

# Chapter 1

# ANNEX A

Copy of the TMO's Constitution

## TWO TOWERS HOUSING CO-OPERATIVE LIMITED

### RULES

Registration No: 28664R

#### NAME AND STATUS

1. a) The name of the society shall be Two Towers Housing Co- operative Limited (referred to in these Rules as the Co-operative).
- b) The Co-operative shall be a bona fide co-operative within the meaning of section (12) of the Industrial and Provident Societies Act 1965 and by virtue of its registration under that Act the liability of it members shall be limited to the extent of their shareholding.

#### OBJECTIVES

2. The objects of the Co-operative shall be as provided below. In carrying out these objects the Co-operative shall work towards the elimination of discrimination based on race, ethnic origin, nationality, gender, disability, sexuality (lesbians/gay men), age, class, appearance, religion, responsibility for dependents, unrelated criminal convictions, the fact that a person is HIV positive or has AIDS or any other matter which causes any person to be treated with injustice.
  - a) The provision, construction, conversion, improvement, or management on the Co-operative Principles of dwellings exclusively for letting to members of the Co-operative under the terms of a tenancy.
  - b) The provision and improvement on the Co-operative Principles of land, buildings, amenities, or services for the benefit of the members, either exclusively or in conjunction with other persons.
  - c) The provision of housing management services to members of the Society and to the occupants of dwellings that are then the subject of a management agreement under which the Co-operative is acting as managing agent for a landlord body.

#### POWERS

3. The Co-operative shall have the power to do all things necessary or expedient for the fulfilment of its objectives and for the support and development of bodies which are concerned with the provision and management of co-operative housing or with the promotion of co-operatives, or which have objects supported by the co-operative. If the Co-operative is or becomes a registered Housing Co-operative under section 5 of the Housing Co-operatives Act 1985, its powers under Rule shall be limited so as to conform to the requirements of the said Act.

#### TRADING

4. The Co-operative shall not trade for profit.

#### **REGISTERED OFFICE**

5. The registered office of the Co-operative shall be at The Tenants Rooms, 83 Lupin Point, Abbey Street, SE1 2DW. The office may be changed by resolution of a general meeting. Notice of any changes shall be sent to the Registrar of Friendly Societies within fourteen days of such change or within such other time as may be required by the Treasury Regulations and in the manner and the form thereby prescribed.

#### **SHARED CAPITAL**

6.
  - a) The share capital of the Co-operative shall consist of shares of the nominal value of £1 each issued to members of the Co-operative upon admission to membership.
  - b) Shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend or bonus, and shall be forfeited and cancelled upon cessation of membership from whatever cause and the amount paid up therein shall become the property of the Co-operative.

#### **MEMBERSHIP**

7.
  - a) The members of the Co-operative shall be those persons signing the application for registration of the Co-operative, and those persons whose names are entered in the register of members.
  - b) The register of members shall include the address of each member; it shall be the responsibility of the member to advise the Co-operative of any change. Any requirement in the Act or in the Rules of the Co-operative that a notice be served on the member shall be satisfied if notice has been delivered to the address given in the register.
  - c) only persons aged 18 or over are eligible to become members.
  - d) A member shall hold only one share in the Co-operative. Shares shall not be held jointly.
  - e) Membership shall be open only to tenants, leaseholders, their partners, spouses and adult children who are over the age of 18 and legally resident within two towers.

**Revision: Membership shall be open only to tenants, leaseholders, signed sub tenants of leaseholders, their partners, spouses and adult children who are over the age of 18 and an authorised resident within two towers.**

- f) Membership is restricted to 3 members per household

## APPLICATION FOR MEMBERSHIP

8. Any application for membership shall be considered under the procedure laid down by the general meeting from time to time. If an application is approved, the Co-operative will issue the applicants with one share upon payment of £1.

## TERMINATION OF MEMBERSHIP

9. A member shall cease to be a member if:
  - a) they die; or
  - b) they resign by writing to the Secretary or in person at a general meeting; or
  - c) they are expelled from membership by a general meeting; or
  - d) they cease to occupy the dwelling provided or managed by the Co-operative **Revision: unless they are the owner of a long lease on the dwelling managed by the Co-operative**

## EXPULSION FROM MEMBERSHIP

10.
  - (a) A member may be expelled by a resolution carried by the votes of two-thirds of the members present and voting at a general meeting of the Co-operative of which notice has been duly given, provided that a complaint, in writing, of conduct detrimental to the interests of the Co-operative has been sent to them by order of the Co-operative not less than 28 days before the meeting. Such complaint shall contain particulars of the conduct complained of and shall call upon the member to answer the complaint and attend the meeting. At the meeting the members shall consider the evidence in support of the complaint and such evidence as the member may wish to place before them. If on due notice the member fails to attend the meeting without due cause the meeting may proceed in their absence.
  - (b) No person who has been expelled from membership shall be readmitted except by a resolution by the votes of at least two-thirds of the members present and voting at a general meeting of which due notice has been given.
11.
  - (a) A member may, in accordance with the Act, nominate a person or persons to whom any of their property held by the Co-operative, other than share capital, shall be transferred at their death.
  - (b) upon a claim being made to any property held by the Co-operative by the personal representatives of a deceased member or the trustees in bankruptcy of a bankrupt member, the Co-operative shall pay or transfer any property to which the representative or trustee has become entitled.

## GENERAL MEETINGS

12. General meetings of the Co-operative may be attended by any member, and all members present shall be entitled to speak and vote. Each member shall be given at least fourteen days notice of the date, time and place of each general meeting, and of the issues upon which decisions are to be taken. The Secretary

shall call a general meeting as required by the Co-operative's members or one-tenth of the members of the Co-operative, whichever is the greater, who may proceed to call the meeting if the Secretary does not do so within fourteen days of receipt of the request.

## **QUORUM**

13. No business shall be transacted at any general meeting unless 10% of the Co-operative's members are present throughout the meeting. If no quorum is present within half an hour of the time appointed for the meeting, the meeting shall stand adjourned. It shall be reconvened on the same day in the next week at the same time and place, or such other time and place as shall be agreed at the meeting notified to the members; and if at the reconvened meeting a quorum is not present within half an hour of the time appointed for the meeting then the members present shall be a quorum.

## **VOTING**

14. Every member present in person at a general meeting shall have one vote. Except where otherwise specified in these Rules, resolutions shall be decided upon by a majority vote of members present and voting. Votes shall be taken openly unless, before a motion is put to the vote, a secret ballot is demanded by not less than one-tenth of the members present. Voting shall be conducted under the direction of the Chair in accordance with any procedures agreed by the Co-operative. A motion on which voting is tied shall be deemed to have fallen.

## **ANNUAL GENERAL MEETING**

15. The Annual General Meeting shall be held within six months of the close of the financial year of the Co-operative and it shall:
  - (a) consider the frequency of general meetings during the coming year;
  - (b) consider an annual report on the business of the Co-operative during the previous financial year;
  - (c) receive the accounts and balance sheet for the previous financial year;
  - (d) appoint an auditor
  - (e) consider any other business included in the notice for the meeting.

## **MANAGEMENT BY GENERAL MEETING**

16. Until such time as a Committee is elected following a resolution under Rule 17:
  - (a) the management of the Co-operative shall be undertaken by general meetings (at least one in every three months);
  - (b) a general meeting shall constitute the Committee of Management and have all the powers of the Committee under these Rules;
  - (c) a general meeting shall have power to appoint, replace, and remove individuals, members, or groups or members delegated to exercise certain powers on behalf of the Co-operative;

- (d) the Annual General Meeting shall elect a Chair from among the members of the Co-operative to hold office until the following Annual General Meeting unless removed or replaced by a general meeting. All members must receive at least seven days' notice of any motion to remove the Chair.
- (e) The Annual General Meeting shall elect a Secretary and Treasurer who shall hold office until the following Annual General Meeting unless removed or replaced by a general meeting. They shall be responsible to the general meeting for the proper performance of their duties.

## **MANAGEMENT BY COMMITTEE**

- 17. (a) A Committee to manage the Co-operative may be set up by a resolution carried by the votes of two-thirds of the members present and voting at a general meeting. The resolution shall take effect at the next Annual General Meeting unless the resolution specifies that it shall take effect at a Special General Meeting to be held before the next Annual General Meeting in accordance with Rule 17b. Except as provided for in Rule 17b, the result of elections to the committee shall be declared at Annual General Meetings and elected Committee members shall enter upon their duties at the conclusion of the Annual General Meeting at which their election is declared.
- (b) If a Special General Meeting is required by a resolution passed under Rule 17b, the election of the committee shall take place in accordance with Rules 19 and 20 except that references of the Annual General Meeting in those rules shall apply to the Special General Meeting at which the results of the election shall be declared and at the conclusion of which the committee members shall enter upon their duties.
- (c) Subject to Rule 17b, until such time as a Committee is elected Rules 18 to 29 shall not apply.
- 18. (a) The Committee shall have power to do everything necessary to manage the Co-operative except to determine those issues specifically designated under the Rules as the responsibility of a general meeting.
- (b) The general meeting shall retain responsibility for the adoption of regulations and procedures governing the election and composition of the Committee and the term of office of Committee members. The general meeting may adopt a resolution delegating some or all of this responsibility to the Committee, and may revoke such delegation.
- (c) The Committee shall report on the affairs of the Co-operative to each general meeting and shall submit an annual report to the Annual General Meeting.

## **NOMINATIONS FOR COMMITTEE**

- 19. (a) Only members of the Co-operative are eligible to be nominated for election to the Committee.
- (b) Nomination of candidates for election to the Committee may be

accepted at the Annual General Meeting unless a general meeting has passed a resolution requiring nominations to be in writing and signed by the member nominated and handed to the Secretary or delivered to the registered office of the Co-operative a specified number of days, being not less than three nor more than fourteen, before the date appointed for the Annual General Meeting.

### **ELECTION OF COMMITTEE**

20. (a) If the number of nominees does not exceed the number of Committee members to be elected then each nominee shall be elected by a simple majority vote of members.
- (b) If the number of nominees exceed the number of Committee members to be elected, then the members to serve of the Committee shall be elected from amongst them by ballot. A general meeting shall make regulations governing the conduct of the ballot, provided that each member shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate.

### **REMOVAL OF COMMITTEE MEMBERS**

21. A general meeting may remove any one or more of the Committee members by resolution carried by two-thirds of the members present and voting providing that at least fourteen days notice of the motion has been given to all members of the Co-operative. The general meeting may proceed to fill any vacancy thus caused.

### **VACANCIES ON COMMITTEE**

22. (a) Except for Committee members co-opted under Rule 24, any Committee member who ceases to be a member of the Co-operative shall immediately cease to be a member of the Committee.
- (b) Except as provided by Rules 20 and 21, any vacancy caused by the death, resignation dis-qualification, retirement or removal of any Committee member may be filled by the Committee. **Revision: A vacancy filled under this rule should be filled by a member of the Co-operative and will be entitled to vote**

### **SIZE AND QUORUM OF COMMITTEE**

23. The Committee shall consist of not less than seven nor more than **Revision: twenty** (previously fifteen) members as determined by a general meeting. The quorum of the Committee shall be five, or 1/3 of elected committee members, whichever is the lesser, unless a general meeting sets a higher quorum.

### **CO-OPTIONS TO COMMITTEE**

- 24.** The Committee may co-opt any persons to serve as Committee members, subject to any limitation made by a general meeting and providing that there shall always be a majority of elected Committee members on the Committee. Co-

opted Committee members may be removed by resolution of the Committee or by a general meeting under Rule 21. **Revision: Committee members co-opted under this rule will not be entitled to vote**

## **SUB COMMITTEES**

25. The Committee may establish sub committees consisting of at least one Committee member and other persons as the committee shall think fit, provided that a majority of any sub committee shall be members of the Co-operative. The powers and proceedings of a sub committee shall be determined by the Committee in written terms of reference.

## **ELECTION OF CHAIR BY COMMITTEE**

26. The Committee shall, at its first meeting after the Annual General Meeting of the Co-operative elect a Chair from amongst its number to hold office until the first Committee meeting after the following Annual General meeting unless removed or replaced by the Committee. This person shall be the Chair of the Co-operative and may be removed from that office by the Committee at a meeting called for that purpose of which seven day's notice has been given.

## **ELECTION OF SECRETARY AND TREASURER**

27. The Committee shall elect a Secretary and a Treasurer who shall serve under its direction until removed or replaced by the Committee.

## **PROCEEDINGS OF COMMITTEE**

28. Except where provided otherwise in these Rules, the Committee shall determine issues by a majority of Committee members present and voting. If any vote is tied, the proposal shall be deemed to have fallen. The Chair of the Co-operative shall normally preside at Committee meetings: if at any Committee meeting the Chair is absent or declines to act, the Committee shall elect one of its numbers to chair the meeting.

## **DECLARATION OF COMMITTEE MEMBER'S INTERESTS**

29. If any member of the Committee has an interest in a matter under discussion by the Committee they shall disclose the nature of the interest to the Committee and may be required by any Committee member to be absent from the meeting while the matter is determined.

## **OFFICERS**

30. The Co-operative's officers shall be the Chair, Secretary, Treasurer, and such others as may be appointed from time to time. The officers shall discharge their powers and responsibilities in accordance with these rules and with such

regulations, standing orders, policies, and procedures as may be established by the Co-operative consistently with these rules.

- (a) The Chair shall normally preside at all general meetings of the Co-operative. If at any general meeting the Chair is absent or declines to act the members shall elect one of their number to chair the meeting.
- (b) The Secretary shall ensure that meetings are properly called and minutes kept, that the register of members and officers is maintained, that the use of the seal is recorded, and that the appropriate returns are made to the Registrar of Friendly Societies.
- (c) The Treasurer shall manage the financial affairs of the Co-operative and ensure that adequate records are kept.

### **PAYMENTS TO OFFICERS AND COMMITTEE**

- 31. The Co-operative shall not remunerate any member of the Co-operative or any member of any committee established by the Co-operative in respect of service as a member of any such committee or as an officer. This rule shall not prevent that reimbursement of expenses properly incurred by any person on behalf of the Co-operative.
- 32.
  - (a) The Co-operative shall have power to borrow money, including the issue of loan stock for the purpose of the Co-operative provided that, at the time of borrowing the sum of the amount remaining undischarged or monies borrowed and the amount of the proposed borrowing shall not exceed £5,000,000 and that for this purpose.
    - (i) the amount remaining undischarged of any index-linked monies previously borrowed by the Co-operative or any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such borrowing became repayable at the time of the proposed borrowing, and
    - (ii) the amount of any proposal borrowing intended to be index-linked or on any deep discounted security shall be deemed to be the proceeds of such proposed borrowing receivable by the Co-operative at the time of the proposed borrowing.
  - (b) In the case of a loan from the Co-operative's bankers, the Housing Corporation, local authority, or any other public body, or on a mortgage, the Co-operative may pay such rate of interest from time to time as may be negotiated by the Co-operative, but in the case of loans other than mortgage loans from any other source the Co-operative shall not pay interest at a rate exceeding 1% per annum above the National Westminster Bank Plc base lending rate for the time being or 6½%, whichever shall be the higher.
  - (c) The Co-operative shall have power to determine from time to time the terms and conditions upon which money is borrowed or loan stock is issued and to vary such terms and conditions subject to the provisions of this rule.
  - (d) The Co-operative shall not receive money on deposit.

- (e) The Co-operative may receive from any source donations towards the work of the Co-operative.

## **INVESTMENT**

- 33. (a) The funds of the Co-operative may, to the extent permitted by the law for the time being in force, be invested:
  - (i) in any manner expressly authorised by the Act:
  - (ii) in any investments covered by Parts I, II, III of the First Schedule to the Trustee Investments Act 1961 or in stocks or shares or debentures of any body corporate overseas to the taking of advice in accordance with the provisions of section 6 of the Trustee Investments Act 1961.
  - (iii) In shares or on security of any Industrial and Provident Society.
  - (iv) In any freehold, feuhold, or leasehold property whatever in the United Kingdom:  
  
but shall not be invested otherwise.
- (b) The Co-operative may, to the extent permitted by the law for the time being in force, delegate in writing to a suitable person the exercise of the management or investment of the property for the time being forming part of the property of the Co-operative reasonable believes to be qualified by ability and experience in the matters delegated, and who is an exempted person for the purposes of Part I of the Financial Services Act 1986 as amended or re-enacted from time to time.
- (c) The Co-operative may appoint any member or members to vote on its behalf at meetings of any other body corporate in which the Co-operative has invested any part of its funds.

## **PAYMENTS TO MEMBERS**

- 34. No portion of the income or the property of the Co-operative shall be transferred either directly or indirectly by way of dividend, bonus or otherwise by way of profit to members of the Co-operative except insofar as the tenancy or lease may provide upon surrender to the Co-operative for payments to be made to the member.

## **SURPLUSES**

- 35. (a) The Co-operative may apply any surpluses towards carrying out the objects of the Co-operative.
- (b) A general meeting may set aside any part of the surpluses arising in any year to be donated or loaned for any purposes determined by the members in general meeting.

(c) Any surpluses not applied or set aside shall be carried forward.

## **AUDIT**

36. The Co-operative shall in accordance with sections 4 and 8 of the Friendly and Industrial and Provident Societies Act 1968 appoint in each year one or more auditors to whom the accounts of the Co-operative for that year shall be submitted for audit as required by the said Act and shall have all such rights in relation to notice or and audience at general meetings, access to books and the supply of information, and otherwise as are provided by the said Act. Every such auditor shall be appointed by the Co-operative at a general meeting, and in the case of any auditor so appointed, who is a qualified auditor under section 7 of the said Act, the provisions of sections 5 and 6 thereof apply to the re-appointment, remove or replacement of the said auditor.

## **ANNUAL RETURNS**

37. Every year not later than the date provided by the Act or where the return is made up to the date allowed by the Registrar not later than seven months after such date, the Secretary shall send the Registrar of Friendly Societies in the form prescribed by the Co-operative's annual return relating to its affairs for the period required by the Act together with:
- (a) a copy of the report of the auditor on the Co-operative's accounts for the period included in the return, and
  - (b) a copy of each balance sheet made during the period and of the report of the auditor on that balance sheet.

## **MINUTES AND RECORDS**

38. Sufficient records shall be maintained and left at the registered office for the purposes of the Co-operative and to comply with the provisions of the Act.

## **SEAL**

39. The Co-operative shall have a seal kept in the custody of the Secretary and used only by the authority of the co-operative. Sealing shall be attested by the signatures of the Secretary and two members of the committee, or ht Secretary and two members of the Co-operative if a Committee has not been set up under Rule 17.

## **DISPUTES**

40. a) Provided that any internal disputes procedure established by the co-operative has been exhausted, any dispute, concerning matters governed by these rules between a member, or any person aggrieved who has not for more than six months ceased to be a member, and the Co-operative or an officer thereof, may at the request of either party be submitted to the County Court whose decision shall be binding and conclusive, and application for the enforcement thereof may be made by either party to the County Court.
- (b) The costs of arbitration shall be borne as the County Court directs, and the complaining party shall before arbitration deposit with the Co-operative's solicitor the sum of £50 which shall be refunded provided that the complaining part complies with the decision reached by the arbitrator.

## **AMENDMENT OF RULES**

41. Any rule herein may be rescinded or amended or a new rule made by resolution of two-thirds of the members present and voting at a general meeting, providing that all members of the co-operative have been supplied with copies of the proposed amendment at least seven days before the meeting at which it is to be determined. No amendment of these rules is valid until registered by the Registrar of Friendly Societies.

## **TRANSFER OF ENGAGEMENTS: DISSOLUTION**

42. (a). A general meeting may agree to accept a transfer of engagements from any Industrial and Provident Society having objects consistent with those of the Co-operative.
- (b) A general meeting may agree by a resolution supported by two-thirds of the members present and voting to transfer the co-operative's engagements to any Industrial and Provident Society whose objects include providing housing.
- (c) The Co-operative may be dissolved by the consent of three-quarters of the members by their signatures to an instrument of dissolution provided for in the Treasury Regulations or by winding up in the manager provided for in the Act.

## **INTERPRETATION**

43. In these Rules, unless the subject matter or context are inconsistent therewith:
- (a) words importing the singular or plural shall include the plural or singular respectively;
- (b) 'The Act' refers to the Industrial and Provident Societies Acts 1965 to 1978, or any Act or Acts amending or in substitution for them for the time being in force.
- (c) 'the Co-operative Principles' refers to the principles adopted at the 24<sup>th</sup> and Centennial Congresses of the International Co-operative Alliance;

- (d) 'general meeting' shall mean any meeting of the Co-operative convened under Rule 12, including Annual General Meetings and special general meetings;
- (e) 'Committee' shall mean a Committee of Management established under Rule 17;
- (f) 'committee member' shall include any person, whether a member of the Co-operative or not, who is elected, appointed, or co-opted to serve on the Committee.
- (g) 'interest' in Rule 29 shall mean a direct or indirect benefit to any Committee member, or close relative or their, except in their capacity as a member of the Co-operative.
- (h) 'surpluses' shall mean any money remaining after the Co-operative's current expenses and obligations have been provided for and adequate allowance has been made for the Co-operative's reasonably foreseeable future requirements;
- (i) 'Treasury Regulations' shall mean regulations made in accordance with section 71 of the Industrial and Provident Societies Act 1965.

- |         |         |
|---------|---------|
| 1. .... | 5. .... |
| 2. .... | 6. .... |
| 3. .... | 7. .... |
| 4. .... | . ....  |

(Secretary)