

Shareholding Policy

Purpose	To clarify the role of shareholders within the context of Eastlight as a Community Gateway Association
Owner	Director of Governance
Related documents	Rules, Standing Orders
Approved by	Eastlight Board
Date approved	1 December 2020
Resident involvement	Community Gateway Group members
Performance Monitoring	We will review shareholder participation annually following the AGM
Review frequency	3 years
Last review	December 2020
Next review	December 2023
Version	Version 2.0
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1. POLICY STATEMENT

- 1.1 Eastlight Community Homes Limited ('Eastlight') is committed to the Community Gateway approach. This includes having specific mechanisms to ensure tenants 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 tenants 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.

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. 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.
- 3.2 Eastlight is accountable to shareholders and other stakeholders. Shareholders formally participate at general meetings and through this participation hold the Board to account.

4. SHAREHOLDING ELIGIBILITY

- 4.1 All tenants who hold a full Assured Tenancy Agreement and all leaseholders (including shared owners) may apply to become shareholders. In addition, all Board Members can apply to be shareholders.
- 4.2 The Rules of Eastlight formally set out who cannot be a shareholder (Rule C6).
- 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 for any other reason should not be allowed to be a shareholder.
- 4.4 In recognition that there are Eastlight customers who are ineligible to be shareholders (e.g. those who are on a probationary tenancy) also have an interest in the decisions made at general meetings, a summary of these meetings will be made available to all customers.

5. RIGHTS AND 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 Customer Influence Committee.
- 5.5 Shareholders can attend and vote at general meetings, including Eastlight's Annual General Meeting (AGM). Shareholders vote to appoint Board Members at the AGM following a skills-based assessment process.
- 5.6 Other customers 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 s. 122 of the Housing & Regeneration Act 2008, shareholders are not allowed to receive dividends or anything similar to a dividend from Eastlight. See the Probity Policy for further details.

6. ADMISSION OF SHAREHOLDERS

- 6.1 Eastlight will invite all of its tenants (as named on a tenancy agreement) and leaseholders to become shareholders.
- 6.2 An application form must be completed and signed by the tenant or leaseholder applying.
- 6.3 The Governance Team, on behalf of the Board, will review and approve applications that fully meet the eligibility criteria. If an application is unsuccessful, details as to the reason and an explanation of what is required for their application to be accepted will be provided.
- 6.4 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.
- 6.5 Upon approval of each application, the shareholder will be entered into the Register of Shareholders.

7. END OF SHAREHOLDING

- 7.1 An individual shall immediately cease to be a shareholder in the following circumstances:

- They die,
- They withdraw by giving notice to the Secretary;
- In the case of a corporate body, it ceases to be a corporate body;
- In the case of the nominee of an unincorporated body, they transfer their share to another nominee;
- They cease to be eligible to be a Member under rule C6;
- 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);
- They are a Tenant and in the opinion of the Board are in material or serious breach of their tenancy agreement or lease or are subject to a possession order or 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, or closure order;
- They are a Tenant 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 Member upon failing to meet the terms of the order);
- They are a Tenant and cease to be a Tenant for any reason (save in respect of the demolition of, or works carried out to, their home), or
- 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 the Rules at C15).

8. EQUALITY AND DIVERSITY

- 8.1 We recognise that Eastlight has a diverse customer base and will aim for our shareholding to be representative of that diversity. We will monitor the diversity in line with Eastlight's approach contained within their Equality, Diversity and Inclusion Strategy.
- 8.3 We make a commitment to enable shareholders to be involved by making reasonable adjustments and providing support to enable people to participate.

9. REVIEW AND MONITORING

- 9.1 The policy will be reviewed every three years or as legislation, regulation or the Rules change.