

# Proposed amendments to the Society's rules

## What are we proposing to change?

The Society's Rules are our main constitutional document and set out the principles and basis on which the Society is governed including the requirements for and how members' meetings are held.

We are proposing to update the rules:

- to allow meetings to be held electronically and/or in more than one physical location;
- to clarify the procedures for adjourned meetings;
- to clarify the quorum requirements for meetings;
- to replace the terms "Chairman" and "Vice-Chairman" with "Chair" and "Deputy Chair" respectively;
- to improve the requirements regarding giving notice of meetings in the event of disruption to postal services; and
- to reflect the requirements of The Mental Health (Discrimination) Act 2013.

There are also some re-numbering and minor typographical changes to make to the Rules.

We are also proposing to delete all the Additional Rules in the Appendix relating to members joining pre 1st July 1998 with the exception of Additional Rule 6, Lending and Advances, as these are no longer required.

## Why are we proposing to change the rules on how members' meetings are held?

The COVID-19 pandemic and subsequent strict lockdown restrictions made the holding of Annual General Meetings challenging and proved we need to be flexible and give members more choice around how they can attend our AGM. The last minute closure of meeting venues, rules around social distancing and movement restrictions meant that participation was severely limited. There is a clear member benefit in updating the rules of the Society to allow member meetings to be held electronically or at more than one venue (or by a combination of both physical attendance and using an electronic platform), so that all members who wish to do so can fully participate in the meeting whilst helping to make sure that we keep our members and employees safe. As a result we're proposing to update the rules to allow the Board to arrange for members to attend a meeting at one or more venues and/or using an electronic platform if the Board decides it would be appropriate.

## Why are we proposing amendments to the rules relating to adjourned meetings?

The COVID-19 disruptions last year also focused our attention on the procedures in the event meetings are disrupted and need to be adjourned. We are therefore proposing rules to clarify the procedure for adjourned meetings, including the validity of proxy forms at any adjourned meeting.

## Why are we proposing to change the rules regarding quorum at meetings?

We are proposing to clarify the rules regarding quorum at adjourned meetings, by stating that there must be at least two members present at the meeting.

## Why are we proposing to replace the terms "Chairman" and "Vice-Chairman" with "Chair" and "Deputy Chair"?

We are proposing to amend the rules to ensure that they reflect the terms that are used by the Society in its meetings and other communications. We are also proposing to include an interpretation provision to make clear that any references in the rules to one gender import any other gender.

## Why are we proposing to change the rules regarding the removal of directors?

We are proposing to amend the rules regarding the removal of directors to reflect the requirements of The Mental Health (Discrimination) Act 2013.

## Why are we proposing to change the rules regarding disruption to the postal service?

We are proposing to strengthen the rules regarding when notice is deemed to have been given to members in the event of disruption to the postal service. Measures include ensuring notice is published on the Society's website in addition to either prominently displaying the notice at the Society's head office and branches or publishing the notice in two leading newspapers.

## Why are we proposing to delete all the Additional Rules relating to members joining pre 1st July 1998 (with the exception of Additional Rule 6, Lending and Advances)?

The Additional Rules reflect provisions concerning terms and conditions affecting members' savings and mortgage accounts, which traditionally were included in the rules of a building society. Since 1st July 1998, provisions of this nature have been covered in the terms and conditions applicable to savings and mortgage accounts for members joining on or

*(continued overleaf)*

after that date. For completeness, the Additional Rules have been included in previous versions of the Society's Rules, but because of the substantial period of time that has passed since 1st July 1998 we are now proposing to delete the Additional Rules (with the exception of Additional Rule 6, Lending and Advances) as they are no longer required.

## Proposed rule changes

### To allow meetings to be held electronically and/or at more than one physical location.

To add new definitions in alphabetical order in the Interpretation section as follows:

"Electronic Platform" means such electronic and/or telecommunications facilities as may be approved by the Board from time to time that enable members to attend and participate simultaneously in a general meeting without attending a physical meeting place;

"Secondary Meeting Place" means a secondary physical meeting place (or more than one such place) for a general meeting at which members may attend and participate in the general meeting simultaneously via an audiovisual link to the principal physical meeting place, as an alternative to attending the principal physical meeting place;

Insert a new Rule 32 as follows:

#### 32. MEANS OF PARTICIPATION IN MEETINGS

- (1) The Board may make arrangements for Members to attend and participate in Annual General Meetings and/or special general meetings by:
  - (a) attendance at a physical meeting place;
  - (b) simultaneous attendance and participation at a Secondary Meeting Place; and/or
  - (c) using an Electronic Platform.
- 2) An Annual General Meeting and/or a special general meeting may be held:
  - (a) solely as a physical meeting; or
  - (b) subject to the Statutes, by offering Members the option to attend and participate at a physical meeting place (which may include a Secondary Meeting Place) or by using an Electronic Platform; or
  - (c) subject to the Statutes, solely as an electronic meeting accessible by using an Electronic Platform.
- (3) A Member is present at an Annual General Meeting or special general meeting for the purposes of these Rules if:
  - (a) being an individual, he attends in person;
  - (b) being a body corporate, a Corporate Representative attends in that capacity in person; or
  - (c) a person appointed as his or its proxy or attorney (or any person specified in paragraph (6) of Rule 36) attends in person, including in each case, where permitted by the Board in accordance with these Rules, attendance at any Secondary Meeting place or by using an Electronic Platform.
- (4) Where the Board decides that Members may attend and participate in an Annual General Meeting or a special general meeting by using an Electronic Platform, the notice of meeting given under Rule 33 shall set out details of the Electronic Platform for the meeting (and any access arrangements for such Electronic Platform shall be communicated to Members, either in the notice or otherwise).
- (5) Details of any physical meeting place, Secondary Meeting Place and/or Electronic Platform that shall be stated in a notice of meeting given under Rule 33 shall constitute the place of such meeting.
- (6) Arrangements shall be made for any documents which are required to be made available for inspection by Members at an Annual General Meeting or a special general meeting to be available for inspection at any Secondary Meeting Place (in addition to the principal physical meeting place) and by any Members who attend and participate in the meeting by using an Electronic Platform.
- (7) Any persons wishing to attend an Annual General Meeting or a special general meeting (whether at any principal physical meeting place or any Secondary Meeting Place, or by using an Electronic Platform) shall be required to comply with any identification procedures and security arrangements as the Board shall reasonably specify from time to time.

To amend existing Rule 32(14)(a) (now Rule 33(14)(a)) as follows:

- (14) (a) The *Neither*:
  - (i) the accidental omission to send notice of a meeting to *any Person entitled to receive it* or to send any document required by the Statutes or the Rules to be sent with the notice or otherwise before the meeting to, or *such Person*; *nor*
  - (ii) the non-receipt of a notice of meeting or any such document as aforesaid by; any Person entitled to receive notice shall not; *nor*
  - (iii) subject to compliance by the Society with applicable laws, the inability of any Person entitled to attend a general meeting to attend any physical meeting place (including any Secondary Meeting Place) and/or participate in the business of the meeting by using an Electronic Platform (whether as a result of any technical difficulties in relation to such Electronic Platform or otherwise),

shall invalidate the proceedings at that meeting.

(continued overleaf)

## To bring the Rules in line with the Mental Health (Discrimination) Act 2013

To amend existing Rule 24(1)(g)(ii) by deleting the existing text and inserting:

*a registered medical practitioner who is treating that person gives a written opinion to the Society stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months.*

## To clarify the rules relating to quorum at meetings

To amend existing Rule 33(1) (now Rule 34(1)) as follows:

- (1) No business shall be considered at any Annual General Meeting or special general meeting unless a quorum is present at the time when the meeting proceeds to business and, subject to Rule 34(3) below in the case of an adjourned meeting, a quorum shall be constituted for all purposes as follows -
  - (a) except where sub-paragraph (b) below applies, by 20 Members present and entitled to vote on a show of hands under Rule ~~3536~~(5); and
  - (b) in the case of a special general meeting requisitioned under Rule 31(3), by (y) Members present and entitled to vote on a show of hands under Rule ~~3536~~(5).

To amend existing Rule 33(3) (now Rule 34(3)) as follows:

- (3) ~~The Members present at~~ At an adjourned meeting, two Members present and entitled to vote on a show of hands under paragraph (1) above to be included in the quorum for the meeting Rule 36(5) shall constitute a sufficient quorum.

## To clarify the procedures for adjourned meetings

To amend existing Rules 34(7) to (9) (now Rules 35(7) to (9)) as follows:

- (7) ~~The Members present at an adjourned meeting and entitled under Rule 33(1) above to be included in the quorum for the meeting shall be a sufficient quorum. The appointment of a proxy made in accordance with Rule 37 shall, unless provided otherwise in the instrument appointing such proxy, be valid for any adjournment of the meeting. Nothing in this paragraph (7) shall prevent a Member from submitting a new instrument providing a proxy in relation to the adjourned meeting, which shall take precedence over any earlier instrument, or from attending the adjourned meeting in person if the member wishes to do so.~~
- (8) Subject to the Statutes and these Rules every question submitted to an Annual General Meeting or special general meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands unless, before the show of hands, a poll is validly demanded under Rule 35(9).
- (9) A poll may (before or on the declaration of the result of the show of hands) be demanded by –
  - (a) the Chairman of the Meeting, or
  - (b) 10 Members who are entitled to vote at the meeting and are present in person, by proxy, by attorney, by Corporate Representative ~~by representative under Rule 35(8)~~ or by a Person specified in Rules 35(6), and in the event of such a demand, a poll should be taken in accordance with paragraph (13) of this Rule, but no poll shall be permitted upon a resolution to appoint a Chairman.

## To amend the rules regarding disruption to postal services

To amend existing Rule 45(6) (now Rule 46(6)) as follows:

- (6) If postal services are suspended or curtailed and the Society is therefore unable to give notice of meeting by post, such notice shall be deemed to have been given to all Members entitled to receive such notice if the Society complies with paragraph 35 of Schedule 2 to the Act and the notice is published on the Society's website and it is advertised either:
  - (a) by a notice displayed in a prominent position at the Society's Principal Office and at all branch offices; or
  - (b) in at least two leading daily newspapers widely circulated in the United Kingdom.

Such notice shall be deemed to have been duly served on all Members entitled to receive notice of such meeting at noon on the earlier of the date on which the notice is first displayed at all branch offices in accordance with paragraph (a) and the date day on which the second of such newspaper advertisements appears in accordance with paragraph (b) (as the case may be). ~~In any case the Society shall: (a) make such The notice shall continue to be available on the Society's website from the date of such advertisement until the conclusion of the meeting; (b) and the Society shall~~ send confirmatory copies of the notice to those Members entitled to receive notice of the meeting by post if, at least seven days before the meeting, the posting of notices to addresses in the United Kingdom again becomes practicable.]

## To delete those Additional Rules that are no longer applicable

To amend existing Rule 4(1) as follows:

- (1) Each Member, and all Persons claiming through him or on his account or under the Rules, shall be bound by the Rules and the Memorandum and where applicable, by the Additional Rules contained in the Appendix in respect of accounts opened loans or advances made before 1 July 1998.

To delete the explanatory wording referring to the Additional Rules that appears at the start of existing Rules 8, 9 and 11.

To amend the explanatory wording that appears before existing Rule 10(1) as follows:

(continued overleaf)

Any person who ~~made a Deposit with or~~ received a Loan to or advance from the Society before 1 July 1998 should read this Rule in conjunction with the Additional Rules 6, 7, 8, 9 and 10 Rule.

To amend the Appendix Additional Rules Preface as follows:

“Where these Additional Rules uses any defined term, that term has the same meaning as defined in the Rules. However, references to the “Rules” are references to the 2014~~22~~ Rules as may be amended, from time to time.

These Additional Rules ~~apply~~ applies to accounts (whether Share, Deposit or in respect of advances) opened made before 1 July 1998 and should be read by holders of such accounts in conjunction with the Rules.

A full copy of the previous edition of the Society’s rules that applied immediately prior to 1 July 1998 is available on request from The Bailey, Skipton, North Yorkshire, BD23 1DN.

Members need only refer to these Additional Rules if –”

To delete Additional Rules 1 to 5 and 7 to 10.

## Re-numbering and minor typographical changes to the Rules

As a result of inserting a new Rule 32 all subsequent rule numbers (and any rules which reference Rule 32 or subsequent rules, including any relevant references to rule numbers in the Interpretation section of the rules) will be amended and updated to reflect revised rule numbers.

In addition, the following minor typographical changes will be made:

In Rule 1 (Interpretation), replace “Words importing the masculine include the feminine,” with “In these Rules, unless the context requires otherwise, a reference to one gender shall include a reference to any other gender”.

Replace all references in the Rules to “Chairman” with “Chair”, and all references to “Vice-Chairman” with “Deputy-Chair”.

At Rule 24(1)(i) replace “IV” with “4A”

Amend existing Rule 34(17)(c) (now Rule 35(17)(c)) as follows:

“any proxy, attorney (subject to the provisions of Rule 36(8)), Corporate Representative (subject to the provisions of Rule 35(8) ~~36(7)~~ or deputy or other Person appointed as mentioned in, and subject to the provisions of, Rule 35(6), acting on behalf of any such Member;”

Amend existing Rule 34(18)(b) (now Rule 35(18)(b)) as follows:

“Proxies, attorneys (subject to the provisions of Rule 36(8)), Corporate Representatives (subject to the provisions of Rule 35(8) ~~36(7)~~ and deputies and other Persons appointed as mentioned in, and subject to the provisions of, Rule 35(6), entitled to attend the relevant meeting on behalf of a Member.”

At Rule 36(3) (now Rule 37(3)) the words “or a representative” will be deleted.

IF THE RULE CHANGES ARE APPROVED AT THE AGM AND REGISTERED BY THE FINANCIAL CONDUCT AUTHORITY IT IS INTENDED THAT THE CHANGES WOULD TAKE EFFECT FROM 1 AUGUST 2022.

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