA Housing issues shares that have a nominal value of one pound which carry no right of interest, dividend or bonus. Only one share shall be issued to each shareholder. The Company Secretary will normally retain the share certificate.
- 4.8 At the discretion of the Governance and Remuneration Committee, board membership shall be open to employees of other housing associations, providing there is no conflict of interest. In exercising its discretion, the committee will have regard to the influence of the applicant in decision-making at the other housing association and its size, spread of operations and geographical location. All applicants should declare their interests in relation to other housing associations when making their application.
- 4.9 When a person ceases to be a board member for any reason, the shareholding will also end and the share will be cancelled. The one pound will be transferred into PA Housing's reserves and is not repayable.
- 4.10 PA Housing has shareholders whose appointment predates this policy. These shares continue to be held and the shareholding interests managed in accordance with PA Housing's Rules.

## **5. Monitoring and reporting**

- 5.1 A copy of this policy will be made available at each general meeting, when shareholders will be able to comment on the policy and request information on the admission of shareholding members.