

Legal Terms and Conditions

We have a legal obligation to be very clear to you how the share process works and a moral obligation to be true to the twin aims of making a model social housing community out of disused offices and unused land, and safeguarding your money. By participating you confirm your full understanding **so please read in full.**

General

- 7.1 Our official IPS number is 32137R and can be found on our website and documents.
- 7.2 AEOB housepeople is a registered charity with the number EW21214.
- 7.3 AEOBhousepeople is registered with the Financial Conduct Authority. However, exemptions apply to the IPS form and you have no right of complaint to an ombudsman. If in doubt, seek independent advice. See www.fsa.gov.uk/doing/small_firms/msr/societies for full details.
- 7.4 The Board refers to the appointed directors of AEOB, which is the day-to-day decision-making authority of the Society.
- 7.5 Members must be at least 16, and must pay for their shares in full at the time of application.
- 7.6 Your personal liability in all circumstances is restricted to the value of your shares.
- 7.7 Additional documents including Business Plan, case studies and the Society's constitutional document can be found on our website.

Share purchase

- 7.8 Each person may purchase a single share.
The minimum holding is £50, and statutory maximum is £100,000 for an individual or company. Any amount between £50 and £100,000 may be purchased.
- 7.9 Additional investment may be made into an existing share up to the statutory maximum £100,000.
- 7.10 Shares may be purchased in the name of another named individual (eg as a gift), however they must be over 16 years of age and be aware of these Terms and Conditions before applying. Where possible they should also sign the application declaration. Where this is not possible, we will issue a copy of Terms and Conditions and request a signed declaration when the shares are issued.

Share transfer and withdrawal

- 7.11 Shares may be transferred to a new shareholder subject to completion of appropriate documentation and providing satisfactory evidence that no profit has been made by the individual as a result of the transfer.
- 7.12 Shares may be withdrawn at any time prior to AEOB committing to a purchase, providing one month's notice has been given in writing.
- 7.13 Once a property purchase has been committed to, share withdrawal will be suspended for a period of three years. The Board will notify all shareholders when this occurs. The Board reserves the right to extend the suspension period if required in the interest of the Society.
- 7.14 After the initial suspension period, withdrawals will be accepted subject to the following conditions:
 - i. Notice of three months given in writing.
 - ii. The withdrawal would not jeopardise the financial situation of the Society based on current and forecast needs at the time.
 - iii. Total share withdrawal in the financial year would not exceed 10% of total shareholding if granted.The board could still refuse the withdrawal if there was good reason to do so, eg a large number of withdrawal requests were received simultaneously.
- 7.15 Once the initial suspension period is over, further withdrawal suspensions could be put in place subject to agreement at a General Meeting.
- 7.16 In case of the death of a shareholder
 - i. Copy of Death Certificate and executor details should be provided.
 - ii. The withdrawal suspension period will still be observed with shares being released at

the earliest opportunity. Individual cases will be considered by the Board if there is a clear need for early withdrawal, however the financial stability of the Society must remain their chief concern.

- iii. Shares can be transferred at face value to another named individual . Instruction must be given in writing and signed by all executors, or the probate-appointed representative as appropriate.

Interest payment

- 7.17** We intend to and are allowed to pay interest on shares, provided the business' profits allow it. Our hope is to pay at 1% from the beginning of Year 3 (Year 1 beginning from the completion of property purchase), rising to 2% in Years 4 & 5, and at 3% from Year 6 onward.
- 7.18** First priority and duty will be to service any loan incurred in the acquisition and physical development of the housing.
- 7.19** Interest payments can be suspended by the Board if the financial performance of the business cannot support them.

Protecting your investment

- 7.20** All monies will be held in safekeeping in an account in the name of AEOBhousepeople until the Board are clear that the minimum amount has been reached to make a site purchase viable. Should this not occur, your investment will be returned. If costs have been incurred with banks, lawyers, accountants and designers before this point, these will be deducted proportionally across all shareholders.
- 7.21** The Society has a common ownership dissolution clause (an 'asset lock' designed to safeguard AEOBhousepeople for the future) meaning that if the Society is dissolved, then once shares and other liabilities are paid, residual assets cannot be distributed amongst the members. Residual assets would be transferred to a similarly aligned asset-locked organisation. A 75% member vote is needed to remove this clause.

Rights of Shareholders

- 7.22** Once you purchase the minimum shareholding or more, you will be entitled to become a member of the Society and to take part in our meetings and consensus decision making process (which is within IPS rules). If your shareholding drops below the minimum amount, you will lose this right. All members have an equal say regardless of share value.
- 7.23** Organisations making investments should inform AEOB at the point of application who the appropriate contact is for Society communication. Ideally this should be a job title rather than a named individual. If the organisation also takes up membership, this person would be entitled to cast the organisation's vote or to send a proxy if required.