



Building Societies Act 1986

1986 CHAPTER 53

PART VII

MANAGEMENT OF BUILDING SOCIETIES

Directors and other officers

61 Directors: supplementary provisions as to elections, etc.

- (1) Rules made under section 60(10)(a), in order to comply with this section, must not require—
 - (a) in the case of a society with a qualifying asset holding, more than fifty members, and
 - (b) in the case of any other society, more than ten members,to join in nominating a person for election as a director.
- (2) Rules under section 60(10)(b), in order to comply with this section, must not require a nominating member to have been a member for more than two years before the date of the nomination or to hold, or have at any time during that period held, shares in the society to a value greater than £100.
- (3) Rules made under section 60(10)(c), in order to comply with this section—
 - (a) must not require more than £250 to be deposited with the society;
 - (b) must not require the money to be deposited before the date which, under the rules, is the closing date for the nomination of candidates for the election; and
 - (c) must provide for the return of the deposit to the candidate in the event of his securing—
 - (i) not less than 5 per cent. of the total number of votes cast for all the candidates in the election; or
 - (ii) not less than 20 per cent. of the number of votes cast for the candidate who is elected with the smallest number of votes.

Status: Point in time view as at 01/09/1995. This version of this provision has been superseded.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 61 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)

- (4) The Commission may, by order, amend subsection (1), (2) or (3)(a) or (c) above so as to substitute for the number, the maximum value of shares, the maximum amount of the deposit or the percentage of votes required to be secured respectively such other number, value, amount or percentage as it thinks appropriate.
- (5) The power to make orders under subsection (4) above—
- (a) includes power to make such transitional provision as the Commission considers necessary or expedient, and
 - (b) is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) If a building society, in a case where the board of directors has approved as eligible for election a person who has attained the normal retirement age, fails to notify every person entitled to vote at the election as required by section 60(7), the society shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale and so shall any officer who is also guilty of the offence; but no such failure shall invalidate the election.
- (7) If a duly nominated candidate for election as a director of a building society furnishes the society with an election address of not more than 200 words before the closing date for nominations, then, subject to subsection (8) below—
- (a) it shall be the duty of the society to send a copy of the address to each member of the society who is entitled to vote in the election;
 - (b) each member's copy shall be sent in the same manner and, so far as practicable, at the same time as the notice of the meeting at which the election is to be conducted or the ballot papers are sent out, as the case may be, or as soon as is practicable thereafter; and
 - (c) if the building society fails to comply with the requirements of this subsection the society shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale and so shall any officer who is also liable for the offence;
- but no such failure shall invalidate the election.
- (8) Subsection (7) above does not require a building society to send copies of an address to members of the society in any case where—
- (a) publicity for the address would be likely to diminish substantially the confidence in the society of investing members of the public, or
 - (b) the rights conferred by that subsection are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes;
- and that subsection shall not be taken to confer any rights on members, or to impose any duties on a building society, in respect of an address which does not relate directly to the affairs of the society.
- (9) The Commission shall hear and determine any dispute arising under subsection (8)(a) above, whether on the application of the society or of any other person who claims to be aggrieved.
- (10) The rules of a building society, if they provide for the retirement by rotation of its directors, may provide that a person elected to fill a vacant seat on the board must retire at the annual general meeting at which, in accordance with the rules for retirement by rotation, the seat is to fall vacant.

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- (11) Subsection (10) above applies to any vacancy arising when an elected director ceases to hold office for any reason before the annual general meeting at which (disregarding his age) the seat is due to fall vacant under section 60(11)(a).
- (12) For the purposes of section 60(17) “the permitted period”, with reference to the tenure of office of co-opted directors, is the period beginning with the date of the co-opted director’s appointment and ending with whichever of the following first occurs, that is to say—
- (i) in the case of a building society which elects its directors at its annual general meeting, the conclusion of the next such meeting following his appointment;
 - (ii) in the case of a building society which elects its directors by postal ballot, the declaration at its annual general meeting of the result of the next such ballot conducted after his appointment;
 - (iii) the expiration of the period of sixteen months beginning with the date of his appointment;
- but a general meeting or postal ballot shall be disregarded for the purposes of this paragraph if the closing date for the nomination of candidates falls before the date of the co-opted director’s appointment.
- (13) Where a person becomes or ceases to be a director of a building society, the society shall within one month give notice of that fact to the central office, stating the person’s full name and address and the date on which he became, or ceased to be, a director; and the central office shall record the person’s name and the date on which he began to hold, or, as the case may be, ceased to hold office, in the public file of the society.
- (14) If a building society fails to comply with subsection (13) above the society shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale and so shall any officer who is also guilty of the offence.

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)

Status:

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