



**“All previous rules rescinded”**

**RULES of:** TWYNHAM HOUSING ASSOCIATION LIMITED

*Registered under the Industrial &  
Provident Societies Act 1965*

**Register No.** 26769R

**BASED ON MODEL RULES 1998**  
***National Housing Federation***

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**PART A****NAME AND OBJECTS**

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**Name**

A1 The name of the society shall be Twynham Housing Association Limited ("the association").

**Objects**

A2 The association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A2.1 the business of providing housing, accommodation, and assistance to help house people and associated facilities and amenities

A2.2 any other object that can be carried out by an Industrial and Provident Society registered as a social landlord with the Corporation.

**Non-profit**

A3 The association shall not trade for profit.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

**PART B****POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS**

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**Powers**

B1 The association shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.

B2 Without limiting its general powers the association shall have power to:

B2.1 take or grant any interest in land including any mortgage, charge, floating charge or other security whatsoever, or carry out works to buildings;

B2.2 help any charity or non-profit making body in relation to housing;

B2.3 subject to rules F13, F14, and F15 borrow money or issue loan stock for the purposes of the association on such terms as the association thinks fit;

B2.4 subject to rule F17 invest the funds of the association; and

B2.5 to insure officers and employers against the cost of a successful defence to a criminal prosecution brought against them as officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty.

B3 The association shall not have power to receive money on deposit.

**Powers of the board**

B4 The business of the association shall be directed by the board.

B5 Apart from those powers which must be exercised in general meeting:

B5.1 by statute; or

B5.2 under these rules

all the powers of the association may be exercised by the board for and in the name of the association.

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- B6 The board shall have power to delegate, in writing, the exercise of any of its powers to any committee, officer or employee of the association (subject to rule D1) on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

#### **Limited powers of shareholders in general meeting**

- B7 The association in general meeting can only exercise the powers of the association expressly reserved to it by these rules or by statute.

#### **General**

- B8 The certificate of an officer of the association that a power has been properly exercised shall be conclusive as between the association and any third party acting in good faith.
- B9 A person acting in good faith who does not have actual notice of any regulations shall not be obliged to see or enquire if the board's powers are restricted by such regulations.

### **PART C SHAREHOLDERS AND GENERAL MEETINGS**

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#### **Obligations of shareholders**

- C1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall 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.

#### **Nature of shares**

- C2 The association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.
- C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees) of that unincorporated body.
- C4 When a shareholder ceases to be a shareholder or is expelled from the association, his or her share shall be cancelled. The amount paid up shall become the property of the association.

#### **Nature of shareholders**

- C5 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders.
- C6 The following cannot be shareholders:
- C6.1 a minor;
  - C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;
  - C6.3 an employee of the association; and
  - C6.4 a tenant of the association in respect of whom a possession order has been obtained or whose tenancy is terminated for any other reason.

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- C7 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder, and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.
- C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.
- C9 No shareholder shall hold more than one share and each share shall carry only one vote.
- C10 A share cannot be held jointly unless by nominees of an unincorporated body.

### **Admission of shareholders**

- C11 The board shall set review and publish its policies and objectives for admitting new shareholders. The board shall only admit new shareholders in accordance with such policies. Not more than 30% of the total number of shareholders of the association shall be local authority persons and the board shall not admit any local authority persons to membership if together with other local authority persons who are shareholders their number will be in excess of 30% of the total number of shareholders of the association.
- C12 An applicant for a share shall apply in writing to the association's registered office:
- C12.1 setting out their reasons for applying and their qualifications in accordance with the association's policies; and
- C12.2 pay the sum of one pound (which shall be returned to them if the application is not approved).
- C13 Every application shall be considered by the board in accordance with rule C11. and, subject to rule C11, the board has the power in its absolute discretion to accept or reject the application of any individual persons (including nominees of unincorporated bodies), societies, companies, and any relevant local authority (being bodies corporate). If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of shareholders. One share in the association and a copy of its rules shall be issued to the applicant.

### **Ending of shareholding**

- C14 A shareholder shall cease to be a shareholder if:
- C14.1 they die; or
- C14.2 they are expelled under rule C15; or
- C14.3 they withdraw from the association by giving one month's notice to the secretary which shall be effective on receipt by the secretary; or
- C14.4 they do not participate in, nor deliver written apologies in advance to, a general meeting of the association in the period starting with one annual general meeting up to and including the next annual general meeting and the board resolves to terminate their shareholding as a consequence; or
- C14.5 in the case of a body corporate it ceases to be a body corporate; or
- C14.6 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body.
- C14.7 They become a local authority person and together with other such persons who are members of the association, this would bring the total number of such persons to over 30 per cent of the total number of shareholders. In the event that two or more members become local authority persons at the same time the

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board shall decide at its absolute discretion which persons shall cease to be shareholders; or

C14.8 They cease to be eligible to be a shareholder under Rule C6.

C15 A shareholder may only be expelled by a special resolution at a special general meeting called by the board.

C15.1 The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the association, and must request the shareholder to attend the meeting to answer the complaint.

C15.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.

C15.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

### **Annual general meeting**

C16 The association shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years.

C17 The functions of the annual general meeting shall be:

C17.1 to receive the annual report which shall contain:

- the revenue accounts and balance sheets for the last accounting period
- the auditor's report on those accounts and balance sheets
- the board's report on the affairs of the association
- the board's statement of the values and objectives of the association
- a statement of the current obligations of board members to the board and the association
- a statement of the skills, qualities and experience required by the board amongst its members
- the policy for admitting new shareholders
- The procedure for electing tenant board members

C17.2 to appoint the auditor;

C17.3 to elect board members;

C17.4 to transact any other general business of the association proposed by the board and included in the notice convening the meeting.

### **Special general meetings**

C18 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:

C18.1 upon an order of the board; or

C18.2 upon a written requisition signed by not less than five of the shareholders or one-tenth of the shareholders whichever is the higher stating the purpose for which the meeting is to be convened (to a maximum of twenty-five) stating the business for which the meeting is to be convened;

C18.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting in accordance with rule C20.

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- C19 A special general meeting shall not transact any business that is not mentioned in the notice convening the meeting.

### **Calling a general meeting**

- C20 C20.1 Subject to rule C20.2, all general meetings shall be convened by at least fourteen clear days' written notice posted, faxed, e-mailed or delivered by hand to every member at the address given in the share register. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- C20.2 All shareholders may agree by consenting in writing or by e-mail to a general meeting being held on less than fourteen clear days' notice.
- C21 Any accidental failure to get any notice to any shareholder, shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived:
- if posted, two days after being posted;
  - if faxed or e-mailed one hour after transmission by the secretary provided that no transmission notification of non delivery or other error notification has been received by the secretary
  - if delivered by hand on delivery

### **Proceedings at general meetings**

- C22 Before any general meeting can start its business there must be a quorum present. A quorum is six shareholders or if the number of shareholders at any time exceeds 60, one tenth thereof or twenty five shareholders (whichever is the lower). As part of the quorum at least two shareholders must be present in person.
- C23 A meeting held as a result of a shareholder's requisition will be dissolved if too few shareholders are present half an hour after the meeting should begin.
- C24 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If too few shareholders are present within half an hour of the time the adjourned meeting should have started, those shareholders present shall carry out the business of the meeting.
- C25 The chair of any general meeting can adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.
- C26 At all general meetings of the association the chair of the board shall preside as chair of the meeting. If there is no such chair or if the chair is not present or is unwilling to act, the deputy chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

### **Proxies**

- C27 A proxy can be appointed by delivering a written appointment to the registered office by no later than 12 noon two business days before the date of the meeting at which the proxy is authorised to vote. It must be signed by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity

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of a proxy shall be determined by the chair of the meeting whose decision shall be final. A proxy need not be a shareholder of the association.

### **Voting**

- C28 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.
- C29 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- C30 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the association, shall be conclusive evidence of that fact.
- C31 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- C32 A ballot on a resolution may be demanded by any three shareholders at a meeting (in person or by proxy) or may be directed by the chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.
- C33 A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.
- C34 A resolution in writing sent to all shareholders by post, fax, e-mail or delivered by hand and signed by three quarters of such shareholders shall be as valid and effective as if it had been passed at a properly called and constituted meeting of shareholders.

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## **PART D**

## **THE BOARD**

### **Functions**

- D1 The association shall have a board (in these rules referred to as "the board") which shall direct the affairs of the association in accordance with its objects and rules. Amongst its functions shall be to:
- D1.1 define and ensure compliance with the values and objectives of the association and ensure these are set out in each annual report;
  - D1.2 establish policies and plans to achieve those objectives;
  - D1.3 approve each year's accounts prior to publication and approve each year's budget;
  - D1.4 establish and oversee a framework of delegation and systems of control;
  - D1.5 agree policies on all matters that create significant financial risk to the association or which affect material issues of principle;
  - D1.6 monitor the association's performance in relation to these plans, budget, controls and decisions;
  - D1.7 appoint (and if necessary remove) the chief executive (if any); and
  - D1.8 satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety;
  - D1.9 agree policies for the recruitment of candidates for election as ordinary board members.
- and none of these functions D1.1 to D1.9 inclusive shall be capable of delegation.

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### Composition of the board

- D2
- D2.1 The board shall consist of not less than seven nor more than eleven board members.(excluding co-optees)
  - D2.2 Up to three members of the board shall be tenant board members elected under rule D13.2.
  - D2.3 Up to 20% of the board may be council board members.
  - D2.4 Subject to this limitation the council shall have the right to nominate no more than 2 council board members for a term to expire at the second annual general meeting after nomination. The council may withdraw a council board member at any time. The council may immediately fill any vacancy in its council board members.
- D3 Except for co-optees, council board members and tenant board members only shareholders can be board members.
- D4
- D4.1 The board shall in its annual report set out the obligations of every board member to the board and to the association. The board shall review and may amend the obligations of board members from time to time.
  - D4.2 No board member may act as such until they have signed and delivered to the board a statement, confirming that they will meet their obligations to the board and to the association. The board may vary the form of statement from time to time.
  - D4.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the board shall be capable of removal from office by a resolution of a majority of the remaining board members
- D5
- D.5.1 The board may appoint co-optees to serve on the board or sub-committee on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations nor vote on the election of officers of the association nor any matter directly affecting shareholders.
  - D.5.2 The board may co-opt the association's chief executive and other directors
- D6 For the purposes of these rules and of the Act a co-optee is not included in the expression "board member" or "member of the board". For the purposes of the Housing Act 1996 a co-optee is an officer.
- D7 Not more than five co-optees can be appointed to the board and not more than two co-optees can be appointed to any committee at any one time.
- D8 No one can become or remain a board member at any time if:
- D8.1 they are bankrupt or subject to an agreement with their creditors; or
  - D8.2 they have been convicted of an indictable offence within the last five years; or
  - D8.3 they are not a shareholder unless they are a tenant board member or a council board member; or
  - D8.4 they have absented themselves from four consecutive meetings of the board without special leave of absence;
  - D8.5 The number of board members and co-optees who are local authority persons cannot exceed 30 % of the total number of persons who are board members and co-optees. When such limit is exceeded the board member or co-optee who has most recently become a local authority person shall immediately cease to be a board member or co-optee but a council board member shall only cease to be a

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board member after all other local authority persons have ceased to be board members or co-optees.

D8.6 if a tenant, they are subject to a repossession or other order in respect of their tenancy agreement which remains undischarged; or

D8.7 if an employee and their employment with the association is terminated for any reason,

and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.

D9 Except in the case of council board members and tenant board members a board member may be removed from the board by a special resolution at a general meeting

D10 Whenever the number of board members and co-optees is less than permitted by these rules, the board may appoint a further board member in addition to the board's power to co-opt. Any board member so appointed shall retire at the next annual general meeting

#### **Election to the board**

D11 every notice for an annual general meeting the board shall set out its requirements for the skills, qualities and experience which it needs from its members. The notice shall state the extent to which those requirements are met by those board members continuing in office, and those retiring and intending to re-offer themselves for election.

D12 D.12.1 At every annual general meeting one third or the nearest number thereto of the ordinary board members shall retire from office.

D12.2 At every annual general meeting one of the tenant board members shall retire from office. The tenant board member to retire at each annual general meeting shall be the one who has been longest in office since they were last elected or re-elected to the board.

D12.3 The board members to retire under rules D12.1 and D12.2 shall be those who are to retire under rule D10 and otherwise shall be those who have been longest in office since they were last elected or re-elected to the board. If the choice is between people who became board members on the same day those to retire shall be chosen by lot if not agreed.

D13 D13.1 If at an annual general meeting, the candidates for election as ordinary board members do not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates exceed the number of vacancies the meeting shall elect the board members by ballot in such a manner as the chair directs.

D13.2 The tenant board members shall be elected at or before the annual general meeting by the tenants of the association. The criteria and mechanisms for election shall be decided by the board from time to time. The board shall publish in each annual report the method which will apply to the next election of tenant board members.

D13.3 At each annual general meeting the secretary shall certify the results of the election by the tenants of tenant board members and the persons so certified shall be declared to have been duly elected as tenant board members.

D13.4 The council board members shall be appointed by the council to serve from each annual general meeting to the next. A written notice delivered by the chief executive of the council to the secretary of the association shall be conclusive as to who has been appointed to the association's board.

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D14 In an election at a general meeting every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate.

D15 In casting their votes in an election, shareholders shall endeavour to ensure that the board possesses the quality, skills and experience which the association has from time to time determined that it requires.

#### **Candidates for the board**

D16 D16.1 Any candidate for election to the board shall submit a written statement to the association in such form as the board from time to time determines. It shall set out the candidate's full name, address, and occupation, and the reasons for their suitability to be a board member. Nominations must be signed by the shareholder making the nomination or in the case of tenant board members, must be signed by the secretary. The nomination must contain a statement by the candidate of his or her willingness to act.

D16.2 In addition a candidate who is not retiring as a board member must be nominated in accordance with the policies referred to in D.1.9.

D16.3 The statement and nomination shall be delivered to the registered office at least three business days before the meeting at which the vacancies on the board are to be filled.

#### **Quorum for the board**

D17 D17.1 Five board members, or half of the board (whichever is lower) shall form a quorum. The board may determine a higher number.

D17.2 If the number of board members falls below the number necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months. At the end of that time the only power that the board may exercise shall be to call a general meeting of the association to bring the number of board members up to that required by these rules.

#### **Board members' interests**

D18 No board member, co-optee or member of a committee shall have any financial interest:

D18.1 personally; or

D18.2 as a member of a firm; or

D18.3 as a director or other officer of a business trading for profit; or

D18.4 in any other way whatsoever save that there shall be deemed to be no financial interest in relation to shares except in the circumstances referred to in rule D21.4.

in any contract or other transaction with the association, unless it is expressly permitted by these rules or by law, or by the Housing Corporation.

D19 The association shall not pay or grant any benefit to anyone who is a board member or a co-optee or a member of a committee, unless it is expressly permitted by these rules or by law, or by the Housing Corporation.

D20 Any board member, co-optee or member of a committee, having an interest in any arrangement between the association and someone else shall disclose their interest, before the matter is discussed by the board or any committee. Unless it is expressly permitted by these rules they shall not remain present unless requested to do so by the board or committee, and they shall not have any vote on the matter in question. Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

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- D21 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:
- D21.1 a director or officer; or
  - D21.2 as a member of a firm; or
  - D21.3 as an official or elected member of any statutory body; or
  - D21.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or
  - D21.5 as the occupier of any property owned or managed by the association; or
  - D21.6 any other significant or material interest.
- D22 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time.
- D23 The association may pay to board members, co-optees and members of committees
- D23.1 properly authorised expenses when actually incurred on the association's business; or
  - D23.2 insurance premiums in respect of insurance taken out under rule B2.5; or
  - D23.3 remuneration or other payments or benefits as approved by the board to the extent permitted by the Housing Corporation for registered social landlords.
- D24 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D18 to D20 as a board member, director, or officer of any other body whose accounts are or ought to be consolidated with the association's accounts.
- D25 Board members, co-optees or members of committees who are tenants of the association shall not have an interest for the purpose of rule D20 in any decision affecting all or a substantial group of tenants.
- D26 The grant of a tenancy by the association at the direction of another body or as permitted by the Housing Corporation for registered social landlords to a board member, co-optee or member of a committee is not the grant of a benefit for the purpose of rule D19.

### **Meetings of the board**

- D27 The board shall meet at least four times every fiscal year. At least seven clear days written notice of the date and place of every board meeting shall be given by the secretary to all board members and co-optees. The board shall meet on shorter notice where all board members so agree.
- D28 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out specifying the business to be transacted thereat. The secretary shall send a written notice to all board members and co-optees to the board within seven business days after receipt of such a request. The secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, who have given notice in writing whichever is the case, shall call such a meeting.

### **Management and delegation**

- D29 The board may delegate any of its powers under written terms of reference to a committee, an officer(s) or to an employee(s) (subject to rule D1). Those powers shall be exercised and the proceedings regulated in accordance with any written instructions given by the board

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- D30 The membership of any committee shall be determined by the board. Every committee shall include one board member or co-optee to the board. The board may appoint the chair of any committee and shall specify the quorum.
- D31 All acts and proceedings of any committee shall be reported to the board.
- D32 No committee can incur expenditure on behalf of the association unless at least one board member or co-optee of the board on the committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.
- D33 For the purposes of the Housing Act 1996 any member of a committee shall be an officer.

#### **Miscellaneous provisions**

- D34 All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- D35 A resolution in writing sent to all board members and signed by three quarters of the board members or all the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee
- D36 Meetings of the board can take place in any manner which permits those attending to hear and comment on the proceedings.
- D37 A board member acting in good faith shall not be liable to the association for any loss.

### **PART E**

### **CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS**

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#### **The chair**

- E1 The association shall have a chair, who shall also chair board meetings, and shall be elected by the board. The board may appoint a vice-chair to exercise the authority of the chair in the chair's absence.
- E2 The chair on election shall hold office until the commencement of the first board meeting after the next annual general meeting of the association (or until the chair resigns as chair). The first item of business for any board meeting when there is no chair or the chair is not present shall be to elect the chair. The chair shall at all times be a board member but shall not be a local authority person. In the case of any equality of votes, the chair shall have a casting vote.
- E3 The chair of the association may be removed at a board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the board at the meeting

#### **The chair's responsibilities**

- E4 The chair shall seek to ensure that:
- E4.1 the board's business and the association's general meetings are conducted efficiently;
  - E4.2 all board members are given the opportunity to express their views;
  - E4.3 a constructive working relationship is established with, and support provided for the chief executive (if any);
  - E4.4 the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the association to be carried on effectively between board meetings;
  - E4.5 the board receives professional advice when it is needed;

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- E4.6 the association is represented as required; and
  - E4.7 the association's affairs are conducted in accordance with generally accepted codes of performance and propriety.

E5 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

#### **The chief executive**

E6 The association may have a chief executive appointed by the board. The chief executive if appointed shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive

#### **The secretary**

E7 The association shall have a secretary who shall be appointed by the board and who may be an employee. The board may also appoint a deputy secretary to act as secretary in the secretary's absence for any reason. The secretary shall in particular:

- E7.1 summon and attend all meetings of the association and the board and keep the minutes of those meetings; and
- E7.2 keep the registers and other books determined by the board; and
- E7.3 make any returns on behalf of the association to the Registry of Friendly Societies and the Corporation; and
- E7.4 have charge of the seal of the association; and
- E7.5 be responsible for ensuring the compliance of the association with these rules.

#### **Other officers**

E8 The board may designate as officers such other executives, internal auditor and staff of the association on such terms (including pay) as it from time to time decides.

#### **Miscellaneous**

E9 Every officer or employee shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.

E10 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the association.

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## **PART F**

## **FINANCIAL CONTROL AND AUDIT**

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#### **Auditor**

F1 The association shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 7 of the Friendly and Industrial & Provident Societies Act 1968 as amended by the Companies Act 1989.

F2 The following cannot act as auditor:.

- F2.1 an officer or employee of the association;
- F2.2 a person employed by or employer of, or the partner of, an officer or employee of the association.

F3 An auditor must be appointed by resolution at a general meeting.

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- F4 The association's first auditor shall be appointed at a general meeting within three months of its registration. The board may make the appointment if no meeting is held within three months. The board may appoint an auditor to fill a casual vacancy.
- F5 Where an auditor is appointed to audit the accounts and balance sheet for the preceding year, they shall be re-appointed to audit the current year's accounts as well unless:
- F5.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
- F5.2 the auditor does not want to act and has told the association so in writing; or
- F5.3 the person is not qualified or falls within rule F2 (above); or
- F5.4 the auditor has become incapable of acting; or
- F5.5 notice to appoint another auditor has been given.
- F6 F6.1 Not less than twenty eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
- F6.2 The association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible.
- F6.3 If it is not possible to give notice to all the shareholders in accordance with F6.2, the association shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the association which must be notified to its shareholders under Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

#### **Auditor's duties**

- F7 The findings of the auditor shall be reported to the association, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968.
- F8 The board shall produce the revenue account and balance sheet audited by the auditor, and the auditor's report at each annual general meeting. The board shall also produce its report on the affairs of the association which shall be signed by the person chairing the meeting which adopts the report. The account shall be made up to the end of the association's financial year.

#### **Accounting requirements**

- F9 The end of the accounting year must be a date allowed by the Registrar.
- F10 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- F11 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

#### **Annual returns and balance sheets**

- F12 Every year, within the time specified by legislation, the secretary shall send the association's annual return to the Registrar of Friendly Societies. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the Registrar. The annual return shall be accompanied by the auditor's reports for the period of the return and the accounts and balance sheets to which it refers.

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## **Borrowing**

F13 The association shall have the power to borrow money for the purposes of the association, PROVIDED THAT the total borrowings of the association at any time shall not exceed £200 million. (two hundred million pounds) or such a larger sum as the association determines from time to time in general meeting.

F14 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.

F15 F15.1 In respect of any proposed borrowing, for the purposes of rule F13, the amount remaining undischarged of any deferred interest or index-linked monies previously borrowed by the association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and

F15.2 For the purposes of rule F13 in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing.

## **F16 Use of financial instruments (rate cap transactions)**

F16.1 The association shall have the power to enter into and perform a rate cap transaction, or series of rate cap transactions, where the board (or a duly authorised committee established under the rules) considers entry by the association into such transaction(s) to be in the best interest of the association, provided that:-

- at the time of entry into any such transaction(s) the sum of the calculation amount of any rate cap transaction previously entered into and remaining in effect and the calculation amount of the proposed rate cap transaction(s) shall not exceed the lower of (1) the association's borrowing limit under rule F13 or (2) the aggregate amount of the association's variable rate borrowing then drawn down plus the amount of any existing contractually committed loan facilities not yet drawn down in respect of amounts which the association intends at the effective date when drawn will become variable rate borrowings and,
- the counterparty to each rate cap transaction is the floating rate payer.

F16.2 Prior to exercising its power under rule F16.1 the association shall obtain and consider proper advice on the question of whether the rate cap transaction is satisfactory having regard to:-

- the possible fluctuations in the rate of interest payable by the association under its variable rate borrowings during the term of the rate cap transaction(s);
- the association's ability to meet its payment obligations under the variable rate borrowings during the term of the rate cap transaction(s) if that transaction was not entered into;
- the payment obligations under the rate cap transaction(s); and
- the association's actual and projected annual income and expenditure position.

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- F16.3 For the purposes of rule F16.2 proper advice is the advice of a person who is reasonably believed by the board to be qualified by their ability in and practical experience of financial matters and rate cap transactions and is properly authorised to give such advice under the provisions of the Financial Services Act 1986; such advice may be given by a person notwithstanding that they give it in the course of their employment as an officer.
- F16.4 A person entering into a rate-cap transaction as floating rate payer with the association who has received a written certificate signed by the secretary confirming the association's compliance with the provisions of rule F16.1 and F16.2 shall not be concerned to enquire further whether or not the association has complied with the provisions of rule F16.1 and F16.2 and such transaction shall be valid at the date that it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not the provisions of rule F16.1 and F16.2 have been complied with.
- F16.5 For the purposes of this rule F16:-
- (a) "calculation amount" "effective date" "floating rate payer" "term" and "termination date" have the respective meanings given in the 2000 ISDA Definitions as amended from time to time;
  - (b) "variable rate borrowing" means any borrowing by the association pursuant to rule F13 in respect of which the rate of interest has not been fixed for a term in excess of twelve months and the term "fixed" shall exclude any borrowing where the rate of interest is indexed in accordance with a retail prices index or other published index;
  - (c) "rate cap transaction" means a cap transaction within the meaning of "swap transaction" as defined in the 2000 ISDA Definitions as amended from time to time.
- F17 The funds of the association may, with the authority of the board, be invested and may be applied as permitted by the Industrial & Provident Societies Act 1965 or in cash or term deposits, in the purchase or acquisition (either alone or jointly with other persons) of such shares, stock, funds, securities, land, buildings, chattels or other property of whatever nature and wherever situate, and whether involving liabilities or producing income or not, or in making such loans, with or without security, as the board thinks fit.

## **PART G**

## **MISCELLANEOUS AND STATUTORY, REGISTERED OFFICE AND NAME**

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- G1 The association's registered office is:
- 2<sup>nd</sup> Floor, Dolphin House, Wick Lane, Christchurch, Dorset, BH23 1HX
- G2 The association's registered name must:
- G2.1 be placed prominently outside every office or place of business; and
  - G2.2 be engraved on its seal; and
  - G2.3 be stated on its business letters, notices, adverts, official publications, cheques and invoices.

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## Disputes

- G3 G3.1 Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:
- the association and an officer; or
  - the association and a shareholder; or
  - the association and a person claiming to be a shareholder; or
  - the association and a person who was a shareholder in the last six months.
- G3.2 Alternatively, if the association has been a member of the National Housing Federation for at least two years, such dispute can be resolved by an arbitrator appointed by the National Housing Federation if both parties to the dispute agree. If they do not agree the dispute shall be dealt with in the County Court.
- G3.3 The arbitrator's decision is binding. No appeal is allowable. No court of law can alter it, but it can be enforced by a County Court.
- G3.4 The arbitrator's decision on the costs of the arbitration is binding.

## Minutes, seal, registers and books

- G4 The minutes of all general meetings, and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.
- G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves.
- G6 The association must keep at its registered office:
- G6.1 the register of shareholders showing:
- the names and addresses of all the shareholders; and
  - a statement of all the shares held by each board member and the amount paid for them; and
  - a statement of other property in the association held by the shareholder; and
  - the date that each shareholder was entered in the register of shareholders.
- G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders.
- G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate.
- G6.4 a register of holders of any loan.
- G6.5 a register of mortgages and charges on land.
- G6.6 a copy of the rules of the association.
- G7 The association must display a copy of its latest balance sheet and auditors report at its registered office
- G8 The association shall give to all shareholders on request copies of its last annual return with the auditor's report on the accounts contained in the return, free of charge.
- G9 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

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### **Statutory applications to the Registrar**

- G10 Ten shareholders can apply to the Registrar of Friendly Societies to appoint an accountant to inspect the books of the association, provided all ten have been shareholders of the association for a twelve month period immediately before their application.
- G11 The shareholders may apply to the Registrar of Friendly Societies in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

### **Amendment of rules**

- G12
- G12.1 The rules of the association may be rescinded or amended.
- G12.2 Rules A2; A3; A4; B1; B2; B3; C2; C3; C11; C14.7; D2.2; D8.5; D17; D27; G12 and G14, G15.10 and G15.3 can only be amended or rescinded by three fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two thirds of the votes cast at a general meeting.
- G12.3 Amended rules shall be registered with the Registrar as soon as possible after the amendment has been made. A copy of the amended rules shall be issued to all shareholders immediately after registration. An amended rule is not valid until it is registered.

### **Dissolution**

- G13 The association may be dissolved by a three fourths majority of shareholders who sign an instrument of dissolution in the form prescribed by Treasury Regulations; or by winding-up under the Act.
- G14
- G14.1 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another body with objects similar to that of the association.
- G14.2 If no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust.
- G14.3 If the association is registered as a social landlord with the Corporation any transfer or gift is governed by paragraph 15 of Schedule 1 of the Housing Act 1996.
- G14.4 No property shall be transferred to a relevant local authority

### **Interpretation of terms**

- G15 In these rules, including this rule, unless the subject matter or context are inconsistent:-
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;
- G15.3 any reference to an Act shall include any amendment or re-enactment from time to time
- G15.4 "amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;
- G15.5 "the association" shall mean the association of which these are the registered rules;
- G15.6 "board" shall mean the board appointed in accordance with Part D and "board member" or "member of the board" shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D.5;

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- G15.7 "business day" shall mean Monday to Friday excluding bank holidays;
- G15.8 "Corporation" means the Housing Corporation or Housing for Wales;
- G15.9 "council" means Christchurch Borough Council or its successor body.
- G15.10 "Housing Association" has the meaning given by Section 1 of the Housing Associations Act 1985;
- G15.11 notice, delivered or delivery shall be deemed to have been received by a person:
- two days after being posted;
  - if faxed or emailed one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication;
  - if delivered by hand on delivery to the person's address;
- G15.13 "relevant local authority" means a local housing authority as defined in Section 1 of the Housing Act 1985 (as amended or re-enacted from time to time) that has previously managed for rent a substantial part (being more than 20 per cent) of the rented housing provided by the association;
- G15.14 "officer" shall include the chair and secretary of the association and any board member for the time being and such other persons as the board may appoint under rule E8;
- G15.15 "council board member" means a member of the board who has been nominated by the council and elected as such at an annual general meeting of the association
- G15.16 "local authority person" means a person who: -
- is an elected member of a relevant local authority or someone who has been within the last four years; or
  - is an officer of a relevant local authority; or
  - is a person who is both an employee and director, manager, secretary or other similar officer of a company which is under the control of a relevant local authority
- G15.16 "persons claiming through a shareholder" shall include their personal representatives and also their nominees where a nomination has been made;
- G15.17 "property" shall include all real and personal estate (including loan certificates, books and papers);
- G15.18 "register of shareholders" means the register kept in accordance with rule G6.1;
- G15.19 "secretary" means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;
- G15.20 "shareholder" shall mean one of the persons referred to in rule C5 and means "member" as defined by the Act
- G15.21 "tenant" means a person who alone or jointly with others hold a tenancy, lease or licence to occupy the association's premises for residential use;
- G15.22 "the Act" shall mean the Industrial and Provident Societies Acts 1965 to 1975;
- G15.23 "ordinary board member" means a board member other than a council board member or a tenant board member;
- G15.24 "these rules" shall mean the registered rules of the association for the time being;

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- G15.25 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;
- G15.26 "special resolution" means a resolution at a general meeting passed by a two thirds majority of all shareholders who vote in person or by proxy
- G15.27 any reference to the Chief Registrar, Registrar, Central Office, Assistant Registrar (for Scotland) or the Registry of Friendly Societies includes reference to the statutory successor carrying on the relevant function of any of them.

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**INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965**

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**Acknowledgement of Registration of Society**

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Register No. **26769R** .....

**Twynham Housing Association Limited** .....

is this day registered under the Industrial and Provident Societies Act 1965.

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Dated

**(Seal of Central Office)**

Copy kept

**Registrar of Friendly Societies  
Central Office**

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1. .... Shareholder

2. .... Shareholder

3. .... Shareholder

..... Secretary

