

| | |
|--------------------------------|---|
| Policy title | Shareholding Membership Policy |
| Directorate | Chief Executives |
| Author | Jo Tucker, Company Secretary and Governance Manager |
| Date First Approved | 22 August 2019 |
| Latest Date of Approval | 9 February 2022 |
| Next Review Date | December 2023 |
| Policy Scope/Users | Governance, Executives, Board and Shareholders |
| Date EIA done | Yes |

1 Introduction

MSV is controlled by Shareholding Members who agree to be bound by the obligations on them as set out in the Association's Rule C1 and when acting as shareholders will act at all times in the interests of the Association and, for the benefit of the community, as guardians of the objects of the Association.

This policy explains the role of our Shareholders and sets out the basis of their admittance and their involvement in the Association thereafter.

2 Membership of the Association

Who cannot become a Member?

Any individual or organisation can apply to become a member; with the exception of the following:

- A minor
- A person who has been expelled as a shareholder, unless authorized by special resolution at a general meeting
- An employee of the association or an employee of any other body whose accounts must be consolidated with those of the association
- A person who has been removed from the board under Rule D9 (or other)
- A person whose registered medical practitioner gives a written opinion to the association stating that the person has become physically or mentally incapable of acting as a shareholder and may remain so for more than 3 months.

With effect from July 2017 the Board has also decided that in the interests of compliance with the spirit of the National Housing Federation Code of Governance, any member who has served a term of office (however long) as either a board member, Committee member or co-optee to the board or its committees is not eligible to retain their shareholding membership once they have left the Board. This means any board or committee members will cease to be a Shareholder when they leave the Board or Committee after July 2017. This does not affect ex-board or committee members who have become shareholders prior to July 2017.

With effect from July 2017, former employees of MSV will not be eligible to apply for shareholding membership. This is in line with good practice in the sector; this does not affect current shareholders.

The Board has agreed that it will also exclude from admission to shareholding membership the following:

- Employees of a current contractor or consultant of the Association
- Close family members of board members
- Close family members of employees

There are some individuals and groups who we would discourage from applying:

- Any individual or organisation which does not share MSV's ethos and values
- Any individual or organisation which gains any financial benefit from MSV, including contractors, consultants etc.

Who can become a member?

MSV has shareholding membership from the following individuals and groups:

- Tenants/ Residents
- Individuals from the communities where we work
- Shared ownership tenants
- Individuals who have particular skills to bring
- Local community organisations
- Local voluntary organisations
- Stakeholder agencies

3 How to become a Shareholding Member

Membership application forms are available from the Association's Secretary. The completed form should be returned, with the sum of £1 (non-refundable) to the Secretary at the Association's registered office; details of which are included on the application form.

Every application will be considered by the Board, which has the power to accept or reject the application and will be included in the agenda for the next scheduled board meeting.

The Secretary will notify the applicant of the board's decision within 14 days of the meeting.

If the application is approved the applicant will be issued with a share certificate, a copy of the Rules and a copy of this membership policy. This share does not change in value over time, it earns no dividend and, if anyone ever wishes to cease membership, their share is not returned to them. Their liability is similarly limited to £1.

Data Protection

MSV is registered with the Information Commissioner's Office (ICO) as required by the Data Protection Act 2018. By applying for shareholding membership, successful applicants are deemed to be giving informed consent for their personal contact details to be shared with other shareholders for the purpose of enabling communication between members on matters of interest relating to the activities of the Association and in particular, for the purpose of securing nominations for the position of board member.

Basic information about shareholding

The details of shareholding are set out in the Rules and can be summarised as:

- Shareholders cannot hold more than one share;
- Shares cannot be held jointly, (unless specifically permitted in the Rules);
- Each share carries one vote, (unless specific details are set out in the Rules);
- By becoming a shareholder, members agree to adhere to the Rules of the organisation;
- Shareholders must always act in the interests of the Association;
- Shares cannot be transferred.

Functions of shareholding membership

The functions of the membership can be summarised as:

- Providing an accountable body for the Board at a general meeting;
- Receiving and approving the annual report and accounts.

Shareholders responsibilities

Shareholding responsibilities can be summarised as:

- To adhere to the principles of the MSV Code of Conduct;
- To attend and vote at the appropriate AGM
- To have the interests and aims of MSV in mind, and to promote these in the community.

Members are the guardians of the Rules, the membership must vote in favour of a change in the Rules for it to take effect. The membership can propose changes to the Rules, but any proposed change would also have to be agreed by the MSV Board.

How can shareholding end?

When a shareholder ceases to be a shareholder or is expelled from the group member, his or her share shall be cancelled. Shareholding will end if:

- The shareholding member resigns by giving one months' notice to the Company Secretary;
- A shareholder dies;
- They are expelled as a shareholder under the Rule C15 and following a special resolution at an SGM called by the MSV Board;
- They do not participate in, or fail to deliver written apologies in advance for two consecutive annual general meetings;
- In the case of a body corporate, they cease to be a body corporate;
- In the case of a nominee of an unincorporated body, they transfer their share to another nominee of that body;
- They cease to be a shareholder under Rule C6

Suspension of admission to the shareholding register

The MSV Board could suspend shareholding membership from time to time where this is deemed necessary or expedient for the proper conduct or management of the Company. This will always be undertaken through a formal board approval and will have a defined timescale for review.

4 Subsidiary Board shareholding

The shareholding of MSV Invest is MSV Housing Group first.

5 Monitoring, Review and Evaluation

The shareholding list will be reviewed and updated annually at least 6 weeks prior to the AGM and ad hoc upon receipt of a notification to relinquish a share. The policy will be reviewed every 2 years.

6 Related documents

- MSV Group Governance Manual
- MSV Rules
- Current Board Effectiveness Skills Matrix

7 Appendices

- **Appendix 1** – MSV Shareholder Application Form
- **Appendix 2** – What Does a Shareholder Do?
- **Appendix 3** – Conflict of Interests Form

EQUALITY IMPACT ASSESSMENT – Pro-forma

Name of Policy: Shareholding Membership Policy

Date of Assessment / Review: December 2021

Author: Jo Tucker

| | | |
|--|--|--|
| Who are the main stakeholders in relation to the function? | Shareholders, Board and Executives | |
| Who will be consulted and what types of consultation will be carried out? | N/A – update of existing policy | |
| Could the function have a differential impact on: | What evidence exists to support your analysis? | |
| | Yes / No | |
| Racial Groups | N | |
| Gender or gender reassignment | N | |
| Disabled people | N | |
| Age | N | |
| Sexuality | N | |
| Religion or belief | N | |
| Any other protected or vulnerable characteristic including marriage or civil partnerships, pregnancy or maternity? | N | |
| <p>If the answer is NO to <u>all</u> questions and no differential treatment has been found there is no requirement for a full Equality Impact Assessment. Please go back regularly and review the cycle.</p> <p>If the answer is YES to any of the questions, please complete the rest of the form.</p> | | |
| In what areas could the differential identified be considered to have an adverse impact in this function and what solutions will be introduced to overcome these adverse impacts? | N/A | |

| | |
|---|-----|
| In what areas could the differential identified be considered a positive impact in this function and what strategies will be introduced to safeguard and spread these positive impacts? | N/A |
| Which Action Plans have these solutions/strategies been transferred into? | N/A |

Approved electronically and ratified by: MSV Board

Date: 9th February 2022