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*Changes to legislation: There are currently no known outstanding effects for the Building Societies Act 1997, Paragraph 57. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 7

#### OTHER AMENDMENTS OF 1986 ACT

##### *Meetings, resolutions and postal ballots*

- 57 (1) Part III of Schedule 2 to the 1986 Act (meetings, resolutions and postal ballots) shall be amended as follows.
- (2) For sub-paragraph (2) of paragraph 22 (persons entitled to notice of meetings) there shall be substituted the following sub-paragraphs—
- “(2) Notice of the meeting shall, subject to those provisions, be given also to every person—
- (a) who becomes a shareholding or borrowing member of the society after the date of the notice under sub-paragraph (1) above and before the specified date; or
  - (b) who, being such a member at the date of that notice, attains the age of 18 after that date and on or before the date of the meeting, and who would (in either case) be eligible to vote at the meeting if he remained such a member until the date of the meeting.
- (2A) In sub-paragraph (2) above “the specified date” means the date specified by the society as the final date for the receipt of instruments appointing proxies to vote at the meeting.”
- (3) For sub-paragraph (1) of paragraph 23 (members’ entitlement to vote on resolutions) there shall be substituted the following sub-paragraph—
- “(1) A member of a building society is entitled to vote—
- (a) on an ordinary resolution or a special resolution if he was, at the end of the last financial year before the voting date, and is, on that date, a shareholding or borrowing member of the society;
  - (b) on a shareholding members’ resolution, if he was, at the end of that year, and is, on that date, a shareholding member of the society; and
  - (c) on a borrowing members’ resolution if he was, at the end of that year, and is, on that date, a borrowing member of the society,
- but subject, in either case, to paragraphs 5(3), 7(4) and 8(4) above and, in the case of paragraphs (a) and (b), to sub-paragraph (3) below.”
- (4) For sub-paragraphs (3) and (4) of that paragraph there shall be substituted the following sub-paragraphs—
- “(3) If the rules of the society so provide, a shareholding member is not entitled to vote on an ordinary resolution or a special resolution as such a member, or to vote on a shareholding members’ resolution—

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- (a) if he did not have a qualifying shareholding at the qualifying shareholding date; or
  - (b) if he ceased to hold shares at some time between that date and the voting date.
- (4) Where a building society's rules make such provision as is mentioned in sub-paragraph (3)(a) above, a shareholding member shall be taken to have had a qualifying shareholding at the qualifying shareholding date if he had such a holding—
- (a) at the end of the last financial year before the voting date, except where paragraph (b) below applies; or
  - (b) in a case where the voting date falls during that part of a financial year which follows the conclusion of the annual general meeting commenced in that year, at the beginning of the period of 56 days immediately preceding the voting date for members voting in person at a meeting or, as the case may be, on a postal ballot.”
- (5) After sub-paragraph (4) of paragraph 24 (proxies) there shall be inserted the following sub-paragraph—
- “(4A) Every form for the appointment of a proxy sent by a building society to persons entitled to notice of a meeting of the society must contain provision enabling that person to direct the proxy how to vote at the meeting.”
- (6) In sub-paragraph (5) of that paragraph, after the words “building society,” there shall be inserted the words “ or in complying with sub-paragraph (4A) above in respect of a form of appointment of a proxy, ”.
- (7) In paragraph 26 (special resolutions), after the words “as a special resolution” there shall be inserted the words “ , or as a shareholding members’ resolution, ”.
- (8) After paragraph 27 there shall be inserted the following paragraph—
- “27A A resolution of a building society shall be a shareholding members’ resolution when it has been passed by not less than three-quarters of the number of the shareholding members of the society—
- (a) qualified to vote on a shareholding members’ resolution; and
  - (b) voting in person or by proxy on a poll on the resolution at a meeting of the society of which notice specifying the intention to move the resolution as a shareholding members’ resolution has been duly given.”
- (9) For sub-paragraph (1) of paragraph 29 (borrowing members’ resolutions) there shall be substituted the following sub-paragraph—
- “(1) A resolution of a building society shall be a borrowing members’ resolution when it has been passed by a majority of the borrowing members of the society voting in person or by proxy on a poll on the resolution at a meeting of the society of which notice specifying the intention to move the resolution as a borrowing members’ resolution has been duly given.”
- (10) In sub-paragraph (2) of paragraph 30 (transfer resolutions)—
- (a) for the words “special resolution”, in both places where they occur, there shall be substituted the words “ shareholding members’ resolution ”; and

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- (b) for the words “sub-paragraph (a) or sub-paragraph (b) of paragraph 27(1) above, as the case may be,” there shall be substituted the words “ paragraph 27A above ”.
- (11) In sub-paragraph (3) of that paragraph—
    - (a) for the words “special resolution”, in each place where they occur, there shall be substituted the words “ shareholding members’ resolution ”;
    - (b) for the words “paragraph 27” there shall be substituted the words “ paragraph 27A ”; and
    - (c) the words “has been duly given” shall cease to have effect.
  - (12) In sub-paragraph (5) of that paragraph, for the words “special resolution” there shall be substituted the words “ shareholding members’ resolution ”.
  - (13) In sub-paragraph (1) of paragraph 31 (members’ rights to propose and circulate resolutions)—
    - (a) after the words “other than” there shall be inserted the words “ a shareholding members’ resolution or ”; and
    - (b) for the words “100 words” there shall be substituted the words “ 500 words ”.
  - (14) In sub-paragraph (1) of paragraph 33 (postal ballots), after the words “resolution of the society”, in the first place where they occur, there shall be inserted the words “ (other than a shareholding members’ resolution or a borrowing members’ resolution) ”.
  - (15) For sub-paragraph (5) of that paragraph there shall be substituted the following sub-paragraph—

“(5) Notice of the postal ballot shall, subject to those provisions, be given also to every person—

    - (a) who becomes a shareholding or borrowing member of the society after the date of the notice under sub-paragraph (4) above and before the voting day; or
    - (b) who, being such a member at the date of that notice, attains the age of 18 after that date and on or before the voting day,

and who would (in either case) be eligible to vote in the election or on the resolution if he remained such a member until that day.”
  - (16) For sub-paragraph (2) of paragraph 34 (declarations to be made in proxy and ballot forms) there shall be substituted the following sub-paragraph—

“(2) A person making a declaration in pursuance of sub-paragraph (1) above shall—

    - (a) declare that he has attained the age of 18 years or will have attained that age on or before the voting date or, where he is voting by proxy, on or before the date of the meeting;
    - (b) where the vote is to be cast on a shareholding members’ resolution, declare—
      - (i) that on the voting date he is or, so far as he can reasonably foresee, will be a shareholder of the society; and
      - (ii) where the person is not entitled to vote unless he had a qualifying shareholding on the qualifying shareholding

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date, that he had or, so far as he can reasonably foresee, will have such a shareholding on that date;

- (c) where the vote is to be cast on a borrowing members' resolution, declare that on the voting date he is or, so far as he can reasonably foresee, will be a borrowing member of the society; and
- (d) where the vote is to be cast on an ordinary or special resolution, declare either as mentioned in paragraph (b) above, or as mentioned in paragraph (c) above, or both."

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**Commencement Information**

- II** Sch. 7 para. 57 in force at 1.12.1997 by S.I. 1997/2668, art. 2, Sch. Pt. II (subject as mentioned in art. 2(2)-(5) of that S.I.)

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