

All previous rules rescinded

RULES

OF

IRVINE HOUSING ASSOCIATION LIMITED

**Registered under the Co-operative and Community Benefit
Societies Act 2014**

Registration Number - 2459RS

IRVINE HOUSING ASSOCIATION LIMITED

RULES

NAME, OBJECTS AND REGISTERED OFFICE

1. The name of the Society shall be Irvine Housing Association Limited (hereinafter called "the Association").
2. The objects of the Association are:
 - (i) to operate for the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage through the provision, construction, improvement and/or management of land and accommodation and the provision of care; and
 - (ii) any other objects or purposes allowed under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the 2005 Act and also in relation to the application of the Taxes Acts.
3. Our permitted activities and powers will include anything which is necessary, incidental, conducive and/or expedient to help us achieve the objects set out in rule 2.
4.
 - (a) The Association shall not trade for profit and any profits shall only be applied for the purpose of furthering the Association's objects and/or in accordance with these rules.
 - (b) Nothing shall be paid or transferred by way of profit to members.
5. The registered office of the Association shall be at 44-46 Bank Street, Irvine.

MEMBERSHIP

6.
 - (a) The members of the Association shall be those persons who hold a share in the Association and whose names appear in the register of members and the Parent.
 - (b) The Parent shall apply for a share in terms of these rules and shall make payment to the Secretary at the registered office of the Association of the sum of £1.00. The Parent shall then become a member of the Association and its name shall be entered in the register of members under the category of "Parent Member" within seven days and shall be issued with a share to the value of £1.00 (the "Parent Share") in the Association.
7. The Board shall set, review and publish its membership policy for admitting new members. Subject to the provisions of rule 11 the following shall be eligible to become ordinary members:
 - (a) tenants of the Association;
 - (b) service users of the Association;
 - (c) other persons who support the objects of the Association; and

- (d) organisations sympathetic to the objects of the Association.
8. Any ordinary member who changes his / her main residence is required to furnish in writing to the Association's registered office once within three calendar months of such change the address of such new main residence or registered office. This requirement does not apply to tenants of the Association who have moved home by transferring their tenancy to another property owned or managed by the Association.
9. No ordinary member shall hold more than one ordinary share in the Association.
10. (a) An applicant for ordinary membership shall forward to the registered office together with his / her application the sum of one pound (which shall be returned to him / her if the application is not approved) and every application shall be considered by the Board at its next meeting after it is made, or so soon thereafter as it is practicable.
- (b) If the application is approved, ordinary membership shall take effect from that time and within seven working days the name of the applicant shall be entered in the register of members and one share in the Association shall be issued to the applicant.
11. (a) A person shall not be admitted to ordinary membership if he / she is under the age of sixteen years.
- (b) While it is the Association's intention to encourage membership, the Board has absolute discretion in deciding applications for membership and the following shall constitute grounds for refusal of an application for membership:
- (i) where membership would be contrary to these rules or the Association's policies;
 - (ii) where a conflict of interest may exist which, even allowing for the disclosure of such an interest, may adversely effect the work of the Association; or
 - (iii) where the Board considers that accepting the application would not be in the best interests of the Association.

SHARE CAPITAL

12. The share capital of the Association shall be raised by the issue of ordinary shares of the value of one pound each to ordinary members and the Parent Share to the Parent.
13. (a) Shares shall carry no right to interest, dividend or bonus and shall not be held jointly.
- (b) Ordinary members shall not be entitled to any property of the Association in their capacity as members and their share is not withdrawable or transferable, save in the circumstances set out in rules 13(c) to 13(g).
- (c) Ordinary members cannot sell their share but can transfer it with the consent of the Board.
- (d) On the death, expulsion or withdrawal from the Association of an ordinary member, the ordinary member's share shall be cancelled (except in those circumstances outlined in rule 13(e)) and the amount paid up thereon shall become the property of the Association.

- (e) An ordinary member can nominate the person to whom the Association must transfer his / her share in the Association when that ordinary member dies, as long as the person he / she nominates is eligible for membership under these rules and in terms of the Association's membership policies. On being notified of an ordinary member's death, the Board shall transfer or pay the full value of his / her share to the person he / she has identified. A nomination must be in the terms required by the Co-operative and Community Benefit Societies Act 2014.
- (f) The Parent Share may not be sold or transferred but may, on the written request of the Parent, be cancelled in the same manner as ordinary shares.

WITHDRAWAL FROM MEMBERSHIP

- 14. Any ordinary member may withdraw from the Association by giving to the Secretary seven days' notice in writing of his / her intention to do so.
- 15. (a) Where the Board is satisfied that:
 - (i) an ordinary member has failed to notify the Association of a change in main residence as required under rule 8;
 - (ii) an ordinary member has failed to either attend or submit apologies for five consecutive annual general meetings;
 - (iii) an ordinary member ceases to fall within the definition or membership criteria of his / her membership category; or
 - (iv) an ordinary member has become an employee of the Association,that member shall be deemed to have withdrawn from membership of the Association and his / her ordinary share shall be cancelled and the amount paid thereon shall become the property of the Association with effect from the passing of a resolution by the Board to that effect.
- (b) All cancellations of shares pursuant to rule 15(a) shall be recorded in the register of members.

EXPULSION OF MEMBERS

- 16. (a) An ordinary member may where the Association receives a complaint about his / her behaviour be expelled by a resolution carried by the votes of two-thirds of the ordinary members present in person or by proxy and voting at a special general meeting of the Association. The following conditions apply to this procedure:
 - (i) the complaint must be in writing and must relate to conduct detrimental to the interests of the Association;
 - (ii) the Secretary must notify the ordinary member of the complaint in writing not less than one calendar month before the meeting takes place;
 - (iii) the notice for the special general meeting will give details of the business for

which the meeting is being called;

- (iv) the ordinary member will be called to answer the complaint at the meeting. The members present shall consider evidence in support of the complaint and such evidence as the ordinary member may wish to place before them;
 - (v) the members can vote in person or through a representative by proxy;
 - (vi) if on due notice having been served upon him / her the ordinary member fails to attend the meeting without adequate reason being, provided the meeting at its discretion may proceed in his / her absence.
- (b) If a person's membership is ended in accordance with rule 16(a), that person will immediately cease to be an ordinary member from the date that the resolution to end his / her membership was passed. No person who has been expelled from ordinary membership shall be re-admitted as an ordinary member except by resolution carried by the votes of two-thirds of the ordinary members present in person or by proxy and voting on a poll at any general meeting of which notice has been duly given.
- (c) Where a Board Member ceases to be a Board Member pursuant to rule 42(b), that Board Member's ordinary share shall, if the majority of the Board Members so determine, be cancelled and his / her ordinary membership ended. The value of that Board Member's ordinary share shall then belong to the Association.

REPRESENTATIVE OF ORGANISATION

17. (a) An organisation which is an ordinary member is free to nominate any person it considers suitable as its representative to the Association. That person will represent all of the organisation's rights and powers at general meetings.
- (b) To confirm the identity of a representative, the organisation must send the Association a copy of the authorisation or appointment of an individual as a representative. This should be signed by a director, secretary or authorised signatory of the organisation which signature must be witnessed, or in the case of a local authority, by the chief executive or a properly authorised officer of the local authority.
- (c) An organisation may by resolution of its governing body revoke the appointment of any person who is its representative. A copy of such resolution shall be sent to the Secretary of the Association. The organisation's representation through that individual shall cease with effect from the date of the resolution of the governing body.
- (d) A person who is a representative in terms of rule 17(b) of an organisation which is an ordinary member, cannot be an ordinary member as an individual. If that person is already an ordinary member as an individual, when he / she starts to represent an organisation which is an ordinary member, the Association will suspend his / her membership as an individual, until such time as he / she is no longer a representative of an organisation which is an ordinary member.

BORROWING POWERS

18. (a) The Association shall have the power to borrow money for the purposes of the Association provided that:
- (i) at the time of borrowing the sum of the amount remaining undischarged of monies borrowed and the amount of the proposed borrowing shall not exceed £100 million; and
 - (ii) for the purposes of this rule the amount remaining undischarged at the time of borrowing of any index-linked monies borrowed by the Association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such borrowing became repayable at that time and the amount of any proposed borrowing intended to be index-linked or on a deep discounted security shall be deemed to be the net proceeds of such proposed borrowing receivable by the Association at the time of borrowing.
- (b) The Association will not pay more than the market rate of interest as determined by the Board having regard to the terms of the loan on any money borrowed by the Association.
- (c) The Association shall not receive money on deposit.
- (d) The Association can lend money to an organisation which is a subsidiary of the Association within the meaning of the Companies Act 2006 or the Co-operative and Community Benefit Societies Act 2014 at a market rate of interest as determined by the Board having regard to the terms of the loan. Where the Association is using a loan facility to on lend it must comply with the regulatory framework and regulatory guidance issued by the Scottish Housing Regulator from time to time.
- (e) The Association may borrow money from such lawful sources as is permitted by its treasury management policy, subject always to the requirement that the Association will comply with the regulatory framework and regulatory guidance issued by the Scottish Housing Regulator from time to time.
- (f) Subject to the foregoing provisions of this rule 18, the Board shall have power to determine from time to time the terms and conditions upon which money is borrowed or loan stock is issued and to vary such terms and conditions.
- (g) With the exception of the Parent, the Association shall not lend money to members.
19. (a) The Association shall have the power to enter into and perform a Rate Cap Transaction, or series of Rate Cap Transactions, or to enter into a Collar Transaction or series of Collar Transactions or an Interest Rate Swap Transaction where in relation to any such Transaction the following conditions are satisfied, namely that:
- (i) the relevant instruments relate solely to amounts denominated in Sterling;
 - (ii) the relevant transaction provides (in the case of an interest rate swap) for the Association to undertake to pay a specified fixed rate on an applicable notional sum denominated in Sterling, but not otherwise;
 - (iii) the relevant transaction in the case of a Collar Transaction provides for the simultaneous buy of an instrument relating to a rate cap and the selling of an

instrument providing for a floor at a lower strike price to such Cap;

- (iv) any counter-party to the transaction is one of the principal clearing banks in the United Kingdom;
- (v) the Board or a duly authorised committee of the Board established under the rules considers the entry by the Association into such transaction(s) to be in the best interests of the Association.

PROVIDED that at the time of entry into any such transaction(s) the sum of the Calculation Amount of any such transaction previously entered into and remaining in effect and the Calculation Amount of the proposed transaction(s) shall not exceed (i) the aggregate amount of the Association's Variable Rate Borrowings either at the Effective Date or (ii) having regard at the Effective Date to the Association's obligations to repay Variable Rate Borrowings, the amount of the Variable Rate Borrowings which will be outstanding at any time on or prior to the proposed Termination Date.

- (b) Before exercising its power under rule 19(a) the Association shall obtain and consider proper advice on the question whether the transaction is satisfactory having regard to:
 - (i) the possible fluctuations in the rate of interest payable by the Association on its Variable Rate Borrowings during the term of the relevant transaction;
 - (ii) the Association's ability to meet its payment obligations under such Borrowings during the term of the relevant transaction(s) if such transaction(s) was or were not entered into;
 - (iii) the payment obligations under the relevant transaction(s); and
 - (iv) the Association's actual and projected annual income and expenditure position.
- (c) For the purposes of rule 19(b) proper advice shall mean the advice of a person who is reasonably believed by the Board to be qualified in his / her ability in the practical experience of financial matters and such transactions, such advice may be given by a person notwithstanding that he / she gives it in the course of his / her employment as an officer.
- (d) A person entering into a relevant transaction as a Floating Rate Payer with the Association who has received a written certificate signed by the Secretary confirming the Association's compliance with rules 19(a) and 19(b) shall not be concerned to enquire whether or not the Association has complied with the provisions of rules 19(a) and 19(b) and such transaction shall be valid at the date it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not the provisions of rules 19(a) and 19(b) have been complied with.

For the purpose of this rule:

"Calculation Amount", "Effective Date", "Floating Rate Payer", "Term", and "Termination Date" have the respective meanings given in the 1991 ISDA Definitions as amended from time to time;

"Variable Rate Borrowings" means any borrowing by the Association pursuant to rule 19.(a) in respect of which the rate of interest has not been fixed for a term in excess of twelve months and the term "fixed" shall exclude any borrowing where the rate of

interest is indexed in accordance with a retail price index or other published index.

"Rate Cap Transaction", "Collar Transaction" and "Interest Rate Swap Transaction" mean respectively any transaction designated within the meaning of the category "Swap Transaction" as defined in the 1991 ISDA Definitions as amended from time to time.

20. (a) The holder of loan stock may transfer all or any part thereof by instrument in writing in such form as the Board may approve.
- (b) The instrument of transfer shall be executed by or on behalf of the transferer and transferee and properly stamped, and upon delivery thereof at the registered office, together with the sum of five pence, the certificate of the loan stock and such evidence of identity or title as the Board may reasonably require, the transfer shall be registered.
- (c) A transfer of loan stock shall not be valid until registered.

GENERAL MEETINGS

21. The Association shall within six calendar months after the close of each financial year of the Association hold a general meeting which shall be called the annual general meeting. The functions of the annual general meeting shall be:
 - (a) to receive the Chair's report on the affairs of the Association for the preceding year;
 - (b) to receive the accounts and balance sheet together with the report of the auditor thereon;
 - (c) to elect Board members as provided in rule 40;
 - (d) to appoint the auditor as provided in rules 71, 72 and 73; and
 - (e) to transact any other general business of the Association included in the notice convening the meeting.
22. (a) All general meetings other than annual general meetings shall be called special general meetings. They shall be convened by the Secretary either:
 - (i) upon an order of the Board; or
 - (ii) upon a written requisition signed for and on behalf of the Parent or signed by not less than four ordinary members or, if the total number of ordinary members at any time exceeds forty, by one-tenth of such ordinary members,stating the purpose for which the meeting is to be convened.
- (b) Where a special general meeting is called for by a written requisition, the Secretary of the Association shall be under a duty to convene the meeting in accordance with rule 22(c) and without prejudice to said duty shall in consultation with the Board or the Chair if practicable but if such consultation is not practicable at his / her own discretion, decide the time, date and place for the meeting.

- (c) Such meeting shall be held within twenty-eight days after receipt of such order or requisition. Should the Secretary fail to give notice to convene a special general meeting within ten days after delivery to him / her of the order or requisition, the Board, or the ordinary members who signed the requisition, may themselves give notice of and convene the meeting.
 - (d) A special general meeting shall not transact any business other than that mentioned in the notice convening the meeting.
- 23.
- (a) A general meeting shall be convened by the Secretary by notice in writing posted or sent by electronic communication to every ordinary member and the Parent at its registered address, not less than fourteen clear days before the date of the meeting, specifying whether the meeting is an annual or special general meeting, stating the time, date and place thereof and the business for which it is convened.
 - (b) The Board may direct the Secretary to include with the notice or send separately to ordinary members and the Parent in advance of the general meeting any relevant written reports or papers or annual accounts as specified in the notice as the case may be. The accidental omission to send notice of a general meeting or papers relating to the notice to any member (other than the Parent), or the non-receipt of notice of a general meeting or papers relating to the notice by any member (other than the Parent) shall not invalidate the proceedings of that general meeting. Each notice or communication sent by the Association to an ordinary member and the Parent by post, addressed to him / her at his / her registered address, shall be deemed to have been duly served forty-eight hours after being posted. Each notice or communication sent by the Association to an ordinary member and the Parent by electronic communication shall be deemed to have arrived on the day it is sent.

PROCEEDINGS AT GENERAL MEETINGS

- 24.
- (a) No business shall be transacted at any general meeting of the Association unless a quorum of members is present in person or represented by a representative appointed in terms of rule 31(a) at the time the meeting proceeds to business. The Parent and seven ordinary members or, if the number of ordinary members at any time exceeds seventy ordinary members, one-tenth thereof, including the Parent, shall form a quorum.
 - (b) If no quorum is present within half an hour after the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and at such place fixed by the chair of the meeting and announced at the meeting. There is no need to give notice to members of the rescheduled meeting. If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting the members present shall be a quorum.
- 25.
- (a) The chair of the meeting may with the consent of a majority of the members present adjourn any meeting but no business shall be transacted at any adjourned meeting other than the business not reached or left unfinished at the meeting from which the adjournment took place. There is no need to give notice to the members of the adjourned meeting.
 - (b) Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed

to have been passed on any earlier date. It shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

26. (a) At all general meetings of the Association the Chair shall preside as chair of the meeting, or if he / she is not present, or is unwilling to act, the members present shall elect a Board Member present to be the chair of the meeting. In the absence of any Board Members, the members present shall elect from their number a chair of the meeting.
- (b) Should the Chair appear at a later time during the meeting, he / she will take over as the chair of the meeting as soon as the current or particular item on the agenda is concluded.
27. Subject to any special direction contained in any of these rules, or in any Act of Parliament, a resolution put to the vote of a general meeting shall be decided by a simple majority of those voting upon show of hands, except where a poll is requested or directed. Votes cannot be taken on resolutions which conflict with any provision of these rules or the law.
28. (a) At all general meetings of the Association every ordinary member and the Parent present in person shall have one vote upon a show of hands. Where however an appointed proxy is present and so declares, the chair of the meeting shall direct a poll. On a poll every ordinary member and the Parent present in person or by proxy shall have one vote.
- (b) In relation to the election of Board Members, the vote is by a poll using the ballot paper issues to the members prior to the meeting. Votes received by post or electronic communication in advance of the meeting will be counted in the total number of votes at the meeting.
29. In the case of an equality of votes for and against a resolution, or in relation to the election of Board Members, the chair of the meeting shall have a second or casting vote. A declaration by the chair of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry made to that effect in the book containing the minutes of the proceedings of the Association shall be final and conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
30. (a) A poll may be demanded either before or immediately after a vote by a show of hands, by not less than one-tenth of the members present at the meeting (in person or by proxy), or may be directed by the chair of the meeting whether pursuant to rule 28 or otherwise. A demand for a poll may be withdrawn.
- (b) If a poll is to take place, it shall be conducted forthwith at the meeting in such manner as the chair of the meeting shall direct. The result of such a poll shall be deemed to be the resolution of the Association in general meeting.
31. (a) To appoint a representative to vote on an ordinary member's behalf by proxy, he / she must let the Association have a properly completed document in the form shown in the Appendix. A representative does not need to be a member. The document must reach the Association by post or electronic communication not less than five clear days before the date fixed for holding the meeting at which the person named in such instrument is authorised to vote on behalf of the ordinary member so appointing. Any question as to the validity of a proxy shall be determined by the chair of the meeting.
- (b) The ordinary member who has appointed a proxy may revoke such proxy in the form

shown in the Appendix. The document must be presented to the Association before the meeting at which the ordinary member no longer wants to be represented convenes. Alternatively, if the ordinary member declares himself / herself to be present before the meeting convenes, the appointment of a representative to vote on his / her behalf will automatically fall.

- (c) Only those instruments in the form provided in the Appendix attached to these rules, appointing a proxy, which are properly completed as aforesaid shall be treated as valid. The Chair shall report to the meeting, the details of those instruments of proxy which are void. If an individual represents an organisation, his / her authorisation or appointment as a representative requires to be in accordance with the terms of rule 17(b).
- (d) The Parent shall be deemed to be present in person at any general meeting if it is represented in person by an individual (who need not be a member) who is appointed to act as such in writing signed on behalf of the Parent.
- (e) If there is to be an election of Board Members at an annual general meeting, members can vote by post or electronic communication. Where the number of candidates standing for election is more than the number of vacancies on the Board, not less than fourteen days before a meeting is held at which one or more Board Members will be elected, the members shall receive a ballot paper for the election. Members can vote in the election by returning the ballot paper to the Secretary at least five days before the date of the meeting, or by bringing the ballot paper along to the meeting.

CONDUCT OF GENERAL MEETINGS

- 32. All speakers shall address the chair of the meeting and all ordinary members shall observe order in such instance. No ordinary member shall be allowed to speak more than once on any motion, unless on a point of clarification, until every other ordinary member has had the opportunity to speak on the same issue; they shall then have only the opportunity to speak a second time by permission of the chair of the meeting unless he / she was the person who raised the point initially and wishes to have a final reply as regards his / her original position.
- 33. Amendments to any original motion of business may be made by a member verbally by addressing the chair of the meeting. Amendments shall be taken in order of intimation; one amendment shall be disposed of before another is moved. If the first amendment is carried it becomes itself the question, whereupon any further amendment may be moved.
- 34.
 - (a) The time limit for speakers shall be at the discretion of the chair of the meeting.
 - (b) If any point arises which is not provided for in these rules, the chair of the meeting shall give an opinion on the point. Should his / her opinion not be accepted by a challenge which has a seconder, the chair of the meeting shall step down and a vote shall be taken and the matter determined by a simple majority. If the vote is tied, the chair's original ruling is carried.
- 35. No meeting shall continue for more than two hours beyond the time for which the meeting is called, unless with approval of at least two-thirds of the members present, after the expiry of that time.
- 36.
 - (a) A member is able to exercise the right to vote at a general meeting when:
 - (i) that member is able to vote, during the meeting, on resolutions put to the vote

at the meeting; and

- (ii) that member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other members attending the meeting.
- (b) The Board may make whatever arrangements it considers appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (c) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (d) Two or more members who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

BOARD

- 37. (a) The Association shall have a Board which shall consist of not less than eight persons nor more than twelve, including the Parent Nominee (if appointed) but excluding persons co-opted to the Board (if any).
- (b) Only members who have attained eighteen years of age shall be eligible to become Board Members, other than the Parent Nominee (as hereinafter defined), a person co-opted to the Board or appointed by the Scottish Housing Regulator who must have attained eighteen years of age but need not be a member.
- (c) An employee of the Association, or a Close Relative of an employee, may not be a Board Member.
- (d) No Board Member may take office until they have agreed to and signed the Association's code of conduct for Board Members.
- (e) Notwithstanding any other provision of these rules the Parent is the parent body of the Association and shall be entitled to appoint any number of Board Members as it may in its sole discretion determine. In addition, the Parent shall at any time be entitled to remove from office any and all Board Members as it may in its sole discretion determine. Such appointments and removals from office may be made from time to time in writing signed on behalf of the Parent and served on the Association and in each case shall take effect upon the date of lodgement of written notice at the registered office of the Association or such later date as may be specified in the notice.
- (f) The Parent shall exercise its powers of appointment and removal of any Board Members in accordance with rule 37(e) pursuant to and in terms of the Constitutional Partnership Agreement entered into between the Parent and the Association having due regard to the best interests of the Association and the conduct of the Association's business.
- (g) The Parent may from time to time by written notice to the registered office of the Association appoint one person to be a Board Member (the "Parent Nominee") and by like notice remove or replace the Parent Nominee and in each case such appointment or removal shall take effect upon the date of lodgement of such written notice at the

registered office of the Association or such later date as may be specified in the notice.

- (h) The Board shall assess annually the skills, knowledge, diversity and objectivity that it needs for its decision making and what is contributed by the Board Members by way of annual performance reviews. The Board must satisfy itself that any Board Member seeking re-election to the Board after service as a Board Member for a continuous period of nine years or more can demonstrate his / her continued effectiveness as a Board Member before he / she may stand for re-election.
- (i) Each Board Member shall, in exercising his / her role as a Board Member, act in the best interests of the Association and its tenants and will not place any personal or other interests ahead of his / her primary duty to the Association and, in particular, must:
 - (i) seek, in good faith, to ensure that the Association acts in a manner which is accordance with its objects;
 - (ii) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - (iii) in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party, to put the interests of the Association before those of the other party and where any other duty prevents him / her from doing so, disclose the conflicting interest to the Association and refrain from participating in any discussions or decisions involving the other Board members with regard to the matter in question; and
 - (iv) ensure that the Association complies with any direction, requirement, notice or duty imposed on it by the 2005 Act.
- (j) The Board can require that a Board Member who is being investigated for a potential breach of the Association's code of conduct for Board Members take a leave of absence and not attend any meeting in his / her capacity as a Board Member until the Board has completed its consideration of the potential breach. When on such leave of absence, the Board Member will not be entitled to receive minutes and / or documents in his / her capacity as a Board Member relating to the business of the Association.
- (k) The Board shall set and periodically review its policy on payments and benefits. If a person is a member, employee of the Association or serves on the Board or any committee of the Board he / she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Association shall act at all times with transparency, honesty and propriety.
- (l) If a person serves on the Board or any committee of the Board he / she must declare any personal or other external interests on an annual basis in accordance with the Association's code of conduct for Board Members. If while serving on the Board that person has any conflict of interest in any contract or other matter about to be discussed at a meeting, he / she must tell the Board. He / she will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If that person is inadvertently allowed to stay in the meeting and vote on the matter, his / her vote will not be counted.
- (m) If a person serves on the Board or any committee of the Board he / she must not

receive any payment or benefit unless it is permitted by the 2005 Act and as set out in the Association's policy referred to in rule 37(k). He / she shall also comply with the requirements of the 2005 Act in respect of any conflict of interest that might arise.

38. (a) The Board may from time to time co-opt to the Board or to a committee of the Board anyone it considers is suitable to become a Board Member or member of a committee of the Board. Co-opted persons do not need to be members but they can only serve on the Board or committee of the Board until the next annual general meeting or until removed by the Board.
- (b) A co-opted person shall undertake the role of a Board Member or member of a committee of the Board and accordingly will be subject to the duties and responsibilities of a Board Member. Co-opted persons may take part in the deliberations of the Board and vote at any meetings thereof, on all matters excepting those directly affecting membership of the Association or the election of its officers. Co-opted persons may not stand for election, nor be elected as one of the Association's officers of the Board.
- (c) The Board may not co-opt more than three persons at any one time and the attendance of such persons at meetings of the Board or committee of the Board shall not count towards determining a quorum as defined under rule 45 and the presence of co-opted persons will not count towards the quorum for meetings of committees of the Board.

ELECTION OF BOARD MEMBERS

39. (a) At the conclusion of the first annual general meeting of the Association after the total ordinary membership of the Association shall have exceeded seven or such greater number as the Association may determine from time to time by resolution in general meeting, all Board Members for the time being shall retire from office. Without prejudice to rule 39(e), at the conclusion of every subsequent annual general meeting, one-third or the nearest number of Board Members shall retire from office. Any person co-opted to the Board under rule 38(a) or to fill a casual vacancy under rule 41 and who retires for that reason shall not count towards the one third provision. The retiring Board Members should be selected in accordance with rule 39(b). The Parent Nominee (if appointed) shall not be required to retire at any annual general meeting.
- (b) In the absence of Board Members standing down voluntarily, the retiring Board Members should be those who have served the longest on the Board since the date of their last election. If two or more Board Members have served equally long and cannot agree who should retire, they must draw lots.
- (c) Board Members must also retire if they have been co-opted onto the Board under rule 38(a) or have filled casual vacancies under rule 41.
- (d) Subject to rule 39(e), a Board member who retires pursuant to the terms of this rule 39 on the date of the next annual general meeting shall be eligible for re-election without nomination.
- (e) A Board Member shall not be in office for more than nine consecutive years unless his / her appointment is extended by a resolution of the Board for a further three years where the Board determines that the Board Member in question possesses skills, knowledge or experience that are necessary or desirable to further the objects of the Association.

40. (a) If at any annual general meeting, the Board Members standing for re-election together with any other ordinary members of the Association duly nominated for election to the Board do not exceed the number of Board Members to be elected, the said Board Members and members nominated shall be declared by the chair of the meeting to have been duly re-elected or elected without a vote. If the said Board Members and members nominated exceed the number of Board Members to be elected, those present at the general meeting or those exercising a postal vote in accordance with rule 31(e) will elect members onto the Board in accordance with rule 28(b). Each ordinary member present in person or by proxy shall be entitled to one vote for each vacancy to be filled and shall not give more than one vote to any one candidate.
- (b) The Association will post or send by electronic communication intimation of the intended date of the annual general meeting and information on the nomination procedure to each member not less than twenty-eight days before the date of the meeting. Nominations for the Board shall be in writing in the form prescribed from time to time by the Board, state the full name, address and occupation of the ordinary member nominated, be signed by the ordinary member making the nomination and by the ordinary member seconding the nomination, contain a signed statement on the form prescribed from time to time by the Board by the ordinary member nominated of his / her willingness to be elected. A member cannot nominate or second himself / herself for election to the Board. Nomination forms can be obtained from the Association and must be completed fully and delivered to the Secretary by post or electronic communication or left at the registered office not later than 21 days before the date appointed for the general meeting.
- (c) A nomination for election to the Board can be rejected by a decision by not fewer than three quarters of the Board Members on one or more of the following grounds:
- (i) where election to the Board would be contrary to these rules or the Association's policies;
- (ii) where a conflict of interest may exist which, even allowing for the disclosure of such an interest may adversely affect the work of the Association; or
- (iii) where there is clear evidence of relevant circumstances from which it is concluded that election to the Board would not be in the best interests of the Association.
- (d) The rejection of a nomination for election to the Board shall be notified to the member concerned in writing at any time prior to the date of the relevant general meeting.
41. A casual vacancy occurring in the Board after the last annual general meeting of the Association may be filled by the Board and that person shall be a Board Member for the purpose of these rules until the next annual general meeting of the Association.
42. (a) A Board Member (other than any Parent Nominee) may be removed from office by a resolution carried by a majority of the members present in person or by proxy and voting at a special general meeting. The members at the general meeting may then elect someone to take his / her place. If the vacancy is not filled at the meeting, it may be filled by the Board in terms of rule 41.
- (b) A Board Member (other than any Parent Nominee) must leave the Board if two-thirds of the remaining Board Members vote in favour of this at a special meeting of the Board convened for the purpose. The vote to ask a Board Member to leave the Board

must relate to one of the following issues:

- (i) failure to perform to the published standards laid down by the Scottish Federation of Housing Associations and/or the Scottish Housing Regulator adopted and operated by the Association;
 - (ii) failure to sign or failure to comply with the Association's code of conduct for Board Members; and/or
 - (iii) a serious breach of these rules or the Association's standing orders or other policy requirements.
43. (a) A person shall not be eligible for election or re-election to the Board, and a Board Member shall be deemed to have vacated his / her office, if:
- (i) he / she is an undischarged bankrupt, has granted a trust deed which has not been discharged or is in a current Debt Payment Plan under the Debt Arrangement Scheme;
 - (ii) he / she is or will be unable to attend Board meetings for the next 12 months;
 - (iii) he / she has been convicted of a crime of dishonesty which is not spent by virtue of the Rehabilitation of Offenders Act 1974 or an offence under the 2005 Act;
 - (iv) he / she is a party to any legal proceedings in any court of law by or against the Association;
 - (v) he / she is or becomes disqualified from being a charity trustee pursuant to Section 69 of the 2005 Act or has been suspended or removed as a charity trustee pursuant to Section 34 of the 2005 Act or has been the subject of any direction issued by OSCR pursuant to Section 28 and/or Section 31 of the 2005 Act;
 - (vi) he / she has been removed or suspended from a position of management or control of a charity under the provisions of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 or the 2005 Act;
 - (vii) he / she has been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commissioners for England and Wales or by Her Majesty's High Court of Justice in England on the grounds of any misconduct in the administration of the charity for which he / she was responsible or to which he / she was privy, or which his / her conduct contributed to or facilitated;
 - (viii) a disqualification order or disqualification undertaking has been made against him / her under the Company Directors' Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (which relate to the power of a Court to prevent someone from being a director, liquidator or administrator of a company or a receiver or manager of company property or being involved in the promotion, formation or management of a company);
 - (ix) he / she has been removed from the board of another registered social landlord within the previous five years;

- (x) he / she has resigned from the Board in the previous five years in circumstances where the resignation was submitted after the date of his / her receipt of notice of a special meeting of the Board convened to consider a resolution for his / her removal from the Board in terms of rule 42 within the previous five years;
 - (xi) he / she has been removed from the Board in terms of rule 42 in the previous five years; or
 - (xii) his / her nomination for election to the Board has been rejected in accordance with rule 40(c) during the period between the return of the completed nomination form and the commencement of the relevant annual general meeting.
- (b) A person cannot be re-elected as a Board Member if the Board is not satisfied under rule 37(h) of the individual's continued effectiveness as a Board Member. In these circumstances the Board must not allow the individual to stand for re-election.
44. A Board Member shall cease to be a Board Member if:
- (a) he / she resigns his / her office by notice in writing to the Secretary;
 - (b) he /she ceases to be an ordinary member of the Association, unless he /she is co-opted to the Board in terms of rule 38(a), is the Parent Nominee or an appointee of the Scottish Housing Regulator;
 - (c) he /she absents himself / herself for four consecutive meetings of the Board without special leave of absence being previously granted by the Board either at his / her request or by exercise of the Board's discretion;
 - (d) he / she becomes ineligible as a Board Member in terms of rule 43(a);
 - (e) he / she is co-opted to the Board or was appointed to fill a casual vacancy and whose period of office is ended in accordance with rules 38(a) or 39(a); or
 - (f) he / she is a Board Member retiring in accordance with rule 39(a).

PROCEEDINGS OF BOARD

45. Ordinary meetings of the Board shall be held at such times and places as the Board shall from time to time decide but not less than six meetings shall be held in each calendar year. Four Board Members, including (if appointed) the Parent Nominee (other than where the Parent Nominee has presented his / her apologies in writing in advance of the meeting), or such greater number as the Board shall from time to time determine shall form a quorum.
46. Notwithstanding any vacancies on the Board the remaining Board Members may continue to act, but if at any time the number of Board Members falls below seven, the Board may act for a maximum period of two months. If at the end of that period the Board has not filled such vacancies to make up the membership to seven, the only power which the Board may thereafter exercise shall be that of filling such vacancies as may be required to bring the number of Board Members up to seven.

47. (a) The Board Members shall, at their first meeting after registration of the Association and subsequently at a specially convened meeting immediately following each annual general meeting, elect a Chair from their own number (excluding co-opted persons) to hold office until the conclusion of the next annual general meeting, unless he / she shall cease in the meantime to be a Board Member. He / She shall, provided his / her appointment is approved in writing by the Parent, be the Chair and shall be removable from the office of Chair only by a vote of two-thirds of those Board Members present at a special meeting called for that purpose. If at any meeting of the Board the Chair is absent or unwilling to act, the Board Members present shall elect one of their number to be chair of the meeting. In any case of an equality of votes the chair of the meeting shall have a second or casting vote.
- (b) The Chair is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, these rules and the standing orders of the Association. The Chair will be delegated such powers as is required to allow the Chair to properly discharge the responsibilities of the office. Among the responsibilities of the Chair are that:
- (i) the Board works effectively with the senior staff;
 - (ii) an overview of business of the Association is maintained;
 - (iii) the agenda for each meeting is set;
 - (iv) meetings are conducted effectively;
 - (v) minutes are approved and decisions and actions arising from meetings are implemented;
 - (vi) the standing orders, code of conduct for Board members and other relevant policies and procedures affecting the governance of the Association are complied with;
 - (vii) where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
 - (viii) the Board monitors the use of delegated powers;
 - (ix) the Board receives professional advice when it is needed;
 - (x) the Association is represented at external events appropriately;
 - (xi) appraisal of the performance of Board Members is undertaken, and that the senior staff officer's appraisal is carried out in accordance with the agreed policies and procedures of the Association; and
 - (xii) the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.
- (c) The Chair may resign his / her office by notice in writing to the Secretary and shall vacate his / her office if for any reason he / she ceases to be a Board Member or is prevented from standing for, or being elected to the Board under rule 43, and in any of these events the Board shall forthwith elect one of their number (excluding co-opted persons) to be Chair in his / her place. Any such appointment as Chair shall be subject to the written approval of the Parent.
- (d) The Chair may be re-elected but may not hold office continuously for more than five consecutive annual general meetings. On the expiry of five continuous terms of office, the retiring Chair shall not be eligible for election as Chair during the ensuing twelve months.
48. (a) A special meeting of the Board may be called by a notice in writing given to the Secretary by the Chair, or by two Board Members, specifying the business to be

transacted. The Secretary shall send a copy of the notice to all Board Members and persons co-opted to the Board within three working days of receiving it, and the meeting shall be held at the ordinary place for meetings of the Board not earlier than ten days and not later than fourteen days after the receipt by the Secretary of the notice.

- (b) No other business shall be done at the meeting than the business named in the notice.
- (c) Should the Secretary fail to convene the special meeting as prescribed above, the Chair or the Board Members who have given the notice may call the meeting. If the Chair or the two Board Members call the meeting the notice shall be sent to all Board Members and persons co-opted to the Board not less than seven days before the date of the meeting.
- (d) If a Board Member does not receive notice of the meeting, this will not prevent the meeting from going ahead.

CONDUCT OF BOARD MEETINGS

- 49. All speakers shall address the Chair and all Board Members shall observe order in such instance. The selection of, and time limit for speakers shall be at the discretion of the Chair.
- 50. If any point arises which is not provided for in these rules, the Chair shall give a ruling on the point and his / her decision shall be final.
- 51. Notice of ordinary meetings of the Board shall be sent to Board Members not less than seven days before the date of the meeting. Proceedings at any meeting shall not be invalidated by any accidental omission to send notice of the meeting to any Board Member, other than any Parent Nominee.
- 52. All matters of business for the agenda shall be in the hands of the Secretary not later than 4pm on the day preceding that on which the notice of the meeting is issued, unless in relation to a matter of urgency and accepted by the majority of the meeting as such, but where urgency is known or anticipated before a meeting, notice in writing of the urgent business of the motion shall be transmitted to the Secretary as early as practicable before the meeting. The term "urgency" shall be interpreted by the Chair who shall have due regard to the reasonable intent of this rule.
- 53. Meetings of the Board can take place in any manner which permits those attending to hear and comment on the proceedings.

POWERS OF BOARD OF MANAGEMENT

- 54. The business of the Association shall be conducted by the Board which may exercise all such powers as may be exercised by the Association and are not by these rules or by statute required to be exercised by the Association in general meeting. In conducting the business of the Association each Board Member shall be bound by these rules and shall not be permitted to exercise any powers which are reserved to the Association in general meetings, either by these rules or by statute. The Board is responsible for the leadership, strategic direction and control of the Association with the aim of achieving good outcomes for its tenants in accordance with the regulatory standards and guidance issued by the Scottish Housing Regulator from time to time. The Board is responsible for ensuring that the Association can demonstrate its governance and financial arrangements are such as to allow the Scottish

Housing Regulator to regulate effectively and exercise its full regulatory powers. Any person acting in good faith and without prior notice shall not be concerned to see or inquire whether the powers of the Board have been restricted by any other regulations so made unless he / she had prior knowledge of the existence of some such restriction. The Board shall in all things act for and in the name of the Association.

55. Without prejudice to its general powers conferred by these rules the Board may exercise the following powers:
- (a) to purchase, sell, feu, build upon, lease or excamb any land, including the agreeing or accepting of any liability for any expenses whatsoever in connection therewith and to enter into any contracts and settle the terms thereof;
 - (b) to settle the terms of engagement and remuneration of the Secretary or other officers, other than Board Members, appointed under rule 59 and of any consultant, agent or employee employed in connection with the construction, improvement or management of dwellings provided or to be provided or managed or to be managed by the Association and act as an employer for anyone employed by the Association;
 - (c) to grant heritable securities over any land over the whole or any part of the undertaking property and assets of the Association both present and future including the agreeing or accepting of any liability for any expenses whatsoever in connection therewith;
 - (d) to determine from time to time the terms and conditions upon which the property of the Association is to be let, managed or otherwise disposed of, and to make, revoke, and alter and at all time enforce as it thinks fit such terms and conditions;
 - (e) to appoint and remove all solicitors, architects, surveyors and other consultants, managing agents and employees of every description;
 - (f) to reimburse such out of pocket expenses including travelling expenses as are wholly necessary and incurred by a Board Member or person co-opted to the Board or a committee of the Board in the execution of his / her duties;
 - (g) to compromise, settle, conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Association; and
 - (h) accept donations in support of the activities of the Association.
56. The Board may delegate any of its powers to committees of the Board consisting of such Board Members and other persons as it thinks fit or to staff or officers of the Association. Committees of the Board, staff and officers shall in the functions entrusted to them conform to the instructions given to them in writing by the Board. The meetings and proceedings of committees of the Board shall be governed by the provisions in these rules for regulating the meetings and proceedings of the Board so far as they are applicable and by any other regulations which may be imposed on it by the Board and any decision made by a committee of the Board shall be reported to the next meeting of the Board.
57. All acts done in good faith by any meeting of the Board or of any committee of the Board shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any Board Member or that any one or more of them were disqualified, be as valid as if every Board Member had been duly appointed and was duly qualified to serve.
58. A resolution in writing signed by not fewer than three-quarters of the Board Members or by

all the Board Members of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or committee of the Board duly called and constituted.

SECRETARY AND OTHER OFFICERS

59. (a) The Association shall have a Secretary and such other officers as the Board may from time to time determine who shall be appointed and may be removed by the Board. The officers, except for the Secretary, must be elected Board Members or Board Members appointed to fill casual vacancies in accordance with rule 41 but cannot be co-opted persons. The Secretary may be an employee of the Association.
- (b) In circumstances where the Secretary is unavailable to carry out his / her functions the Board or in the case of emergency the Chair may appoint any officer or employee to carry out the Secretary's functions until such time as the Secretary is able or available to recommence his / her duties.
- (c) The Secretary and the other officers, if any, shall act under the superintendence, control and direction of the Board, and without prejudice thereto the Secretary shall in particular:
- (i) summon and attend all general meetings of the Association and all meetings of the Board and keep the minutes referred to in rule 62;
 - (ii) send out letters, notices calling meetings and relevant documents to members before a meeting;
 - (iii) prepare and send all returns required to be made to the Financial Conduct Authority and to the Scottish Housing Regulator;
 - (iv) ensuring compliance with these rules; and
 - (vi) unless the Board otherwise directs, keep the register of members and other registers required to be kept by these rules, have charge of the seal of the Association, keep all the books of accounts and receive all contributions and other payments due to the Association and pay over the amount so received as the Board direct.
- (d) The Secretary or other officer shall produce or give up all books, registers, documents and property of the Association in his / her possession whenever required so to do by a resolution of the Board or of a general meeting.

SECURITY BY OFFICERS

60. (a) The Board shall take out and continue a fidelity guarantee insurance in respect of all officers and employees having receipt or charge of money or alternatively shall require such officers and employees to become bound either with or without a surety as the Board determine in a bond according to one of the forms set out in Schedule 1 of the 2014 Act, or to give the security of a guarantee society in such sum as the Board direct conditioned for his / her rendering a just and true account of all monies received by him / her on account of the Association as a general meeting or the Board require him / her to do and for the payment by him / her of all sums due from him / her to the Association.

- (b) The Board shall have the power to purchase and maintain indemnity insurance for, or for the benefit of, persons who are, or were at any time, Board Members, officers or employees of the Association. A Board Member may form part of a quorum and vote at a meeting where such insurance is under consideration notwithstanding the terms of rules 37(k) and 37(l).
61. No officer shall be liable for any loss suffered by the Association through the execution of the duties of his / her office, unless the loss be the consequence of his / her gross negligence or his / her dishonesty and in the latter case the Association shall inform the police or other appropriate authority and shall seek to recover any loss it has suffered.

MINUTES, SEAL, REGISTERS AND BOOKS

62. Minutes of every general meeting and of every meeting of the Board and any committee of the Board shall be kept and such minutes shall be read at the next of such meetings respectively and signed by the chair of the meeting at which they are so read and all minutes so signed shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.
63. The Association shall execute deeds and documents in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 and record the execution in the register. The use of a common seal is not required. The Association may have a seal which the Secretary must keep in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by the Secretary or a Board Member or another person duly authorised to subscribe the deed or document on the Association's behalf and recorded in the register.
64. The Association shall keep as its registered office:
- (a) a register of members in which shall be entered the following particulars:
 - (i) the names and addresses of the ordinary members and Parent Member;
 - (ii) a statement of the Ordinary Shares and Parent Share held by members and the amount paid therefor;
 - (iii) a statement of other property in the Association whether in loans or loan stock held by each member;
 - (iv) the date when each person was entered into the register as a member and the date at which any person ceased to be a member; and
 - (v) the names and addresses of the officers of the Association with the offices held by them respectively, and the dates on which they assumed and vacated once;
 - (b) a duplicate register of members in which shall be entered all the particulars in the original register of members other than those mentioned in rules 64(a)(ii) and 64(a)(iii); and the inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive that such person is or is not a member of the Association;

- (c) a register of loan stock and of the holders thereof; and
 - (d) a register in which shall be entered particulars of all loans and charges on land of the Association.
65. The registered name of the Association shall be kept painted or affixed in a conspicuous position in letters easily legible on the outside of every office or place in which the business of the Association is carried on, and the registered name of the Association shall be engraved in legible characters on its seal (if any) and shall be mentioned in legible characters in all business letters of the Association, notices, advertisements and other official publications of the Association and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods, purporting to be signed by or on behalf of the Association and in all bills, invoices, receipts and letters of credit of the Association.
66. All books of account, registers, securities and documents of the Association shall be kept at the registered office or such other place and in such manner and with such provision for their security as the Board shall from time to time determines to be secure.
67. At the last meeting of the Board before the annual general meeting the Secretary shall to the extent within his / her knowledge confirm in writing to the Board that all the requirements of rules 62 to 66 have been complied with or if they have not been complied with the Secretary shall report in writing to the Board the reasons for such non-compliance. The confirmation or report required by this rule shall be recorded in the minutes of the meeting.

ACCOUNTS

68. The Association shall keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with Part 7 of the 2014 Act, and shall establish and maintain a satisfactory systems of control of its books of account, its cash holdings and all its receipts and remittances.
69. The Board shall submit the Association's accounts and balance sheet for audit to the Association's auditor and the auditor shall in accordance with Part 7 of the 2014 Act and Part 6 of the Housing (Scotland) Act 2010, make a report to the Association on the accounts examined by him / her and on the revenue account or accounts and the balance sheet for the year of account in respect of which he / she is appointed.
70. The Association shall furnish to the Scottish Housing Regulator and the Financial Conduct Authority a copy of its accounts and auditor's report within six months of the end of the period to which they relate.

APPOINTMENT AND DUTIES OF AUDITOR

71. (a) There shall be appointed in each year of account a qualified auditor to audit the Association's accounts and balance sheet for that year. In this rule "qualified auditor" means a person who is a qualified auditor under section 91 of the 2014 Act.
- (b) None of the following persons shall be appointed or re-appointed as auditor of the Association:
- (i) Board Member or employee of the Association;

- (ii) a person who is a partner of, or in the employment of or who employs a Board Member or employee of the Association;
 - (iii) an organisation which is a member of the Association.
- (c) Nothing in this rule shall prevent the appointment as auditor of the Association of a Scottish firm, provided none of the partners of the firm is ineligible for appointment as auditor of the Association by virtue of any of the provisions of this rule.
72. (a) Save as provided in rule 71(b) every appointment of an auditor shall be made by resolution of a general meeting of the Association.
- (b) The first appointment of an auditor shall be made within three months of the registration of the Association by the Financial Conduct Authority and shall be made by the Board if no general meeting of the Association is held within that time. The Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Association. The Board shall take such steps as it considers necessary to ensure the continuing independence of the Association's auditor, including the periodic review of the need for audit rotation. The Association must send a copy of its accounts and the auditor's report to the Scottish Housing Regulator within six months of the end of the period to which they relate.
73. (a) An auditor appointed to act for the Association for the preceding year of account (whether by a general meeting or by the Board) shall be re-appointed as auditor of the Association for the current year of account (whether or not any resolution expressly reappointing him / her has been passed) unless:
- (i) a resolution has been passed at a general meeting of the Association appointing somebody instead of him / her or providing expressly that he / she shall not be re-appointed;
 - (ii) he / she has given to the Association notice in writing of his / her unwillingness to be re-appointed;
 - (iii) he / she is not a qualified auditor or is a person mentioned in rule 71(b);
 - (iv) he / she is no longer capable of acting as auditor to the Association; or
 - (v) notice to appoint another auditor has been given.
- (b) (i) A resolution at a general meeting of the Association appointing another person as auditor in place of a retiring auditor or providing expressly that a retiring qualified auditor shall not be re-appointed shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty-eight days before the meeting at which it is to be moved.
- (ii) Where such proper notice has been given the Association shall forthwith send a copy to the retiring auditor, and if it is practicable to do so, shall give notice to the members of the intended resolution at the same time and in the same manner as it gives notice in accordance with these rules of the meeting at which the resolution is to be moved or, if that is not practicable, by advertisement not less than fourteen days before the said meeting in a newspaper circulating in the area in which the Association conducts its business.

- (iii) The retiring auditor may make representations to the Association or give notice to the Association that he / she intends to make representations with respect to the intended resolution the Association shall notify the members in accordance with the requirements of section 95 of the 2014 Act.

ANNUAL RETURNS AND BALANCE SHEET

- 74. Every year not later than the date prescribed in the 2014 Act or where the return is made up to a date allowed by the Financial Conduct Authority not later than three months after such date the Secretary shall send to the Financial Conduct Authority the annual return in the form prescribed by the Financial Conduct Authority relating to its affairs for the period required by the 2014 Act to be included in the return together with:
 - (a) a copy of the report of the auditor on the Association's accounts for the period included in the return; and
 - (b) a copy of each balance sheet made during that period and of the report of the auditor on that balance sheet.
- 75. If requested, the Association shall supply free of charge to every member or person interested in the funds of the Association on his / her application a copy of the last annual return of the Association together with a copy of the report of the auditor on the accounts and balance sheet contained in the return.
- 76. The Association shall keep a copy of the last balance sheet for the time being together with the report made thereon by the auditor always hung up in a conspicuous place at its registered office.
- 77. The Association must comply with requests of the Scottish Housing Regulator for annual returns.

PROFITS

- 78. (a) The profits of the Association shall not be distributed either directly or indirectly in any way whatsoever among members of the Association.
- (b) The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Association and the Board shall report to the members of such donations.

INVESTMENT

- 79. The funds of the Association may with the authority of the Board be invested as permitted by its investment policy but may not be invested otherwise, subject always to the requirement that the Association shall comply with the regulatory standards and the regulatory guidance issued by the Scottish Housing Regulator from time to time.

INSPECTION OF BOOKS

- 80. Any member or person having an interest in the funds of the Association shall be allowed to inspect his / her own account and the books containing the names of the members, including

all particulars in the duplicate register of members, within seven days of the request at all reasonable hours at the registered office of the Association or at any place where the same are kept, subject to such conditions as to the time and manner of such inspection as may be made from time to time by the Board.

DISPUTES

81. Every dispute between a member or any person aggrieved who has not for more than six months ceased to be a member, or any person claiming under the rules of the Association shall be dealt with in accordance with these rules and any procedures determined by the Board from time to time, and the Association or an officer thereof, shall be referred to the Sheriff within whose jurisdiction the registered office of the Association is situated and his / her decision shall be binding and conclusive on all parties without appeal.

STATUTORY APPLICATION TO THE FINANCIAL CONDUCT AUTHORITY

82. Any ten ordinary members each of whom has been an ordinary member of the Association for not less than twelve months immediately preceding the date of the application may apply to the Financial Conduct Authority in the form prescribed by Treasury Regulations to appoint an accountant or actuary to inspect the books of the Association and to report thereon on payment to the Financial Conduct Authority of the costs required.
83. One-tenth of the whole number of ordinary members, or, if the number shall at any one time exceed one thousand, one hundred ordinary members, may apply to the Financial Conduct Authority in the form prescribed by Treasury Regulations:
- (a) for the appointment of an inspector or inspectors to examine into the affairs of the Association and to report thereon; or
 - (b) for the calling of a special general meeting of the Association.

COPIES OF RULES TO BE SUPPLIED

84. The Secretary shall deliver a copy of the rules of the Association to every person on admission to membership of the Association and to any person on demand on payment of such sum as the Association may require, not exceeding the amount specified by law, to any other person.

DISSOLUTION

85. Subject to the prior written consent of the Parent, the Association may be dissolved:
- (a) by an order or resolution to wind up the Association as set out in the Insolvency Act 1986;
 - (b) in accordance with section 119 of the 2014 Act, by an instrument of dissolution with the consent of not less than three-quarters of the members of the Association sign an instrument of dissolution.

86. The prior approval of OSCR is required before the Association can be dissolved. The Association must submit its application for approval to OSCR not less than 42 days before the date on which the Association intends to dissolve.
87. If any property remains after the Association has paid its debts, this property will be transferred to such other charitable registered social landlord as determined by the Scottish Housing Regulator.

CHANGING THE RULES

88. (a) Any changes to these rules shall require the prior written consent of the Parent and subject to such consent being obtained by the Board, these rules may be changed or new rules introduced if three-quarters of the votes at a special general meeting are in favour of the change(s), deletion(s), or introduction of new rules.
- (b) Where an amendment of these rules affects the purposes of the Association, the prior approval of OSCR is required. The Association must submit its application for approval to OSCR not less than 42 days before the date on which the Association intends to amend its purposes. Any other amendment of these rules requires to be notified to them within 3 months of the change having been made.
- (c) The Association shall apply to the Financial Conduct Authority to register every rule change as set out in treasury regulations. Each member must receive a copy of the change. No change is valid until it has been registered by the Financial Conduct Authority. The Association must notify the Scottish Housing Regulator within twenty-eight days of the change or amendment being made.
- (d) The name of the Association may be changed if:
- (i) three-quarters of the votes at a special general meeting are in favour of the change(s);
 - (ii) the Financial Conduct Authority approves the change(s) in writing; and
 - (iii) OSCR has given its prior approval. The Association must submit its application for approval to OSCR not less than 42 days before the date on which the Association intends to change its name.
- (e) If the Association changes its name in terms of rule 88(d) it must notify the Scottish Housing Regulator in writing within twenty-eight days of the change being made.
- (e) If the Association wants to change its name or registered office it must:
- (i) notify the Scottish Housing Regulator of the change in registered office within twenty-eight days of the change being made;
 - (ii) notify the Financial Conduct Authority as soon as possible after the change has been made; and
 - (iii) notify OSCR within three months of the change having been made.

INTERPRETATION OF TERMS

89. In these rules, including this rule, unless the subject matter or context otherwise requires:
- (a) words importing the singular or plural shall include the plural and singular respectively;
 - (b) words importing the masculine gender shall include the feminine;
 - (c) references to any statute or section of any statute or subordinate legislation shall include a reference to any statutory amendment, extension, modification or re-enactment thereof for the time being in force. Without prejudice to the foregoing, each reference to the Housing (Scotland) Act 2001 shall include reference to the equivalent or replacement provision in the Housing (Scotland) Act 2010 or to any subsequent re-enactment or amendment thereof;
 - (d) "he / she", "him / her" and "person" shall include a body corporate;
 - (e) "2005 Act" means the Charity and Trustee Investment (Scotland) Act 2005;
 - (f) "2014 Act" means the Co-operative and Community Benefit Societies Act 2014;
 - (g) "Association" shall mean the Association whereof these are the registered rules;
 - (h) "Board" shall mean the board of management (or such other term that is used by the Association to denote the governing body of the Association) appointed in accordance with rule 37 and "Board Member" shall mean a member of the Board for the time being;
 - (i) "Chair" means the chair (or such other term that is used by the Association to denote the holder of this office) of the Association referred to in rule 47(a);
 - (j) "Close Relative" means someone who is the spouse or civil partner of a person, or (being either of the same or different sex) who cohabits with that person, or is that person's parent, grandparent, child, stepchild, grandchild, brother or sister;
 - (k) "electronic communication" has the meaning given in the Electronic Communications Act 2000;
 - (l) "Financial Conduct Authority" shall mean the registering authority for societies registered under the 2014 Act and the Credit Unions Act 1979 set up in terms of the Financial Services Act 2012 or its successor body;
 - (m) "member" shall mean an ordinary member and the Parent;
 - (n) "officer" shall include the Chair and Secretary of the Association and any Board member for the time being and such other officers as the Board may appoint under rule 59;
 - (o) "OSCR" means the Office of the Scottish Charity Regulator or any body which takes over or adopts the whole or any part of its functions and obligations or is otherwise equivalent to it from time to time;
 - (p) "Parent" means The Riverside Group Limited, registered office 2 Estuary Boulevard, Estuary Commerce Park, Liverpool (registered number IP030938R);

- (q) "property" shall include all heritable and moveable estate (including loan stock certificates, books and papers);
- (r) "Secretary" means the officer appointed by the Board to be the Secretary of the Association or other person authorised by the Board to act as his / her deputy;
- (s) "Scottish Housing Regulator" means the body known as The Scottish Housing Regulator established pursuant to section 1 of the Housing (Scotland) Act 2010; and
- (t) "these rules" shall mean the registered rules of the Association for the time being.

APPENDIX
FORM OF INSTRUMENTS
PROXY FOR GENERAL MEETING

The instrument referred to in rule 31 shall be in the following form:

I,

residing at

in the County of _____, being a member of _____ Housing
Association Limited, hereby appoint _____ of

as my proxy to vote for me and on my behalf at the annual/special general
meeting of the Association to be held on the _____ day of _____ 20____, and at
any adjournment thereof.

Signed

Date

REVOCATION

I,

residing at

in the County of _____, being a member of _____
Housing

Association Limited, hereby revoke the instrument of proxy made by me on the _____ day
of _____ 20____

Signed

Date

SIGNATURE OF BOARD MEMBERS

Date _____

1. _____

2. _____

3. _____

4. _____ Members

5. _____

6. _____

7. _____

_____ Secretary