

Register No 14660R

**RULES
OF
THE PRIORY RESIDENTS
SOCIETY
LIMITED**

Revised 1984; 2004

ALL PREVIOUS RULES RESCINDED

R U L E S

NAME AND OBJECTS

- | | |
|--------------------|---|
| Name of Society | 1 (a) The Society shall be called "THE PRIORY RESIDENTS SOCIETY LIMITED". |
| Objects of Society | <p>Its objects shall be to carry on the industries, businesses, or trades of repairing, redecorating and maintaining and procuring the repair, redecoration and maintenance of the structure, the exteriors, and the common parts of the properties owned and occupied by Members of the Society and situated on The Priory Estate, Blackheath, SE3, in the County of London; and also the cleaning and lighting of the common staircases and halls, the cleaning of the exterior of the windows, the maintenance in good order and repair of the fixtures and fittings in and upon the common parts of the buildings, and outbuildings; the maintenance in good order of the gardens and Estate grounds; the placing and maintaining of policies of insurance in respect of the buildings against loss or damage by fire, storm or tempest, and the placing and maintaining of policies of insurance in respect of the buildings against loss or damage by fire, storm or tempest, and the placing and maintaining of policies of insurance against all Third Party claims normally included under Property Owners Liability policies; the payment on behalf of its Members of Road Rate and other charges and assessments which may become payable in respect of properties on the Estate owned by its members; and to acquire and deal in freehold and/or leasehold land.</p> <p>1 (b) The Society shall have power:</p> <p style="padding-left: 40px;">(i) to do all things necessary or expedient for the accomplishment of the above objects, and in particular power to enter into leases and covenants whereby the Society will assume liabilities and responsibilities for carrying out the above objects; and</p> |

- (ii) to acquire by purchase the freehold reversion of the land and buildings known as the Priory Estate Blackheath London SE3 in the London Borough of Greenwich or any part thereof for such consideration and upon such terms as the Committee of Management shall decide and to hold the said freehold reversion and to sell, let, alienate, mortgage, charge or otherwise deal with the whole or any part thereof, to take surrenders of all or any of the Leases granted to members of the Society and to grant new Leases to such members in place of their surrendered Leases for such consideration and on such terms and conditions as the Committee of Management shall from time to time decide.
- 1 (c) No individual member of the Society shall undertake to carry out the erection of any external aerial or arrange any repair, redecoration, maintenance of the structure, the exteriors, the common parts of the properties (including the gardens, their shrubs, trees, bushes and flowers) owned and occupied by members of the Society unless and until permission has been sought in writing from the Chairman of the Society.

REGISTERED OFFICE

Registered
Office of
Society

2. Its registered office shall be at Lygon House, 50 London Road, Bromley, Kent BR1 3RA

In the event of any change in the situation of the registered office, notice of such change shall be sent by the Secretary within 14 days thereafter to the Registrar in the form prescribed by the Treasury Regulations.

USE OF NAME

Use of name
of Society

3. The registered name of the Society shall be kept painted or affixed on the outside of every office or place in which the business of the Society is carried on, in a conspicuous position, in letters easily legible, and shall be engraven in legible characters on its seal, and shall be mentioned in legible characters in all business letters of the Society, notices, advertisements and other official publications of the Society, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society, and in all bills, invoices, receipts and letters of credit of the Society.

MEMBERSHIP

- | | | |
|---------------------------------|----|---|
| Persons eligible for membership | 4. | Membership shall be restricted to persons 21 years of age or over owning or under contract to purchase a leasehold dwelling on The Priory Estate, Blackheath, London SE3. |
| Members qualifying shares | 5. | Every member shall hold one share, and no member shall hold more than one share. |
| Joint Holders | | A share may be held by two or more persons jointly if those persons are joint lessees of a dwelling on The Priory Estate. The joint holders of a share shall be severally as well as jointly liable in respect of such share. |

SHARE CAPITAL

- | | | |
|-------------------------|----|--|
| Nominal value of Shares | 6. | The Share Capital of the Society shall be raised by shares of the value of £10 each which shall be paid for in full on allotment. |
| Shares not withdrawable | 7. | Shares shall be transferable but not withdrawable. Every transfer shall be in the form appended to these rules or as near thereto as the case allows. No transfer of shares shall be valid unless and until the Committee has consented thereto. The Secretary shall register every transfer of shares by making the appropriate entries in the register of members hereinafter mentioned. |
| Share registration | | |
| Register of Members | 8. | The Society shall keep at its registered office a register of members in which the Secretary shall enter the following particulars: <ul style="list-style-type: none"> (a) the names and addresses of the members; (b) a statement of the number of shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member; (c) a statement of other property in the Society, whether in loans or otherwise, held by each member; (d) the date at which each person was entered in the register as a member, and the date at which any persons ceased to be a member; (e) 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. |

Any member changing his address shall notify the Society of such change.

The Society shall also keep at its registered office a duplicate register of members in which the Secretary shall enter all the particulars in the original register of members other than those mentioned in paragraphs (b) and (c) hereof.

SUBSCRIPTION

Annual
subscriptions

9. (a) Every Member shall pay an annual maintenance contribution of such sum as the Society may from time by resolution in General Meeting determine which shall be payable in advance in four equal instalments on the 25th March, 24th June, 29th September and 25th December in each year, or, subject to the agreement of the Committee, in twelve equal instalments on the 25th of each month. All payments of the maintenance contribution shall be made by way of a standing order from a bank.
- (b) Every Member shall pay such other sum or sums to be used for specific purposes within the objects of the Society as contained in Rule 1, as the Society may from time to time by resolution in General Meeting determine such sum or sums to be payable at such time in such manner as shall be resolved in General Meeting.
- (c) In the event of any surplus remaining after completion and full payment for any specific purposes for which money is raised under the provisions of Rule 9(b), the Committee shall be empowered to transfer in its absolute discretion any such surplus or part thereof to any other of the Society's accounts including its general maintenance account.

BORROWING POWERS

Borrowing
Powers

10. The Society may obtain advances of money from members and others for the Purposes of the Society and may secure the repayment thereof by mortgages or charges on any of the Society's property. The total amount so obtained shall not at any time exceed the limit of £200,000. The terms of repayment, rate of interest and any other conditions of such advances shall be determined by the Committee from time to time.

GENERAL MEETINGS

- | | | |
|--------------------------------------|-----|---|
| Annual General Meetings | 11. | The Annual General Meeting shall be held during the four months 1 st December to 31 st March of each year at such time and place as may be fixed from time to time by the Committee. |
| Functions of Annual General Meetings | 12. | <p>The functions of annual general meetings shall be:-</p> <p>(a) To receive from the Committee, or any other officers of the Society, or from the auditor, the statement of accounts and report upon the business of the Society during the period embraced therein and the state of its affairs at the expiration of such period.</p> <p>(b) To elect the auditor and to fill vacancies on the Committee as hereinafter provided, and to fix the remuneration, if any, of the Committee.</p> <p>(c) To transact any other general business of the Society included in the notice convening the meeting.</p> |
| Special general meetings | 13. | Special general meetings shall be convened by the secretary either on an order of the Committee or upon a requisition signed by not less than one-tenth of the members of the Society for the time being, and shall be held as soon as possible after the receipt of such order or requisition and at the ordinary place and time of the general meetings of the Society unless the Committee fix any other place or time of meeting. A special general meeting shall not transact any business other than that mentioned in the notice convening the meeting. |
| Notice of general meetings | 14. | <p>(i) Notice convening every general meeting shall state the time and place thereof and the officers (if any) to be elected thereat, and every purpose for which it is convened, and shall be posted or sent to the registered addresses of the members not less than fourteen clear days before the date of meeting, unless in any case of emergency the Committee unanimously direct shorter notice to be given.</p> <p>(ii) No general meeting shall be invalidated by the accidental non-receipt of notice thereof by any members.</p> |

- Secretary failing to convene meeting
15. Should the Secretary fail within 21 days to convene a special general meeting when so requested, the requisitionists may convene it by giving such notice as is mentioned in the previous rule.

PROCEEDINGS AT GENERAL MEETINGS

- Quorum
16. At all general meetings the Chairman, or if he be not present, the Vice-Chairman, shall preside. Seven members shall form a quorum except that where an amendment of the rules or the removal of an officer is proposed, 12 members shall form a quorum. No meeting shall become incompetent to transact business from the want of a quorum arising after the chair has been taken.
- Adjournment for want of a quorum
17. If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum be not present those members who are present shall be deemed to be a quorum and may do all business which a full quorum might have done.
- Chairman
18. If at any meeting the Chairman or Vice-Chairman be not present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of the members of the Committee present to be Chairman, or if no member of the Committee shall be present and willing to take the chair, the members present shall choose one of their number to be Chairman.
- Adjournment with the consent of meeting
19. The Chairman may with the consent of the meeting adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for twenty-one days or more notice of the adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

- | | | |
|---|-----|--|
| Voting | 20. | Subject to a poll as herein provided, every question at any general meeting shall be decided by a show of hands, when each member present shall have one vote only; and a declaration by the Chairman that a resolution has been carried or not carried, or carried and not carried by a particular majority, and entry to the effect in the book of proceedings of the Society, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded in favour of or against such resolution. A poll may, either before or immediately after a vote by a show of hands, be demanded by members representing in person or by proxy not less than one-tenth of the members of the Society for the time being, or be directed by the Chairman. Subject to any special direction contained in any rule of the Society or Act of Parliament all questions shall be determined by a majority of votes. A demand for a poll may be withdrawn. |
| Poll | 21. | If a poll be demanded or directed in the manner above mentioned, it shall be taken at such time and in such manner as the Chairman may appoint, and the Chairman shall decide whether such poll when demanded or directed before a vote by a show of hands is to be taken instead of or after a vote by show of hands, and the result of such poll shall be deemed to be the resolution of the Society in general meeting. |
| Chairman to have casting vote and decide validity of vote | 22. | In case of an equality of votes at any general meeting, upon a show of hands or on a poll, the Chairman shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote, the Chairman shall determine the same, and such determination shall be final and conclusive. |
| Meeting can proceed notwithstanding poll | 23. | Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. |
| Votes of members | 24. | On a poll every member not indebted to this Society shall have one vote. |
| Members who are suffering from mental disorder | 25. | If any member is a patient within the meaning of Part VIII of the Mental Health Act 1959, he may vote by his committee, receiver, curator bonis, or other legal curator. |

- Proxy 26. Votes on a poll may be given personally or by proxy.
- How proxies to be signed and who may be appointed 27. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. No person shall be appointed a proxy who is not a Member of the Society and qualified to vote.
- Deposit of proxy 28. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarilly certified copy of such power or authority, shall be deposited at the registered office of the Society not less than two clear days before the day fixed for holding the meeting at which the person named in such instrument is authorised to vote, and in default the instrument of proxy shall not be treated as valid.
- Form of proxy 29. An instrument appointing a proxy shall be in the following form or any other form of which the Committee may approve:
- I, _____ of _____ in the County of _____, being a member of The Priory Residents Society Limited hereby appoint _____ of _____ (a member of the said Society) as my proxy to vote for me and on my behalf at the ordinary (or special as the case may be) general meeting of the Society to be held on the day of _____ 20____, and at any adjournment thereof.
- AS WITNESS my hand this _____ day of _____ 20____.
- Validity of proxy 30. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given, provided that no notice in writing of the death, revocation, or transfer shall have been received at the registered office of the Society one clear day before the meeting. Any question as to the admission or rejection or validity of a proxy shall be determined by the Chairman, whose decision shall be final and conclusive.
- Proxy may demand poll 31. A proxy to vote shall be deemed to include power to join in demanding a poll.

- Votes of joint holders of shares
32. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as though he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this clause be deemed joint holders thereof.

OFFICERS

- Officers of the Society
33. (i) The Society shall have the following officers, who shall form the Committee of Management:-
- A Treasurer, a Secretary, and six Committeemen.
- The Committee shall, at their first meeting after the Annual General Meeting, elect a Chairman from among the Committeemen. He shall be the Chairman of the Society, and shall, during his year of office, be removable only by a vote of two-thirds of the Committee present at a special meeting called for that purpose. The Committee shall also annually elect a Vice-Chairman from among their own number who, in the absence of the Chairman, shall have all the powers of the Chairman, and shall be removable in like manner to the Chairman.
- (ii) The Treasurer and Secretary shall hold office during the pleasure of the Society. The Committeemen shall continue in office until they are due to retire under Rule 39 and at every Annual General Meeting the vacancies so created shall be filled by such members as shall be elected by a majority of the members present and entitled to vote, or on failure of such election those last appointed shall continue in office. The Treasurer and Secretary shall be elected by a majority of the members present and entitled to vote at an annual or special general meeting.
- Removal of Officers
- (iii) Any officer may be removed by resolution carried by two-thirds of the votes given thereon at a special general meeting which may proceed to fill the vacancy.

- (iv) in case any officer shall die, resign, be removed, or become unfit or incapable to act, the Committee may at any time appoint a person to fill the vacancy until the next annual general meeting, unless the vacancy is previously filled at a special general meeting.

Security by
Officers

34. Every officer having receipt or charge of money shall, before taking upon himself the execution of this office, become bound, either with or without a surety as the Committee may require, in a bond according to one of the forms set forth in Schedule 4 to the Industrial and Provident Societies Act 1965, or give the security of a Guarantee Society, in such sum as the Committee may direct, being not less than a sum sufficient to cover the maximum amount of cash which the officer is likely at any time to hold.
35. The officers shall receive such remuneration, if any, as may be decided from time to time at general meetings.

BANKING ACCOUNT

Banking
Account

36. The Society shall have one or more banking accounts into which all monies received on account of the Society shall be immediately paid. Accounts of the Society shall be paid by methods approved by the bank and authorised by the Committee.

TREASURER

Duties of
Treasurer

37. The Treasurer shall pay all demands when ordered to do so by the Committee of Management. He shall not pay any money without written authority signed by the Chairman and the Secretary, or another officer in case of incapacity of the Chairman or the Secretary. He shall produce all books, documents, property and money of the Society in his possession and render a full and clear account at each audit, and whenever required by resolution of the Society or of the Committee of Management. He shall also give up all books, documents, moneys and property of the Society in his possession when required so to do by a resolution of the Society or of the Committee of Management.

SECRETARY

Duties of
Secretary

38. The Secretary shall attend all meetings; he shall record correctly the names of the officers there present, and the minutes of the proceedings, which he shall transcribe into a book to be authenticated by the signature of the Chairman as the proceedings of the meeting; he shall receive proposals for admission to the Society; he shall hand over all moneys received by him to the Treasurer. He shall produce all books, documents, property and money of the Society in his possession, and render a full and clear account at each audit and whenever required by resolution of the Society or of the Committee of Management. He shall also pay over all moneys, and give up all books, documents and property belonging to the Society, when ordered to do by a resolution thereof or of the Committee of Management. He shall summon and give due notice of all meetings and keep the accounts, documents and papers in such manner and for such purposes as the Committee of Management may appoint, and shall prepare all returns and other documents required by the Industrial and Provident Societies Acts or the Treasury Regulations and duly forward them to the Registrar. The Secretary shall on all occasions, in the execution of his office, act under the superintendence, control and direction of the Committee of Management.

COMMITTEE OF MANAGEMENT

Retirement of
Members of
Committee

- 39 (a) At each annual general meeting one-third or the nearest thereto of the Committeemen for the time being, exclusive of members appointed under Rule 41 to fill a casual vacancy, if any, shall retire from office, the Committeemen to retire in each year being those who have been longest in office since their appointment or last election, but as between persons who became Committeemen on the same day those to retire shall (unless they otherwise agree among themselves) be determined by ballot.
- (b) A retiring Committeeman shall be eligible for re-election.

- (c) Nominations for the Committee must be in writing and received at the registered office of the Society not later than seven days before each annual general meeting. Every nomination must state clearly the full name, address and occupation of every member nominated and be signed by the member who nominates him and by the member nominated signifying his willingness to act on the Committee. If with the retiring Committeemen willing to stand for re-election there are no more nominations than vacancies, the members nominated together with the said Committeemen shall become members of the Committee. If with the retiring Committeemen there are more nominations than vacancies, those members (being not more than the number of vacancies) who receive the highest number of votes shall be elected members of the Committee.
- (d) The Committee may elect such persons, as they may from time to time think fit to act as an Advisory Council of the Society. Members of the Advisory Council shall hold office during such period as the Committee shall determine and vacancies in the Advisory Council may be filled by the Committee of Management. The Advisory Council shall not have any executive powers in the administration of the Society.

- | | | |
|----------------------------------|-----|---|
| Vacancies | 40. | If a vacancy caused by the retirement of any Committeeman is not filled by the meeting at which it ought to have been filled under the rules of the vacancy may be filled by the Committee. |
| | 41. | A casual vacancy on the Committee may be filled up by the Committee, and the member so appointed shall hold office until the next annual meeting. |
| Disqualification of Committeeman | 42. | The office of a Committeeman shall be vacated if he becomes bankrupt or compounds with his creditors or becomes a patient within the meaning of Part VIII of the Mental Health Act 1959 or is convicted of an indictable offence, or ceases to be a member of the Society or absents himself for a period of three calendar months from the meetings of the Committee without special leave of absence from the Committee or gives the Committee one month's notice in writing that he resigns the office, or is concerned in the profits of any contract made by the Society except as a director, committeeman, officer, servant, or member of any society or company or any firm of bankers which contracts with or does work for the Society, in which case the Committeeman shall not be accountable for the profit he receives; but any act done in good faith by a |

Committeeman whose office is vacated as aforesaid shall be valid unless prior to the doing of such act written notice has been served on the Committee and an entry has been made in the Committee's minute-book stating that such Committeeman has ceased to be a member of the Committee.

Committeeman may hold office 43. A Committeeman may hold any other office or position under the Society except that of auditor in conjunction with the office of Committeeman and on such terms as to remuneration and otherwise as the Committee may arrange.

Committee may act notwithstanding vacancy 44. The Committee may act, notwithstanding any vacancy in their body, but if and so long as the number of Committeemen is reduced below the number fixed by Rule 47 as the necessary quorum of Committeemen, the continuing Committeemen may act for the purpose only of summoning a general meeting of the Society which shall be empowered to appoint such number of Committeemen as is required to bring their number up to six.

POWERS OF COMMITTEE

Powers of Committee 45. The management of the business of the Society shall be vested in the Committee, who, in addition to the powers and authorities by these rules or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Society, and are not hereby or by statute expressly directed or required to be done by the Society in general meeting, but subject nevertheless to the provisions of the statutes, and of these rules, and to any regulations from time to time made by the Society in general meeting, provided that no regulation so made shall invalidate any prior act of the Committee which would have been valid if such regulations had not been made.

Particular powers of Committee 46. Without prejudice to and not so as to limit or restrict the general powers conferred by the last preceding rule and the other powers conferred by these rules it is hereby expressly declared that the Committee shall have the following powers – that is to say, power

(a) To appoint, suspend, remove or discharge all solicitors, managers, architects, surveyors, accountants (except the auditor), agents, servants, and employees of every description and fix their duties and remuneration and require them to give security to the approval of the Committee.

- (b) To enter into all contracts for the Society and settle the terms thereof.
- (c) To compromise and settle or conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability, or claim by or against the Society.
- (d) To convene all meetings of the Society according to the rules thereof, subject to the provisions hereinbefore contained as to special general meetings.
- (e) To provide proper books for entering the accounts of all business carried on behalf of the Society, and the minutes of all meetings thereof, and of their own proceedings, and for making all such entries as are hereby required or as any general meeting may direct.
- (f) To provide such forms as are necessary in accordance with the provisions of the rules and for the same time being kept, made up, or used in such manner as in their discretion they think desirable.
- (g) To remunerate any Committeeman for special services rendered to the Society either by a fixed sum or otherwise as may be determined by the Committee, and such remuneration may either be in addition to or in substitution for any other remuneration to which the Committeeman may be entitled. An entry in the minute book of the Committee that any services rendered by a Committeeman are special services shall be conclusive evidence thereof.
- (h) To do all such acts and things as are incidental to, or which the Committee may think conducive to, the attainment of the objects of the Society or any of them.

PROCEEDINGS AT COMMITTEE MEETINGS

Time, place of meetings and quorum of Committee

47. The Committee shall meet at least once in every month at such time and place as may be agreed from time to time. The Chairman, or if he be not present, the Vice-Chairman, shall preside. Any five shall form a quorum; and shall have full power to superintend and conduct the business of the Society according to the rules thereof, and shall in all things act for and in the name of the Society.

Every question shall be decided by a majority of votes, and if the votes are equal the Chairman shall have a casting vote in addition to his vote as a member. Any three of the Committee may call a special meeting thereof, by giving seven clear days' notice in writing to the Secretary but at such special meeting no other business than that specified in the notice shall be taken into consideration.

- | | | |
|---|-----|--|
| Appointment of sub-committees | 48. | The Committee may delegate any of the powers hereby given to it to a sub-committee of its own members, who shall in the functions entrusted to them conform in all respects to the instructions and regulations given them by the Committee, and the meetings and proceedings of such sub-committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Committee so far as the same are applicable thereto and are not superseded by any regulations made by the Committee under this rule. |
| Validity of act of Committee and sub-committees | 49. | All acts done in good faith by any meeting of the Committee or of any sub-committee thereof shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any Committeeman or Committeemen or that any one or more of them were disqualified be as valid as if every Committeeman had been duly appointed and was duly qualified to serve. |
| Resolution of Committee | 50. | A resolution in writing signed by all the members of the Committee or all the members of a sub-committee shall be as valid and effectual as if it had been passed at a meeting of the Committee or sub-committee duly called and constituted. |

MINUTES

- | | | |
|---------------------------------------|-----|---|
| Minutes to be evidence of proceedings | 51. | The minutes of all meetings of the Society and of the Committee and of every sub-committee containing such particulars as the Committee direct from time to time shall be regularly recorded by the Secretary, and the minutes of every general meeting and of every meeting of the Committee shall be read at the next of such meetings respectively and signed by the Chairman of the meeting at which they are so read, and the minutes of every sub-committee meeting shall be read at the meeting of the Committee following, and signed by the Chairman of such meeting, and all minutes so signed shall be conclusive as between the Society and every member thereof subject to the correction of any patent error. |
|---------------------------------------|-----|---|

ACCOUNTS AND AUDITORS

- Books of Accounts, etc to be kept at office
52. All books of account, registers, securities, documents and papers of the Society other than such (if any) as the Committee may and do direct to be kept elsewhere shall be kept at the registered office of the Society in such manner and with such provisions as the Committee may from time to time direct.

AUDIT

- Appointment of Auditors
53. (1) The Society shall in each year of account appoint a qualified auditor to audit its accounts and balance sheet for that year. For the purposes of this rule "qualified auditor" means a person who is a qualified auditor under section 7 of the Friendly and Industrial and Provident Societies Act 1968.
- (2) Save as provided in paragraph (3) of this rule every appointment of an auditor shall be made by resolution of a general meeting of the Society.
- (3) The Committee may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.
- (4) An 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 Committee) shall be re-appointed as auditor of the Society for the current year of account (whether or not any resolution expressly re-appointing him has been passed) unless
- (a) 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
 - (b) he has given to the Society notice in writing of his unwillingness to be re-appointed or
 - (c) he is ineligible for appointment as auditor of the Society for the current year of account or
 - (d) he has ceased to act as auditor of the Society by reason of incapacity.

Provided that a retiring auditor shall not be automatically re-appointed by virtue of this rule if notice of an intended resolution to appoint another person in his place has been given in accordance with rule 54 and the resolution cannot be proceeded with because of the death, incapacity or ineligibility of that other person.

54. A resolution at a general meeting of the Society:-
- (i) appointing another person as auditor in place of a retiring auditor or
 - (ii) providing expressly that a retiring auditor shall 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 moved. On receipt by the Society of notice of the intention to move any such resolution the Society shall give notice of the resolution to the members and to the retiring auditor in accordance with section 6 of the Friendly and Industrial and Provident Societies Act 1968, and shall give notice to the members in accordance with that section of any representations made or intended to be made by the retiring auditor.
55. None of the following persons shall be appointed as auditor of the Society
- (a) an officer or servant of the Society;
 - (b) a person who is a partner of or in the employment of or who employs an officer or servant of the Society; or
 - (c) a body corporate
56. The auditor shall in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968 make a report to the Society on the accounts examined by him and on the revenue account or accounts and the balance sheet of the Society for the year of account in respect of which he is appointed.

INSPECTION OF BOOKS

- Individual right of inspection 57. Any member or person having an interest in the funds of the Society shall be allowed to inspect his own account, and the books containing the names of the members, including all the particulars in the duplicate register at all reasonable hours at the registered office of the Society, subject to such regulations as to the time or manner of such inspection as may be made from time to time by the general meetings of the society.

ANNUAL RETURN

- Annual returns 58. Every year not later than the 31st March the Secretary shall send to the Registrar the annual return in the form prescribed by the Chief Registrar of Friendly Societies relating to the Society's affairs for the period required by the Act to be included in the return together with
- (a) a copy of the report of the auditor on the Society's accounts for the period included in the return, and
 - (b) a copy of each balance sheet made during that period and of the report of the auditor on that balance sheet.

- Supply of copies of annual returns 59. The Secretary shall be supplied with copies of the last annual return together with the report of the auditor on the accounts and balance sheet contained in the return, and shall supply such a copy gratuitously to every member or person having an interest in the funds of the Society, on demand.

BALANCE SHEET

- Balance Sheet 60. (1) The Society shall not publish any balance sheet which has not previously been audited by the Society's auditor and any copy of a balance sheet published by the Society shall incorporate the report made thereon by the auditor.
- (2) The Society shall keep a copy of the last balance sheet for the time being, together with the report of the auditor, always hung up in a conspicuous place at its registered office.
- (3) The Committee shall lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon before each annual general meeting.

TRANSFER OF SHARES

- To whom shares may be transferred
61. No share in the Society shall be transferred unless the proposed purchaser or transferee thereof is at the same time also acquiring the interest of the share vendor or transferor in the dwelling of which he is the leaseholder on the Priory Estate, Blackheath.
 62. The Committee may refuse registration of a transfer where any share comprised in the transfer is a share on which the Society has a lien or where the transferee is not at the time of the transfer also acquiring the interest of the transferor in a dwelling at The Priory or where there are arrears of subscriptions or other monies payable under Rule 9 due from the transferring member.
 63. If at any time any share is registered in the name of a person who is not the lessee of a dwelling at the Priory or under contract to purchase a lease the Committee shall give notice in writing to such holder requiring him to transfer such share to a person who is such a lessee, and if the same shall not have been so transferred within one month after such notice has been given the Committee shall cancel such share forthwith and the holder shall be repaid the nominal value thereof.

CESSATION OF MEMBERSHIP

- Cessation of Membership
64. A member shall cease to be a member on transfer of the share held by him or upon cancellation of that share pursuant to these rules.

NOMINATIONS AND PROCEEDINGS ON DEATH OR BANKRUPTCY

65. Upon a claim being made by the personal representative of a deceased member or the trustees in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member the Society shall transfer such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.
66. A member may in accordance with the Industrial and Provident Societies Act nominate any person or persons to whom (subject to the provisions of the Act as to amount and the persons to whom a valid nomination may be made)

any of his property in the Society at the time of his death shall be transferred. On receiving satisfactory proof of death of a member who has made a nomination the Society shall if and to the extent that the nomination is valid under the said Act either transfer or pay in accordance with the Act the full value of the property comprised in the nomination to the person entitled thereunder.

APPLICATION OF PROFITS

- Reserve Fund 67. No payment shall be made to members by way of dividends on shares held by them, and any surplus accruing at the end of each year's working shall be placed to a Reserve Fund to meet future contingencies for maintenance of the properties. No part of the said reserve shall be available for distribution to members.

SEAL

68. The Society shall have its name engraven in legible characters on a seal which shall be kept in the custody of the Secretary and shall be used only under the authority of a resolution of the Committee. The date of such authority shall be mentioned on the instrument to which the seal is attached and shall be attested by the signature of two members of the Committee and the Secretary.

INVESTMENT

- Investment of surplus funds 69. Any money not wanted for immediate use, or to meet the usual accruing liabilities, shall, with the consent of the Committee, or of a majority of the members present and entitled to vote in general meeting, be invested in any manner expressly authorised by Section 31 of the Industrial and Provident Societies Act 1965, but not otherwise.

STATUTORY APPLICATIONS TO THE REGISTRAR

- Inspection on order of Registrar 70. Any ten members of the Society, each of whom has been a member of the Society for not less than twelve months immediately preceding the date of the application, may apply to the Registrar in the form prescribed by the Treasury Regulations to appoint an accountant or actuary to inspect the books of the Society and to report thereon, pursuant to Section 47(1) of the Industrial and Provident Societies Act 1965.

71. It shall be the right of one-tenth of the whole number of members, or if the number of members shall at any time exceed 1,000 it shall be the right of 100 members, by an application in writing to the Chief Registrar, signed by them in the Forms respectively prescribed by the Treasury Regulations:-
- (a) To apply for the appointment of an inspector or inspectors to examine into the affairs of the Society and to report thereon or
 - (b) To apply for the calling of a special meeting of the Society.

DISSOLUTION

- | | |
|-------------|--|
| Dissolution | 72. The Society may at any time be dissolved by the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution in the form provided by the Treasury Regulations, or by winding-up in manner provided by the Industrial and Provident Societies Acts. |
|-------------|--|

COPIES OF RULES

- | | |
|--------------------------------|---|
| Copies of rules to be supplied | 73. It shall be the duty of the Committee of Management to provide the Secretary with a sufficient number of copies of the rules to enable him to deliver to any person on demand a copy of such rules on payment of a sum not exceeding 10p for non-members and 10p for members, and the duty of the Secretary to deliver such copies accordingly. |
|--------------------------------|---|

NOTICES

- | | |
|---------------------------|--|
| What is sufficient notice | 74. Every member shall be taken to have due notice of every meeting, resolution, or other matter of which notice is required by the rules of the Society to be given or served, on notice thereof being posted or sent to the registered address of such member, and such notice shall be deemed to be effected 24 hours after the dispatch thereof. |
| Notices to joint holders | 75. All notices shall, with respect to any shares to which persons are jointly entitled, be given to the joint owner who is named first in the register of members, and notice so given shall be sufficient notice to all the holders of such shares. |

DISPUTES AND EXPULSION OF MEMBERS

- | | | |
|--------------------------------|-----|---|
| Disputes, how to be determined | 76. | Every dispute between a member of the Society or any person aggrieved who has not for more than six months ceased to be a member of the Society, or any person claiming through such member or person aggrieved or claiming under the rules of the Society and the Society or an officer thereof, shall be decided by arbitration in manner directed by these rules and the decision so made shall be binding and conclusive on all parties without appeal, and shall not be removable into any Court of Law or restrainable by injunction and application for the enforcement thereof may be made to the County Court. |
| Appointment of arbitrators | 77. | (a) There shall be five arbitrators elected at any ordinary general meeting of the Society, none of whom is directly or indirectly interested in the funds of the Society. |
| Mode of selection | | (b) In any case of dispute the Secretary of the Society or such other person as the Committee may direct shall, in the presence of the complaining party or someone appointed by him, write the names of the arbitrators for the time being upon separate pieces of paper and place them so that the names shall be concealed, and the complaining party shall draw three, and the persons whose names are so drawn shall be arbitrators to decide the dispute. |
| Vacancies | | (c) Vacancies in the number of arbitrators shall be filled by the Committee subject to confirmation at the first ordinary general meeting held after any vacancy is filled. |
| | | (d) The appointment of an arbitrator may be revoked by a resolution to that effect passed at any general meeting, which may thereupon proceed to fill the vacancy. If the vacancy is not then filled the Committee shall fill the vacancy. |
| Two arbitrators may act | | (e) Two of the three arbitrators selected as aforesaid shall be competent to hear and decide any question but shall, before hearing it, appoint an umpire, by whom if they differ the question shall be determined. |
| Costs | | (f) The costs of the arbitration shall be borne as the arbitrators direct, and the complaining party shall, before the arbitration, deposit with the Society the sum of £1 to abide the decision. |

AMENDMENT OF RULES

- | | | |
|---|-----|---|
| Majority
requisite to
make
alterations | 78. | Any rule of the Society not hereinafter declared to be fundamental may be rescinded or amended, or any new rule be made by a resolution carried by two-thirds of the votes given thereon at any special general meeting. |
| Fundamental
rules | 79. | Rule 67 and this rule are hereby declared to be fundamental and shall not be amended or rescinded except by a resolution carried by three-fourths of the votes given thereon at a special general meeting. |
| Applications for
registration of
amendments | 80. | Application for the registration of every amendment, addition, repeal, or alteration shall be made to the Registrar in the manner and form required by the Treasury Regulations so soon as is practicable after the same has been made, and a copy thereof shall be issued with every copy of the rules issued after the registration thereof. No amendment of rules is valid until registered. |

INDEMNITY

- | | | |
|---|-----|---|
| Indemnity | 81. | Every Committeeman, manager, secretary, and other officer or servant of the Society shall be indemnified by the Society against, and it shall be the duty of the Committee out of the funds of the Society to pay all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in discharge of his duties, including travelling expenses, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Society and have priority as between the members over all other claims. |
| Individual
responsibility of
Committeeman | 82 | No Committeeman or other officer of the Society shall be liable for the acts, receipts, neglects, or defaults of any other Committeeman or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Society through the insufficiency or deficiency of title to any property acquired by order of the Committee for or on behalf of the Society, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Society shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities, or effects shall be deposited, |

or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

INTERPRETATION

- Interpretation 83. In the construction of these rules, including this rule, the following words and expressions shall have respectively the meanings following unless the subject matter or context are inconsistent therewith:
- (a) Words importing the singular or plural number respectively include the plural and singular numbers. Words importing the masculine gender also include the feminine gender.
 - (b) "The Act" means the Industrial and Provident Societies Acts, 1965 to 1975.
 - (c) The "Committee" means the Committee of Management of the Society, and "Committeeman" and "Committeemen" mean a member or members of the Committee of Management of the Society.
 - (d) A "company" means any body corporate other than a society, and a "society" means any society registered under the Act or deemed so to be.
 - (e) "Land" includes tenements and hereditaments.
 - (f) "He", "him" and "person" include a company, society, local authority or county council.

The marginal notes and headings are inserted for convenience of reference only, and shall not affect the construction of these rules.

FORM OF INSTRUMENT

84. The instrument referred to in Rule 7 shall be in the form following, or as near thereto as the circumstances permit or such other form as the Committee may approve. The date, the name of the Society, and an address to the Committee shall be prefixed in all applications for shares.

FORM OF TRANSFER OF SHARES

The Priory Residents Society Limited, registered under the Industrial and Provident Societies Act 1965 to 1975.

This instrument, made the _____ day of _____ 20____
between A, of _____
and B, of _____

witnesses that in consideration of the sum of £ _____,
paid by the said B to me, I the said A, hereby transfer to the
said B, his executors, administrators and assigns, the
shares numbered _____

now standing in my name in the books of the above-named
society, to hold the said shares upon the same conditions on
which I now hold the same: and that I, the said B, hereby
accept the said shares, subject to the said conditions. In
witness whereof we have hereto set our hands.

Signature of Transferor

Signature of Transferee

}
}
}
}
}

Three members

Secretary

INDEX

Accounts and Auditors	52
Accounts, books of,	52
Committee to present,	12(a)
annual, returns,	58
Annual returns,	58
copies of,	59
Applications, of profits,	67
for registration of amendments,	78
for membership,	5
Arbitrators, appointment of,	77
Auditors, appointment of,	53
powers and duties of,	56
Balance Sheet,	60
Borrowing powers,	10
Banking Account,	36
Committeemen, appointment of sub-committees,	48
Committee, how formed,	33
disqualification of,	42
individual responsibility of,	82
may act notwithstanding vacancy,	44
may hold office,	43
place of meetings,	47
powers of Committee,	45, 46
procedure of,	47
quorum,	47
removal of,	33
retirement of,	39
remuneration of,	35, 46
resolutions in writing valid,	50
special meetings of,	39
time of meetings,	47
vacancies,	40, 51
validity of acts,	49
Chairman, election of,	33
casting vote,	22

Disputes,	76
appointment of arbitrators,	77(a)
mode of selection,	77(b)
vacancies,	77(c), (d)
Dissolution,	72
Dividends, no payments to be made by way of,	67
Form of Instrument,	84
Fundamental rules,	79
General Meetings -	
adjournment for want of a quorum,	17
adjournment with consent of meeting,	19
chairman,	18
chairman to have casting vote and to decide	22
validity of votes,	
date of,	11
functions of annual general meetings,	12
may continue notwithstanding poll,	23
notice of,	14
poll,	21
quorum,	16
special,	13
validity of votes,	22
voting,	20
Indemnity,	81
Inspection of accounts,	57
an order of the Registrar,	70
individual right of,	57
Interpretation,	83
Investments,	69
Instrument, form of,	84
Loans in general,	10

Members of the Society,	4
applications,	5
expulsion of,	63
cessation of membership	64
individual right of inspection of books,	57
joint holders,	5
register of,	8
minors not eligible,	4
proceedings at death,	65, 66
voting,	20
Meetings may continue notwithstanding poll,	23
Minors, non-admission of,	4
Minutes to be evidence of proceedings,	51
Name of Society,	1
use of,	3
Nominations,	66
Notices -	
of General Meetings,	14
to joint members,	75
what is sufficient,	74
Objects of the Society,	1
Officers of the Society,	33
Poll,	21, 22, 23, 24
Profits,	67
Proxies,	26
deposit of,	28
form of,	29
how signed and appointed,	27
may demand poll,	31
validity of,	30
Quorum of Committee,	47
at General Meetings,	16
adjournment for want of,	17

Registered Office,	2
books of accounts to be kept at,	52
Registrar, application to,	70
Reserve funds,	67
Rules –	
application for registration of amendments,	80
copies supplied,	73
fundamental,	79
interpretation of,	83
majority requisite to make alterations,	78
Share Capital,	6
joint holders,	5, 32
registration,	7
transfers,	7, 61, 62, 63
transmission of interest,	65, 66
Seal, its custody and use,	68
Secretary, appointment of,	33
duties of,	38
Security by officers,	34
Subscriptions,	9
Treasurer, appointment of,	33
duties of,	37
Voting of members,	20, 24
casting vote of chairman,	22
joint holders,	32
on a poll,	21
proxies,	26, 31