Shareholding Membership Policy

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Should colleagues require any reasonable adjustment to allow for engagement with this document please contact the policy lead.

SHAREHOLDING MEMBERSHIP POLICY

1 Constitutional Framework

1.1 Brighter Places is constituted as a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (as amended) and has adopted the NHF set of Model Rules (2015).

1.2 Under Rule A1, the fundamental object of Brighter Places is that it should operate *'for the benefit of the community. Its charitable objects shall be to carry on for the benefit of the community'*. Shareholders hold a constitutional role in sustaining the objects of the Association and in overseeing the application of the Rules, through the AGM.

1.3 Under Rule 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'*.

1.4 This policy sets out the objectives and outline approach to admitting and reviewing shareholding membership of Brighter Places. This policy should be read in conjunction with the Rules and where there is any conflict, the Rules will maintain precedence.

2 Key Objectives

2.1 As a Co-operative and Community Benefit Society, and within the NHF Model Rules, there is provision for, and some expectation of, a level of accountability and responsibility towards the needs and views of the community to which Brighter Place seeks to provide services. This should be reflected within the Shareholding Membership policy.

2.2 This is further endorsed within the adopted Code of Governance (the NHF Code[1]) which requires that *'shareholders should be appointed in a transparent and open manner'* and should *'realistically reflect their role in governance and contribute to the organisation's long-term constitutional and financial stability'*.

2.3 Brighter Places recognises that shareholding membership is a limited constitutional role. It is not, in itself, the primary route for customer engagement. Customer engagement will be delivered through Brighter Places' wider customer involvement, scrutiny, consultation, complaints learning and feedback arrangements.

2.4 The purpose of this policy is to ensure that shareholding membership realistically reflects the member's role in governance, supports transparent constitutional decision-making and contributes to Brighter Places' long-term constitutional stability.

2.5 Brighter Places will therefore maintain a small, informed and appropriate membership base. New shareholding membership will generally be linked to appointment, or proposed appointment, as a Non-Executive Board Member, unless the Board determines that there is a specific constitutional or governance reason to admit another member.

3 Eligibility and Composition of Membership

3.1 Applicants for Shareholding Membership must have as their principal motivation a desire to further the organisations' aims and objectives. All new Members must sign a declaration on taking up their share stating that they will act in the best interests of Brighter Places.

[1] The NHF Code of Governance (2020) & Guidance

3.2 All persons appointed as Non-Executive Directors to the Board will, at the same time, take up shareholding membership if they do not already hold such membership. Executive Directors appointed to the Board will not be eligible for shareholding membership.

3.3 Shareholding membership will normally be limited to Non-Executive Board Members. This reflects the constitutional role of shareholders in appointing Board Members, approving key governance matters at General Meetings and acting in the best interests of Brighter Places.

3.4 The Board may, in exceptional circumstances, admit another individual as a shareholder where it considers there is a clear constitutional or governance reason to do so. The reason for admission should be recorded in the Board decision.

3.5 Brighter Places will not actively recruit tenants, leaseholders, local residents or other stakeholders as shareholding members as a route to customer engagement. These groups will continue to be engaged through Brighter Places' resident engagement and customer involvement arrangements.

3.6 Existing shareholders who are not current Non-Executive Board Members may remain as shareholders and the Board considers their continued membership appropriate, there is no plans to change the current members. The register will be reviewed annually, with the aim of moving over time towards a closed membership model linked primarily to Board membership, this will be done by requesting annual confirmation of interest remains or where members do not respond to two AGMs or wish to resign as a member.

The following are the membership categories:

- Board members: up to 12 shares.
- Other shareholders admitted by Board discretion for a specific constitutional or governance reason: by exception only.
- Overall membership will be kept at the minimum level necessary to support effective constitutional governance and compliance with the Rules.
- Legacy members.

3.7 Those ineligible to become Members include:

- those under 18 years of age
- Members of staff
- former Members of staff (within one year of leaving Brighter Places employment)
- close relatives of current or former Members of staff
- those who owe money to Brighter Places (including tenants in arrears)
- tenants who are in breach of their tenancy agreements
- a person who has been expelled as a shareholder (unless authorised by special resolution at a General Meeting)
- A person whose mental health has been subject to a court order which prevents the exercising of their normal rights or powers

3.8 No Member can hold more than one share, and each share carries one vote only at General meetings.

4 Recruitment of Shareholding Members

4.1 The Board will review the shareholding membership register at least annually and when considering Board appointments or succession planning.

4.2 New shareholding membership will usually arise through the Board recruitment process. Individuals appointed, or proposed for appointment, as Non-Executive Board Members will be asked to become shareholding members as part of their appointment arrangements.

4.3 Applications outside the Board appointment process will only be considered where the Board is satisfied that there is a specific constitutional or governance reason for admitting the applicant.

4.4 The Board may accept or reject any application in accordance with the Rules and this policy. The reason for any decision to admit an applicant outside the normal Board membership route should be recorded.

4.5 If an application is approved, the member's name and address will be entered in the register of shareholders, and a share certificate and copy of Brighter Places' Rules will be issued once payment of £1 has been received. The share carries no right to interest, dividends or bonus payments.

5 Engagement with Shareholders

5.1 Engagement with shareholders will focus on their constitutional governance role. This will include providing appropriate information to enable shareholders to participate in General Meetings, vote on matters reserved to shareholders and understand their responsibilities under the Rules.

6 Rights and responsibilities

6.1 All individual Members can vote in the elections held at Annual General Meetings. Members also need to agree the appointment of external auditors, and any changes to Brighter Places Rules.

6.2 All Members are expected to agree with the aims and objectives of Brighter Places and to comply with its Rules and expected to ensure that their personal interests do not adversely affect the best interests of the organisations in any way. Annually, as part of the AGM process, members will be expected to confirm their commitment to Brighter Places for the next 12 months by signing the declaration set out in Appendix 1.

6.3 Shareholders are expected to understand that their role is a constitutional governance role.

6.4 If Members have any concerns about Brighter Places activities, they are encouraged to express their concerns to the Chair or to the Chief Executive.

7 Termination of Membership

7.1 A Member ceases to be a shareholder if:

- they die;
- they are expelled;
- they withdraw from membership by giving one month's notice to the Secretary;
- they do not participate in, or deliver written apologies in advance for, a General Meeting of the Association in the period from one Annual General Meeting up to and including the next Annual General Meeting;
- the shareholder is a corporate body and it ceases to be a corporate body;
- the nominee of an unincorporated body transfers their share to another nominee of the same body;
- they fail to sign the annual undertaking set out in Appendix 1; or

- the Board determines that shareholding membership should be relinquished in accordance with section 3.6.

7.2 Other than for the above, a Member can only be expelled by a special resolution passed at a Special General Meeting.

7.3 Where a Member ceases to be a shareholder, the share will be cancelled.

7.4 Each year, with the notice of the Annual General Meeting, Members will be asked to confirm in writing their intention to remain as Members or to resign.

8 Shareholder Meetings

8.1 Shareholder Meetings are generally called by the Board. All General Meetings other than Annual General Meetings are Special General Meetings. A Special General Meeting can be convened by a request in writing signed by at least one tenth of the Members.

8.2 There must be a quorum at any General Meeting. A quorum is a minimum of three Members, of which at least two must be present in person.

8.3 A person acting as a Member's proxy can be appointed to vote for the Member at General Meetings. A proxy can be appointed by the Member making the request in writing to the registered office at least two days before the date of the meeting.

9 Shareholders and the Board

9.1 The Board is made up of a minimum of 5 and maximum of 12 Members appointed by Members at the Annual General Meeting after being considered and put forward by the Board in line with Brighter Places' Board Membership, Recruitment and Training Policy. Currently our approach is to have 9 Board Members and the CEO.

9.2 Only shareholding Members can be Board Members.

10 Monitoring and Review

10.1 Reports will be provided annually to the Board setting out the current register of shareholding members, the basis on which each member holds membership and any recommended action to maintain alignment with this policy and the Rules.

10.2 The Board will use the annual review to monitor progress towards a controlled or closed membership model, while ensuring that any changes remain consistent with the Rules and the NHF Code of Governance.

10.3 Links to other policies and key documents:

- Brighter Places Rules
- Standing Orders