



SHAREHOLDING POLICY

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1. Policy Statement

- 1.1** Eastlight Community Homes (hereafter ‘Eastlight’) is committed to resident engagement and the Community Gateway approach. This includes having specific mechanisms in place to ensure residents and leaseholders are able to meaningfully influence the way their homes are managed, and their communities are supported. Shareholding is a fundamental part of this, giving residents and leaseholders a formal role in the governance of Eastlight.
- 1.2** This Policy sets out the aims of shareholding, the process for becoming a shareholder, and the rights and responsibilities of the role. This Policy details the admission of shareholders, as per Rule C11.

2. Background

- 2.1** This Policy should be read alongside Eastlight’s Rules and other related governance documents.
- 2.2** This Policy complies with all applicable laws and regulations. We shall ensure that any changes to this Policy align with legal requirements and regulatory standards, including those from the Regulator of Social Housing (RSH).

3. Purpose of Shareholding

- 3.1** Shareholders are a core group of stakeholders with a strong interest in the way that Eastlight operates and provides services.
- 3.2** Shareholders must agree to be bound by the formal obligations contained in the Rules and, in their capacity as a shareholder, always act in the best interests of Eastlight. They are guardians of the objects of Eastlight and have a key role in ensuring Eastlight remains true to the principles of a Community Gateway Association. They must act in the best interests of all stakeholders, not a specific group or individual, as set out in Rule C1.
- 3.3** Eastlight is accountable to shareholders and other stakeholders. Shareholders formally participate in general meetings and, through this participation, hold the Board to account.

4. Shareholding Eligibility

- 4.1** All residents who hold a full Assured Tenancy Agreement, and all leaseholders (including shared owners), may apply to become shareholders. In addition, all Non-Executive Board Members become shareholders automatically upon appointment.
- 4.2** The Rules of Eastlight formally set out who cannot be a shareholder (Rule C6) and is outlined as follows:
- A minor;
 - A person who has been expelled as a Shareholder, unless authorised by special resolution at a General Meeting;
 - An employee of the Association or an employee of any other group;
 - A person who has been removed by the Board in accordance with the Rules; and
 - A person in respect of whom a registered medical practitioner who is treating that person gives a written opinion to Eastlight stating that the person has become physically or mentally incapable of exercising their rights as a Shareholder and may remain so for more than three months.
- 4.3** A person will not be allowed to become, or to remain as, a shareholder if in the opinion of the Board they are in serious breach of their Tenancy Agreement or lease (Rule C11), or have been expelled under Rule C15 or for any other reason they should not be allowed to become a shareholder.
- 4.4** In recognition that Eastlight residents, who are ineligible to be shareholders (e.g. those who are in breach of their tenancy conditions) also have an interest in the decisions made at general meetings, a summary of these meetings will be made available to all.

5. Rights & Benefits of Shareholding

- 5.1** The rights and benefits of shareholding are set out within the Rules (Part C).
- 5.2** Each shareholder may hold only one share, and each share entitles only one vote.
- 5.3** On admission, shareholders will be given a statement on their rights and responsibilities.
- 5.4** Shareholders can stand for appointment to the Board and to the Customer Influence Committee.

- 5.5** Shareholders can attend and vote at general meetings, including Eastlight’s Annual General Meeting (AGM). Shareholders vote to elect/re-elect Board Members at the AGM, following a skills-based assessment process.
- 5.6** Other residents who are not shareholders may request to attend general meetings at the discretion of the Chair, but cannot vote on matters presented at those meetings.
- 5.7** Under Section.122 of the Housing & Regeneration Act 2008, shareholders are not allowed to receive dividends or anything similar to a dividend from Eastlight. Please refer to the Probity Policy for further details.

6. Admission of Shareholders & Data Protection

- 6.1** An application form must be completed and signed by the resident or leaseholder applying. This will include requesting any Declarations of Interest which will be dealt with in line with our Probity Policy.
- 6.2** The Governance Team will review and approve applications that fully meet the eligibility criteria. If an application is unsuccessful, details of the reason and an explanation of what is required for their application to be accepted will be provided.
- 6.3** Shareholders have an obligation to contribute a maximum of 10p per share. Shareholders do not need to pay this when they become a shareholder. However, they may be asked to pay this in the event of Eastlight becoming insolvent. The 10p is non-refundable when shareholding ceases.
- 6.4** Upon approval of each application, shareholders will be entered into the Register of Shareholders (which contains shareholders’ names and addresses).
- 6.5** Personal data processed by Eastlight during the application stage and thereafter will be in accordance with the requirements of UKGDPR and the Data Protection Act 2018.

7. End of Shareholding

- 7.1** An individual shall immediately cease to be a shareholder, if in the following circumstances:
- 7.1.1 They die;
 - 7.1.2 They withdraw by giving notice to the Secretary;
 - 7.1.3 In the case of a corporate body, it ceases to be a corporate body;
 - 7.1.4 In the case of the nominee of an unincorporated body, they transfer their share to another nominee;
 - 7.1.5 They cease to be eligible to be a shareholder member under Rule C6;
 - 7.1.6 Having been a Board Member or a Member of a Committee, they cease to be a Board Member or Member of a Committee (unless the Board in its absolute discretion resolves that they shall remain as a Member);
 - 7.1.7 They are a resident and, in the opinion of the Board, are in material or serious breach of their tenancy agreement or lease, are subject to a possession order, are in breach of a suspended possession order, or are subject to any of the following types of court order: anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, and/or closure order;
 - 7.1.8 They are a resident and Eastlight has obtained a court or tribunal order against them for recovery of monies due from them to Eastlight (if the order is suspended or is an order for payment in instalments, they shall only cease to be a shareholder upon failing to meet the terms of the order);
 - 7.1.9 They are a resident and cease to be a resident for any reason (save in respect of the demolition of, or works carried out to, their home); or
 - 7.1.10 They are expelled by a Special Resolution at a Special General Meeting called by the Board due to conduct detrimental to Eastlight (the process of which is set out in Rule C15).
- 7.2** Where circumstances arise that would result in the removal of a shareholder (e.g. 7.1.7 or 7.1.8 above), then a full report will be provided to the Board detailing the rationale for the proposed removal. The Board will consider cases for removal on an individual basis and their decision is final.

- 7.3** Where a shareholder has been removed by the Board, but subsequently remedies the position e.g. is no longer in breach and has maintained such position for a reasonable period, then they may seek readmission. In these circumstances, the Board will consider the readmission application for approval.

8. Equality Impact Assessment

- 8.1** Inclusivity is one of Eastlight’s values. We recognise that Eastlight has a diverse resident base and will aim for our shareholding to be representative of that diversity.
- 8.2** We celebrate and respect the differences in age, gender, race, ethnicity, disability, sexual orientation, religion, and other characteristics that make each shareholder unique.
- 8.3** All shareholders shall be treated fairly and equitably, and opportunities for engagement and participation shall be accessible to everyone. We encourage the participation of underrepresented groups in decision-making processes, and we aim to create an environment where all shareholders feel valued and heard. This includes reasonable adjustments and support for shareholders to participate, where they are requested.

9. Monitoring & Review

- 9.1** The Policy will be reviewed every three years or as legislation and regulation changes, or if the Rules are amended.

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