



Building Societies Act 1986

1986 CHAPTER 53

PART VII

MANAGEMENT OF BUILDING SOCIETIES

Directors and other officers

60 Directors: elections and retirements.

- (1) Except in so far as they may be co-opted by virtue of subsection (13) below, the directors of a building society must be elected to office, either—
 - (a) at the annual general meeting of the society, or
 - (b) by postal ballot of the members conducted during that part of the financial year of the society which precedes the date on which the annual general meeting is held,as the rules provide.
- (2) The persons entitled to vote in an election of directors of a building society are those members of the society who, on the voting date, are entitled to vote on an ordinary resolution of the society.
- (3) A person entitled to vote in an election of directors of a building society shall have one vote for every vacancy which is to be filled by the election but cannot be required to cast all or any of his votes.
- (4) Subject to subsections (6), (7) and (9) below and to paragraph 5(3) of Schedule 2 to this Act, any person is eligible to be elected a director of a building society.
- (5) The rules of a building society may require its directors to retire at a prescribed age without eligibility for re-election or reappointment; and, if the age so prescribed is no greater than the age which is the normal retirement age for the purposes of this section, subsection (7) below shall have no application to the directors of the society.

Status: Point in time view as at 01/09/1995. This version of this provision has been superseded.

Changes to legislation: Building Societies Act 1986, Section 60 is up to date with all changes known to be in force on or before 06 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (6) If the rules of a building society make the provision authorised by subsection (5) above, a person who has attained the age so prescribed shall not be eligible to be elected as a director of the society.
- (7) Except in a case where the operation of this subsection is excluded by subsection (5) above, if a person has attained the normal retirement age for directors, he shall not be eligible to be elected a director of a building society unless—
- (a) he has been approved as eligible for election by resolution of the board of directors, and
 - (b) his age and the reasons for the board’s approval of his eligibility have been notified to every person entitled to vote at the election.
- (8) In this section “the normal retirement age”, in relation to the directors of a building society, means 70 years or such lesser age as the rules of the society prescribe as the normal retirement age for its directors; and “the compulsory retirement age”, for a society whose rules make the provision authorised by subsection (5) above, means the age so prescribed in its rules.
- (9) The rules of a building society may impose, as a condition of a person’s eligibility to be or to remain a director of the society, a requirement that he shall hold beneficially shares in the society not less in value than the amount prescribed by the rules, but the minimum holding to be required shall not exceed £1,000 or such other amount as may be substituted for it by order of the Commission under this subsection.
- (10) The rules of a building society may impose, as conditions of the validity of a person’s nomination for election as a director, requirements as to—
- (a) the minimum number of members who must join in nominating him,
 - (b) their qualifications as respects length of membership of and the value of shares held in the society, and
 - (c) the depositing of money with the society in connection with his candidature, but no other requirements; and rules made by virtue of this subsection must comply with section 61.
- (11) A director of a building society shall retire from office—
- (a) in any case not provided for by paragraph (b) below, subsection (12) below or rules under section 61(10), at the third annual general meeting of the society following the date of his election, and
 - (b) in a case where he had attained the normal retirement age at his election, at the next annual general meeting following that date;
- subject (in either case) to any provision for his earlier retirement on the grounds of ceasing to hold the requisite shares in the society contained in the rules of the society.
- (12) A director of a building society attaining the normal retirement age or, as the case may be, the compulsory retirement age shall, subject to any provision of the rules for earlier retirement, retire from office at the next annual general meeting of the society.
- (13) If the rules of a building society so provide, the directors for the time being may appoint as additional directors or to fill any vacancy on the board of directors any person who—
- (a) has not attained—
 - (i) the normal retirement age, or

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- (ii) the compulsory retirement age (where that age is less than the normal retirement age), and
- (b) appears to them to be fit and proper to be a director.
- not being a person who, having been nominated for election as a director at any election held within the preceding twelve months, was not elected as a director.
- (14) A person who is co-opted under subsection (13) above shall cease to hold office at the end of the permitted period unless he is elected as a director of the society in accordance with this section within that period.
- (15) A person who holds office as, or is to his knowledge nominated for election or proposed for appointment under subsection (13) above as, a director of a building society shall, not later than 28 days before he attains the normal retirement age or, as the case may be, the compulsory retirement age for directors of the society, give the society notice of the date on which he will attain that age; and if he fails to do so he shall be liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale; and
- (b) in the case of a continuing offence, to an additional fine not exceeding £40 for every week during which the offence continues.
- (16) The power of the Commission to make an order under subsection (9) above—
- (a) includes power to make such transitional provision as it considers necessary or expedient, and
- (b) shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (17) In this section—
- “ordinary resolution” means a resolution which will be effective without being passed as a special resolution or borrowing members’ resolution;
- “permitted period”, in relation to a co-opted director, has the meaning given by section 61(12); and
- “the voting date” means—
- (a) in the case of an election at a meeting, the date of the meeting, except where paragraph (c) below applies;
- (b) in the case of an election conducted by postal ballot, the date which the society specifies as the final date for the receipt of completed ballot papers;
- (c) in a case where a member appoints a proxy to vote at the meeting for him, the date which the society specifies as the final date for receipt of instruments appointing proxies to vote at the election;
- and, for the purposes of this Act, the date of a person’s election to office as a director of a building society, in a case where the rules provide for election by postal ballot, is the date of the meeting at which the declaration of the result of the ballot is made.

Modifications etc. (not altering text)

C1 Ss. 60(1)(2)(3)(9)(10), 61 excluded (*temp.*) by S.I. 1986/2168, art. 3(1)(3)

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