



POLICY DOCUMENT

Group Member: Progress Housing Group

Service Area: Governance

Document Ref No: GRPOLGV02

Subject Title: Shareholding Policy

Version: 2

Effective Date: 04/03/2019

Last Reviewed: 05/12/2022

Next Review Date: 05/12/2025

Document Owner: Executive Director (Governance,
People and Communications)

Date of Board Approval: 05/12/2022

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1. SCOPE OF THE POLICY

- 1.1 This policy applies to Progress Housing Group Limited (the Group), Progress Housing Association Limited (PHA) and Reside Housing Association Limited (RHA) (the Associations), registered providers of social housing registered with the Regulator of Social Housing.

2. INTRODUCTION

- 2.1 This policy sets out the criteria and procedure for admission and removal of shareholders.
- 2.2 This policy is set by the Group Board in accordance with rule C11 of the rules of the Associations and in furtherance of that rule, the Group Board will set and review this policy from time to time.

3. ADMISSION OF SHAREHOLDERS

- 3.1 New shareholders will only be admitted in accordance with this policy
- 3.2 The appointment of shareholders is restricted to those appointed as non-executive directors to the Boards of the Group, PHA and RHA. Co-optees, shadow and trainee non-executive directors are not eligible to be shareholders.
- 3.3 In considering an application to become a shareholder, the Group Board must be satisfied the applicant will at all times act in the best interests of the association and for the benefit of the community, as a guardian of the objects and constitution of the association, with the appropriate skills, knowledge and experience to do so.
- 3.4 The Group Board may not admit to membership any applicant who is ineligible pursuant to rule C6.
- 3.5 The Group, as a corporate body, shall be a shareholder of both PHA and RHA.

4. APPLICATION FOR SHAREHOLDERS

- 4.1 Non-executive director appointments to the Associations Boards are through an open and transparent recruitment process overseen by the Remuneration and Nominations Committee in line with their terms of reference, as set out in the Group's Standing Orders and Scheme of Delegation. The Remuneration

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and Nominations Committee will make recommendations for appointment to the Boards.

- 4.2 Applicants, upon appointment as a non-executive director, will become a shareholder. The acceptance or rejection of an applicant is wholly at the Group Board's discretion.
- 4.3 Upon acceptance, an applicant's name and address will be included in the register of shareholders
- 4.4 Shares of the Group, PHA and RHA 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. On a winding up, liquidation or dissolution of the association, the shareholder will have no right to participate in the assets of the association.
- 4.5 At the discretion of the Group Board, membership shall be open to employees of other housing associations providing there is no conflict of interest. All applicants should declare their interests in relation to other housing associations when making their application, and if relevant in meetings.
- 4.6 A shareholder shall cease to be a shareholder in accordance with rule C14 of the Associations. Upon termination of shareholding, the share will be cancelled. The amount paid up on the share will be transferred into the company's reserves and will not be repayable.
- 4.7 The Group Board have agreed that the maximum number of shareholders for the Group is 12 and for PHA and RHA 13.

5. IMPLEMENTATION

- 5.1 The Company Secretary, with support from the Governance Team, is responsible for the implementation of this policy. Relevant training will be provided for those officers affected.

6. CONSULTATION

- 6.1 The following groups have been consulted with regards to this policy:
 - 6.1.1 Executive Leadership Team

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6.1.2 Group Board

7. REVIEW

7.1 This policy may be reviewed at any time, and will normally be reviewed every three years, unless any changes are required due to good practice, regulatory requirements or business changes.

8. EQUALITY IMPACT ASSESSMENT

8.1 This policy has an Equality Impact Assessment (EIA).

8.2 No actions are required as a result of the EIA.