



GOV-POL-15-02

Torus Shareholding Membership Policy

January 2020

0.	DOCUMENT CONTROL		
0.1	SUMMARY		
	This policy specifies those who can become a shareholder of Torus62 Limited, details restrictions on shareholding and sets out how new shareholders are approved.		
0.2	DOCUMENT INFORMATION		
Role	Name/Position	Date	
Author	Ronnie Clawson, Group Business Assurance Director	January 2020	
Approved by	Group Remuneration & Nominations Committee	January 2020	
Document Reference	GOV-POL-15-02		
0.3	DOCUMENT STATUS HISTORY		
Version	Date	Change owner	Reason for Update
1	Nov 2018	Eric Summers	New Policy for 'New' Torus
2	Jan 2020	Ronnie Clawson	Request from Group Remuneration and Nominations Committee
0.4	DOCUMENT REVIEW DATE		
Review Due	March 2021		
Responsible Officer	Trish Howell		
0.5	CONSULTATION		
	Consultation took place with current Torus Shareholders and with customers via 'Torus Talk'.		
0.6	DISTRIBUTION		
Name / Department	Title		
Torus	All staff		
0.7	ASSOCIATED DOCUMENTS		
Ref:	Title: Rules of Torus62 Limited		
Ref:TOD-POL 08	Title: Equality and Diversity Policy		

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1. Scope

- 1.1 As a Community Benefit Society Torus62 Limited (hereinafter called “Torus”) is required by its rules to have a Shareholding Membership Policy. This policy sets out the shareholding structure and details who can become a shareholder, restrictions on shareholding membership and how new shareholders can be admitted. The policy supports delivery of the Corporate Core objectives of the Torus Group Corporate plan.
- 1.2 It is essential that Torus provides clear guidance on Shareholding Membership to reassure the Torus Board of good governance and to retain strong links with its communities across the Heartlands that it serves.
- 1.3 This policy does not apply to Housing Maintenance Solutions Limited, Torus62 Commercial Services Limited, Torus62 Developments Limited and Torus Living Limited (who are all wholly owned by their parent company), nor Torus Foundation.
- 1.4 This policy is owned, updated and reviewed by the Group Head of Governance, supported by the Group Head of Legal Services. Oversight of the policy is provided by the Group Remuneration and Nominations Committee.
- 1.5 For the avoidance of doubt, nothing in this policy overrides the requirements of the Rules of Torus.
- 1.6 This policy adheres to the principles as set out in the Data Protection Policy

2. Policy Statement

- 2.1 The Group’s shareholding structure is based on the principle that shareholders must act in the interests of the Torus Group and for the benefit of the communities it serves, above their own personal interests.
- 2.2 This policy reinforces Torus’ corporate priorities to grow stronger communities and, enhances Torus’ accountability to tenants and residents.
- 2.3 Board and Committee membership approval is retained by the Torus Board, under the Group Scheme of Delegations and associated documents. Subsidiary Board and Committee membership is reviewed by the Board on an annual basis, in line with their agreed Terms of

Reference and operation of the Intra-Group Agreement.

3. Implementation

3.1 Torus has two classes of Shareholder:

- **Tenants** (who collectively hold 51% of the Torus Shares) and;
- **Independents** (those who are not residents and collectively hold 49% of the Torus Shares)

Definitions of these classes are set out in the Rules of Torus approved by the Financial Conduct Authority (Rules) and are available from the Company Secretary or Group Head of Governance.

3.2 There are restrictions on who can become a shareholder as set out in the Rules. These include:

- minors;
- those who have been expelled as a Shareholder (excepting specific special resolutions);
- employees of Torus or any of its subsidiaries;
- those who have been removed as a Board member; and
- any person who is assessed to be physically or mentally incapable of exercising their rights as a Shareholder and may remain so for more than three months.

3.3 Tenant Shareholders

3.4 Tenants may only be accepted as Shareholders where they:

- 3.4.1 Have been a Torus tenant or leaseholder for a minimum of 12 months immediately prior to the application being made;
- 3.4.2 Have been actively engaged in resident activities for no less than a period of 12 months prior to the application being made. In this context, resident engagement activities include (but are not limited to) generic tenant/resident participation structures, tenant scrutiny, advisory forum and mystery shopper etc);
- 3.4.3 Are not in breach of tenancy or lease;
- 3.4.4 Are not the subject of legal proceedings (including service of a Notice Seeking Possession or an application for Injunction);
- 3.4.5 Are not the subject of a current court order in favour of Torus; and
- 3.4.6 Do not reside with any person who is the subject of legal proceedings or has a current court order in favour of Torus.

- 3.5 Where appropriate, Torus will undertake more directed tenant shareholder membership recruitment and will ensure the tenant meets the criteria set out in the Rules (see 3.1 above and clause C1 of the Rules).
- 3.6 All applicants will be required to apply, in writing, to the Company Secretary at Torus' Head Office (The Observatory, 1 Old Haymarket, Liverpool L1 6RA) using the shareholders' application form and be required to pay the sum of £1.00 (one pound) for a share (which is returnable if the application is not approved).
- 3.7 Each application shall be considered by the Group Remuneration and Nominations Committee (GRNC) in accordance with this Policy and the Rules of Torus. The GRNC has the delegated power from Group Board, in its absolute discretion, to accept or reject any application by a tenant or leaseholder.
- 3.8 If approved, the name of the applicant shall be entered on the register of shareholders and a Shareholder Certificate shall be issued.
- 3.9 If the application is rejected, the applicant shall be informed of the decision in writing within 7 working days and shall be provided with reasons for the rejection. The applicant shall have the right of appeal against the rejection of their application.
- 3.10 Where an appeal is made in relation to a decision to reject an application, it shall be considered by way of review unless the Panel, in its absolute discretion, decides to hold a hearing to consider any appropriate matters or evidence.
- 3.11 Appeals will be considered by a Panel comprising two Torus Board Non-Executive members, who are not members of the Group Remuneration and Nominations Committee, and a member of the Group Executive Management Team.
- 3.12 Any appeal must be made in writing within 7 working days of the applicant being advised their application has been rejected.
- 3.13 Torus will endeavour to deal with appeals within 28 working days of receipt of the application, however, this period may be extended by agreement between the Panel and the applicant. The decision of the Panel will be final.
- 3.14 Torus will, as far as possible, ensure shareholders reflect the Heartlands as well as the diversity of the communities in which Torus operates.

3.15 The independent shareholders

3.15.1 The independent shareholders will be the current Non-executive Board Directors of Torus. A Non-executive Board Director will become a shareholder upon their appointment to the Board and will remain a shareholder for as long as they are a member of the Board.

3.16 Ending of Shareholding

3.16.1 The Rules provide detailed requirements for the ending of shareholding membership. Shareholding membership will cease where:

- For **tenant members** they cease to be a resident or, in the opinion of the GRNC, cease to meet the criteria set out in the Rules or section 3.4 of this policy.
- For **independent members** where they cease to be a Board member or are otherwise no longer eligible for such membership due to other operation of the Rules
- For both forms of Shareholder, where they die, they are expelled, they withdraw from the Association, they do not attend in person or appoint a proxy in respect of, nor deliver written apologies in advance for two consecutive Annual General Meetings of the Association or cease to be eligible as a shareholder under the Rules (C6),

3.17 Shareholders have no right to any dividend, bonus or interest on the shares held. Shareholders shall have no liability to the company except the sum of £1 which should be paid at the time of their application.

4. Consultation

4.1 Consultation regarding the content of this policy has been carried out with tenants in accordance with the approach adopted by Torus to tenant engagement and involvement.

5. Responsibility

5.1 The policy will be owned, updated and reviewed by the Head of Governance.

5.2 The policy will be reviewed every 3 years, or if there is a breach of this Policy, a change in the Torus Rules or as otherwise directed by the Torus Group Board or Group Remuneration and Nominations Committee.

6. Diversity and Inclusion

6.1 Torus has a commitment to Equality Diversity and Inclusion (EDI), which is driven by its Group Board and Group Executive Management Team, and is built into its operating model and corporate plan. Please refer to our Equality and Diversity policy for further details which apply to this policy.

7. Monitoring and Review

- 7.1 The Shareholding Policy is part of the suite of Governance Framework documents.
- 7.2 The implementation of this policy will be approved by the Group Board, or as delegated by the Group Board to the Group Remuneration and Nominations Committee, or Group Chief Executive, as appropriate.
- 7.3 Monitoring of the implementation and application of this policy will be through the Group Remuneration and Nominations Committee.