Ecological
Land
Cooperative

Rule Changes

A key part of the board make-up review was a very thorough reading of the rules in order to ensure that everything was done in line with them. During this deep dive into the rules, it became apparent that there were a number of other areas, not entirely related to the organisation development where slight amendments could help to make things clearer.

Further to this, any rule changes brought about by the board make-up review will need to be ratified by the Financial Conduct Authority and therefore it makes sense to package any other amendments in with these changes at the same time.

NB Should the first line* in the Organisation Development Proposal be approved then each time the term 'Board' is used in the rules, it will be replaced with 'Council'.

* The proposal is that the Board should be renamed a 'Council' as a more inclusive term and one that recognises the ethos of the organisation.

Rule	Current	Proposed	Notes
1.2	The registered office of the society is at Unit B04, The Brighton Eco Centre, 39-41 Surrey Street, Brighton BN1 3PB, UK	The registered office of the society is at Unit 2, Wildgoose Space, 228 Mina Road, St Werburghs, Bristol BS2 9YP, UK	The registered office was moved to Bristol in Jan 2022
1.5 a)-e)	**Classes of membership** a) The membership of the society will be made up of persons drawn from one or more categories of stakeholder, corresponding to the different type of involvement those stakeholders have with the society.	**Classes of membership** a) The membership of the society will be made up of persons from one or more of the membership classes defined in 1.5 f) and g)	The definitions of membership classes (1.5 f) and g)) are being voted on

	b) Community members, who are those with the greatest stake in the society's services, play the principal role in the direction of the society. Non-community members do not have such direct involvement, though they may be investors, supporters, or otherwise interested parties. They are subject to limits on their powers, as specified in 2.7., 2.8., 4.2. and 4.5. below. c) Each class of share will be available to the specified stakeholders and may have distinct rights and powers. d) A person or organisation that has membership under more than one class will be requested to withdraw, cancel or transfer shares such that they have membership in one class only. If after three months this has not been done, the secretary may cancel the minimum number of shares necessary in order to ensure compliance. e) Each class has a unique number, and where a person would be eligible to join in more than one class, membership will be allocated to the lowest numbered class that they are eligible for, unless the board of directors rules otherwise.	b) Community members, who are those with the greatest stake in the society's services, play the principal role in the direction of the society. Non-community members do not have such direct involvement, though they may be investors, supporters, or otherwise interested parties. They are subject to limits on their powers, as specified in 2.7., 2.8., 4.2. and 4.5. below. c) Each class of membership will have shares specific to that class issued to its members and these shares may have distinct rights and powers. d) A person or organisation that has membership under more than one class will be requested to withdraw, cancel or transfer shares such that they have membership in one class only. If after three months this has not been done, the secretary may cancel the minimum number of shares necessary in order to ensure compliance. e) Each class has a unique number, and where a person would be eligible to join in more than one class, membership will be allocated to the lowest numbered class that they are eligible for, unless the council rules otherwise.	in the organisation development proposals. This change is around the wording that frames these definitions in the rules.
1.11	**Transfer of shares** a) Only shares held by non-community members in classes numbered 4 are transferable. Transfers will be registered on receipt of a completed deed of transfer, provided that the transferee is eligible for membership in accordance with the membership policy referred to in 1.6. a) above. The board may refuse to register the transfer of a share to a person of whom they do not approve. b) Any issue of transferable shares must take place only after the board has obtained appropriate legal advice.	**Transfer of shares** a) Any issue of transferable shares must take place only after the council has obtained appropriate legal advice and if a resolution has been passed regarding transferable shares as in 1.7 a). b) Transferable shares will be labelled accordingly and are not ordinary shares. Transfers will be registered on receipt of a completed deed of transfer, provided that the transferee is eligible for membership in accordance with the membership policy referred to in 1.6. a) above. The council may refuse to register the transfer of a share to a person of whom they do not approve.	This change is in the interest of making it clearer.

2.7 a)	a) All members have the right to propose resolutions. If a resolution is proposed that includes any of the actions listed in 2.7. c) and d) below, its content must be provided to the secretary in time for inclusion in the notice of the general meeting. Otherwise resolutions may be proposed in the course of the meeting, in accordance with any standing orders that are in force.	a) All members have the right to propose resolutions. If a resolution is proposed that includes any of the actions listed in 2.7. c) and d) below, its content must be provided to the secretary in time for inclusion in the notice of the general meeting, which must be sent to members no less than 14 days before the date of the meeting. Otherwise, resolutions may be proposed in the course of the meeting, in accordance with any standing orders that are in force.	This change is also in the interest of making it clearer.
2.9 g)	g) The board may also appoint other officers in addition to the Secretary and Treasurer, and form subcommittees, as it sees fit, and in accordance with any standing orders. Officers shall have the powers and duties specified by law and by the board, and may be removed by the board. The board may also convene consultative committees composed of members of the society, which may be elected or unelected, for any purpose.	g) The council may also appoint other officers in addition to the Secretary and Treasurer, and form subcommittees, as it sees fit, and in accordance with any standing orders. Officers shall have the powers and duties specified by law and by the council, and may be removed by a majority decision by the council. The council may also convene consultative committees composed of members of the society, which may be elected or unelected, for any purpose.	This change is just the inclusion of 'majority decision' for clarity.
2.11	**Member control** No amendment may be made to these rules that would allow non-user members to have more than 25% of total voting strength at any general meeting, or would cause any class of user members to have less than 25% of the total voting strength, or would remove this clause.	**Member control** No amendment may be made to these rules that would allow non-community members to have more than 25% of total voting strength at any general meeting, or would cause any class of community members to have less than 25% of the total voting strength, or would remove this clause.	This was a typo in the current rules to incorrectly use the term 'users' rather than 'community'.
3.4 b)	b) to pay a member of the society the value of his withdrawable share capital or interest on such capital;	b) to pay a member of the society the value of their withdrawable share capital or interest on such capital;	Replacing 'his' with 'their'.
4.7 a) i. + ii.	a) The board of directors, on behalf of the society, may make any contract, and carry on any activity, that is within the law and in the opinion of the board, may benefit the society's objects, including the contracting of loans and debt securities and the investment of funds. However, the following issues are designated 'key decisions':	a) The council, on behalf of the society, may make any contract, and carry on any activity, that is within the law and in the opinion of the council, may benefit the society's objects, including the contracting of loans and debt securities and the investment of funds. However, the following issues are designated 'key decisions':	This change is to reflect the fact that the ELC routinely sells and borrows in sums that are

	i. the sale, transfer or disposal of assets worth in excess of £100,000 to the same buyer; ii. a mortgage or charge on its property with a value in excess of £100,000; or borrowing that would have the effect of increasing the debt/equity ratio of the society by more than 50%.	i. the sale, transfer or disposal of assets worth in excess of £500,000 to the same buyer; ii. a mortgage or charge on its property with a value in excess of £500,000; or borrowing that would have the effect of increasing the debt/equity ratio of the society by more than 50%.	above the current threshold requiring consultation with the entire membership of £100,000