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## 1 Overall purpose

This document sets the Policy for shareholding membership of the Association.

The Policy supports Leeds Fed's vision of 'Building Futures Together' and is aligned with the goals of:

<b>Goal 1:</b>	<b>Sustain</b>
<b>Goal 2:</b>	<b>Innovate</b>
<b>Goal 3:</b>	<b>Grow</b>

## 3 Business Context

### Board Terms of Reference

2.2.11 Recommend the appointment, reappointment or removal of the external auditor to shareholders for approval in general meeting

3.1.1 Ensure satisfactory dialogue with shareholders, funders, regulators, stakeholders and customers based on the mutual understanding of the objectives.

3.1.2 Approve resolutions and corresponding documentation to be put forward to shareholders at a general meeting

### Links to Risk Register

25 Leeds Fed's interests are not taken into account by key stakeholders making decisions that affect Leeds Fed customers

### Key regulatory requirements

NHF Code of Governance 2015 – B8 'Organisations with shareholders who elect the board must review their policies for admission to shareholding membership on a regular basis and with a view to supporting compliance with this code.

## 2 Background

Leeds Federated is a Cooperative and Community Benefit Society which means that the Rules of the Association, being our Governing instrument, provide for shareholding members whose primary responsibility is to elect the Board of Management, receive the annual report and to appoint the auditor.

The aim of this policy is to promote accountability and openness of our work and governance to the Association's stakeholders, partners and local community in which we work by encouraging their own involvement with the work of the Association through shareholder membership.

Shareholders should be appointed in a transparent and open manner. The policy for admission to membership should be freely available, and organisations should consider issues of equality, diversity and accountability when drawing up and implementing such policies.

The way in which shareholding members are chosen should realistically reflect their role in governance, and contribute to the organisation's long term constitutional and financial stability.

### 3 Introduction

The Board of the Association is responsible for setting, reviewing on a regular basis and publishing its policy and objectives for admitting new shareholders.

There should be a minimum of 25 and a maximum of 35 shareholders.

Membership should adequately reflect the communities we work within and the range of professional skills and expertise necessary to reflect the Association's broadest interests.

Shareholders will normally be members of the community or stakeholders who have direct involvement with the Association and therefore an interest in our operations and performance, or who have a genuine, positive interest in the work of the Association.

Shareholders may be individuals (including tenants), corporate bodies or nominees of unincorporated bodies, they may be employees or Board members of other housing providers and must abide by the Association's Probity policy. The numbers of each group will reflect the work of the Association.

The current rules state that Board Members should relinquish their shareholding when they cease to be a Board member. This is the case unless a retiring Board Member is asked to remain as a shareholder as a result of their filling one of the criteria listed below on a personal basis.

### 4 Policy

#### 4.1 Criteria for Selection

All applications for shareholding membership are considered by the Board, which has absolute discretion in determining whether to accept or reject any application.

Applicants will be able to demonstrate at least one or more of the following criteria:

- The applicant will have a long-term interest in and support for the Association.

- The applicant will have the appropriate skills and experience to make a significant contribution to the Association by becoming a member of the Board either at the time of application or in the future.
- The applicant will have the commitment and relevant skills or experience to make a positive contribution to the Association without necessarily becoming an active Board member.
- The applicant will help improve the representation of local communities within the Association's shareholding and/or through Board membership.
- The applicant will contribute to achieving a balanced mix of skills and experience within the Association's shareholding and/or Board membership.

#### **4.2 Rights and Responsibilities**

Shareholders of the Association have ultimate voting control. Their function at the Annual General Meeting is to receive the Annual Report, appoint the auditor, elect Board members and to transact any other general business of the Association included in the notice convening the meeting or that of any other special general meeting called.

Each shareholder holds one share, which carries one vote in general meetings.

Shareholders agree to be bound by the obligations on them as set out in the Rules of the Association and to act at all times in the best interests of the Association and for the benefit of the community as guardians of the objects of the Association.

#### **4.3 Applying for Membership**

Interested candidates may apply in writing to the Company Secretary setting out their reasons for applying and how they meet any criteria set by the Association's policies and if successful in their application a share for the sum of £1 must be purchased for which a Share Certificate will be issued and their named entered in the Share Register.

#### **4.4 Withdrawal of Shareholder Membership**

Every application will be considered by the Board and the Board has the power in its absolute discretion to accept or reject the application. 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 will be issued to the applicant.

### **5 Communication Plan**

This policy will be approved by the Governance and Remuneration Committee and will then be provided to all Board members and included in the Induction pack for all new Board members.

### **6 Implementation**

The Chief Executive and Head of Corporate Services/Company Secretary are responsible for

ensuring that this Policy is implemented and reviewed and progress is reported annually to the Governance & Remuneration Committee and the Board.

## **7 Monitoring, evaluation and reporting**

The Association will monitor, evaluate and report on the activities undertaken to deliver this Policy through regular updates to Governance & Remuneration Committee and Board.

## **8 Equality Analysis**

As a private sector body, Leeds Federated does not fall automatically within the scope of the Public Sector Equality Duty as defined in the Equality Act 2010, except insofar as it can be considered to be acting as a public authority in delivering public functions. No such functions are directly governed by this policy document and hence an Equality Analysis is not required.