**NOTE**

**Requirements re membership of classes is to be detailed in secondary Rules. Eg how many members from a single household. Does a resident member have to re-apply if they cease to be a resident member or is their class automatically shifted to ‘community’. If a resident leaves, what happens to share capital, is is cancelled by admin costs? What is a ‘resident member’ Etc etc**

**The first attempt at this might not quite work and so it would be easier to adjust as secondary rules than in the rules registered with the FCA. And no less legally binding.**

**Secondary rules should also mention the co-option of the family member of the original landowner**

**Change 1**

**Rule 6**

* 1. When shares are issued the member’s details will be entered into the society’s register of members.

6.7 The application for membership will require the applicant to choose which single Membership Class they are wishing to join, either;

* resident membership,
* community membership, or
* the stakeholder membership

6.8 On formation of the CLT, the society’s members will decide the requirements for each Membership Class. These requirements will be publicly available and may only be altered by members in general meeting.

6.9 The board has the right to change a member’s Membership Class if that member no longer meets the requirements of their Membership Class in accordance to any relevant secondary rules.

**Change 2**

**Rule 11**

* 1. Shares may not be held jointly by more than one member unless they are nominees of an unincorporated body

11.5 remove reference to share certs

**Change 3**

**18 The directors**

The people nominated (as directors) by the subscribers to these rules became the first directors of the society, when it was formed. (This rule does not apply to the society where the society is adopting these rules in substitution for an earlier set of rules).

The directors:

manage the business of the society;

may (at any board meeting at which there is a quorum) exercise any of the society’s powers;

may delegate any of their powers to a committee (of 2 or more directors);

may delegate any of their powers to a sole director;

may appoint any person to act as the agent of the society (and they may authorise that person to delegate their powers).

The society has a minimum of **9** directors (see also rule 18.7). If the number falls below this minimum the remaining director/s may appoint directors. The directors must take reasonable steps to maintain a board where all classes of membership are equally represented

The directors on the society’s board are appointed by members at the annual general meeting. All candidates for a director’s position must find members to act as a proposer and seconder and then declare their intention to stand for the board 14 days before the annual general meeting. The director must state which class of membership they represent. Between annual general meetings, the board of directors may appoint a director either:

to fill a vacancy; or

as an additional director.

Directors appointed by the board of directors must stand down at the end of the next annual general meeting. The members may reappoint them, at that annual general meeting.

The society will hold a special general meeting within six months after the society is formed. The directors appointed by the subscribers to these rules (see rule 18.1) must stand down at the end of that special general meeting. The members may reappoint them, at that special general meeting. (This rule does not apply to the society where the society is adopting these rules in substitution for an earlier set of rules).

The members may increase the minimum number of directors (by changing rule 18.3, but any such increase would only take effect once an appropriate rule amendment had been registered by the Financial Conduct Authority).

Directors do not have to be members of the society. Directors may be members of the society. Directors must be individuals

A director, chief executive or secretary cannot be appointed if they are (and must stand down if they become):

bankrupt; or

convicted of an offence of dishonesty; or

convicted of another offence (which, in the board of directors’ opinion, makes them unsuitable to hold office); or

disqualified from acting as a director (under the Company Directors Disqualification Act 1986); or

unable to conduct regulated activities on behalf of another organisation because the Prudential Regulation Authority (PRA) withdraws their approval (under the Financial Services and Markets Act 2000 (FSMA)); or

unable to conduct regulated activities because the PRA makes a prohibition order against them (under FSMA); or

(in the board of directors’ opinion) physically or mentally unable to carry out their duties properly.

Directors must stand down if:

without good reason and without the board of directors’ permission they fail to attend three board meetings in a row;

the board of directors resolves that they should be removed.

The society can pay its directors, but only if the members approve the basis for the payments.

The society will take reasonable steps to verify the identification of directors. The society will retain a copy of all documents seen to verify the identity of a director.

**Change 4**

19.1 **Retirement by rotation**

* 1. At least one third of the directors in each class appointed by the members must stand down (as well as any directors who must stand down under rule 18.5), at each annual general meeting. The members may reappoint them, at that annual general meeting. If any director is not reappointed, they will stand down at the end of the annual general meeting.
	2. The directors who stand down, at an annual general meeting, will be those directors who have held office for the longest time (since their appointment, or last reappointment). The chair may decide, by drawing lots, who is to be treated as in office for the longest time, if more than one director was appointed or reappointed on the same day.

**Change 5**

**31 Voting at general meetings**

* 1. Each member shall have one vote. The votes of members of each class shall be counted as follows:-
	each resident member’s vote equals N divided by R
	each community member’s vote equals N divided by C
	each stakeholder members' vote equals N divided by S
	where
	R is the total number of resident members voting
	C is the total number of community members voting
	S is the total number of stakeholder members voting; and
	N equals R multiplied by B multiplied by S
	2. All votes will be on a show of hands unless:
* two members; or
* the chair

call for a ballot. They may call for a ballot before a vote on a show of hands, or after the vote. If members call for a ballot, they can – if the chair agrees – withdraw the call before the ballot is held. If no ballot is held, the decision on the show of hands is valid.

* 1. The chair will decide the procedure for the ballot.
	2. The chair may vote as a member (if they are a member). The chair also has a casting vote if votes are equal.
	3. The board of directors may decide to call a postal ballot. They cannot use a postal ballot to let members vote:
		1. on anything that – by statute – must be passed at a meeting of the Society; or
		2. to appoint or reappoint auditors; or
		3. to remove auditors.
	4. The chair will decide the procedure for the postal ballot, but the ballot must be held within 30 days of the date on which the board of directors decide to call it.
	5. If the postal ballot is on a particular resolution passed by members at a meeting, the board of directors have 30 days from the date of the meeting to decide whether to call a postal ballot. If the board of directors fail to decide to call a postal ballot within those 30 days, they lose the right to call a postal ballot.
	6. If the postal ballot is on a particular resolution passed by members at a meeting, the operation of the resolution is suspended until the decision of the postal ballot.