

## **Watmos Community Homes**

### **Main changes to the Rules for Special General Meeting**

#### Introduction

At its meeting on 22 September 2022, the Board approved the wording of proposed amendments to the organisation's Rules. In order that the amended Rules can be registered by the Financial Conduct Authority (FCA) they must be adopted by the organisation's shareholders at a Special General Meeting (SGM). This note sets out the headline proposed amendments to the organisation's Rules. There are also other less substantive amendments which generally tidy up the Rules

#### Headline proposed amendments

<b>Reference in Rules</b>	<b>Proposed amendment</b>
Rule C6.5	Clarifies the position that already exists within the organisation's currently registered Rules that employees, co-optees and nominees of a nominating shareholder cannot be shareholders
Rule C15.12	Makes it clear that an Independent Board Member who becomes a tenant, resident or "local authority person" will cease to be a shareholder and therefore would also cease to be a Board member
Rule C24	Deletes the requirement for a nominating shareholder and independent shareholder to be present as part of the quorum for shareholder general meetings so that all shareholders are regarded equally
Rule C24.1	Allows general meetings to be held virtually as well as in person to enable general meetings to take place if an in person meeting is not an option
Rule D6	Removes the reference that co-optees to the Board will usually be tenants in recognition that the primary consideration is that co-optees should be suitably skilled individuals regardless of whether or not they are tenants
Rule D7	Increases the maximum number of co-optees who may be appointed to a committee from 8 to 12 so enabling a wider range of skills and experience to be co-opted to committees
Rule D9.4	Reflects additional criteria that can be used to remove a Board Member including being convicted of an offence that could bring Watmos into disrepute
Rules D13.3	Confirms that time served on TMO Boards should be excluded for the purposes of calculating the length of Board member tenure, enabling prospective WATMOS Board or committee members who are residents to gain relevant experience prior to joining the Watmos Board or its committees
Rule D17.1	Reduces the quorum required at Board meetings from five to four reducing the possibility that Board meetings may be inquorate
Rule D17.1	Removes the requirement for representatives from various constituent groups to be present as part of the Board meeting quorum
Rule E7	Adds the ability to appoint a deputy Secretary giving the organisation the flexibility to appoint one if the Secretary is incapacitated or unavailable
Rule G12.2	Allows for rule changes to be carried out by way of written shareholder resolution in addition to being done at a general meeting to give greater flexibility on future rule changes

Rule G14.1	Adds reference to “charity in law” to address issues that societies have had since December 2020 when applying for charity tax recognition with HMRC
Rule G15.16	Amends the definition of “local authority person” in the currently registered Rules (which covers certain employees, councillors and officers of Walsall MBC and Lambeth Council) to cover councillors i.e. members of Walsall MBC and Lambeth Council only. This means that only those councillors would be precluded from becoming an Independent Board Member (council employees and officers would not be precluded)

Lorraine Gaytten (Company Secretary)