RULES

NAME, OBJECTS AND REGISTERED OFFICE

1. The name of the Society shall be Muirhouse Housing Association Limited (hereinafter called "the Association")

2. The objects of the Association shall be:-

   (i) to carry on the industry business or trade of providing, constructing improving or managing dwellings (and/or hostels), and

   (ii) the carrying on of any activity permitted under Section 4 of the 1985 Act;

   and in the pursuance of these objects, the Association may undertake any function supplemental or incidental thereto.

3. The Association shall have power to do all things necessary or expedient for the fulfillment of its objects.

4. In furtherance of its objects the Association shall as landlord or managing agent have a proper regard to the requirements of public accountability, to the proper use of public or other monies loaned, granted or gifted to or held by it, to the welfare of the tenants or occupiers of the dwellings provided or managed by it.

5. The Association shall not trade for profit.

6. The registered office of the Association shall be at 11 Muirhouse Medway, Edinburgh, EH4 4RW and notice of any change in the situation of the registered office shall be sent by the Secretary to the Registrar in the form prescribed by Treasury Regulations and to Scottish Homes within fourteen days thereof.

MEMBERSHIP

7. The persons who hold a share in the Association and whose names are entered in the register of members shall be the members of the Association.

8. Any member who changes his main residence or a body corporate, which changes its registered office, is required to furnish in writing to the Association's registered office within three calendar months of such change the address of such new main residence or registered office.

9. No member shall hold more than one share in the Association.

10. (a) An applicant for membership shall forward to the registered office

together with his application the sum of one pound (which shall be returned to him if the application is not approved) and every application shall be considered by the Committee at its next meeting after it is made, or soon thereafter as it is practicable.

(b) If the application is approved, 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.

(c) A person who is a representative of a body corporate will not be admitted into membership of the Association as an individual member of the Association.

(d) The membership of an individual shall be suspended so long as he is a representative of a body corporate.

11. A person shall not be admitted to membership if he is under the age of eighteen years or such other age for attaining full age as may from time to time be prescribed by statute for the purposes of any rule of law, except that a tenant of the Association who has at least attained sixteen years of age may be admitted to membership.

12. A member representing an unincorporate body shall for all purposes be treated as an individual member but shall have entered against his name in the register of members the name of the unincorporate body which he represents.

SHARE CAPITAL

13. The share capital of the Association shall be raised by the issue of shares of the value of one pound each.

14. (a) Shares shall carry no right to interest, dividend or bonus and shall not be held jointly.

(b) Shares shall not be withdrawable but shall be transferable with the consent of the Committee in manner provided hereafter for the transfer of loan stock so far as applicable.

(c) On the death, expulsion or withdrawal from the Association of a member, or if a body corporate, its ceasing to be a body corporate, the member's share shall be cancelled and the amount paid up thereon shall become the property of the Association. If a member who represents an unincorporated body dies or advises the Association that he can no longer participate in its affairs, such body may request that the share be transferred to another person representing that body in accordance with paragraph (b) of this rule.

WITHDRAWAL FROM MEMBERSHIP

15. (a) Any member may withdraw from the Association by giving to the Secretary one month's notice in writing of his intention to do so.

(b) (i) Where the Committee is satisfied that a member has failed to notify the Association of a change in main residence (in the case of a member who is an individual) or change in registered office (in the case of a member who is a body corporate) as required under rule 8 that member shall be deemed to have withdrawn from membership of the Association and his share shall thereon be cancelled and the amount paid up thereon shall become the property of the Association with effect from the passing of a committee resolution to that effect.

(ii) In circumstances where a member, who is a tenant of the Association, changes his main residence by way of transfer or exchange of tenancy, he shall be deemed to have given the required notification under rule 8.

(iii) All cancellations of shares pursuant to rule (b) (i) hereof shall be recorded in the Register of Members.

EXPULSION OF MEMBERS

16. (a) A member may be expelled by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at a special general meeting of the Association of which notice has been duly given, provided that a complaint in writing of conduct detrimental to the interests of the Association has been communicated to him by the Secretary not less than one calendar month before the meeting. Such complaint shall contain particulars of the conduct complained of and shall call upon the member to answer the complaint and to attend the meeting called under this rule. At the meeting the members shall consider evidence in support of the complaint and such evidence as the member may wish to place before them. If on due notice having been served upon him the member fails to attend the meeting without adequate reason being provided the meeting at its discretion may proceed in his absence.

(b) No person who has been expelled from membership shall be re-admitted except by resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at any general meeting of which notice has been duly given.

REPRESENTATIVE OF BODIES CORPORATE

17. A body corporate, as described under rule 92, being a member, may by resolution of its governing body appoint and revoke the appointment of any person it thinks fit as its representative who shall during the continuance of his

appointment be entitled to exercise at any general meeting of the Association all the rights and powers of the body corporate in its capacity as a member. A copy of any such resolution signed by two members of the governing body or in the case of a local authority by the Chief Executive of the Council shall be sent to the Secretary of the Association.

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 any 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 rate of interest payable on any money borrowed other than from a member shall not exceed, in the opinion of the Committee, the market rate of interest for borrowings of similar amount and on similar terms prevailing at the time of borrowing.

    (c) The rate of interest payable on any money borrowed from or loan stock issued to a member shall not exceed one per cent above The Clydesdale Bank PLC base lending rate.

    (d) The Association shall not receive money on deposit.

    (e) Subject to the foregoing provisions of this Rule the Committee 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.

19. (a) The holder of loan stock may transfer all or any part thereof by instrument in writing in such form as the Committee may approve.

    (b) The instrument of transfer shall be executed by or on behalf of the transferor 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 Committee may reasonably require, the transfer shall be registered.

(c) A transfer of loan stock shall not be valid until registered.

GENERAL MEETINGS

20. 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 Chairman'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 committee members as provided in rule 39.

(d) To appoint the auditor as provided in rules 72, 73 and 74.

(e) To transact any other general business of the Association included in the notice convening the meeting.

21. (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 committee or,

(ii) upon a written requisition signed by not less than four members or, if the total number of members at any time exceeds forty, by one-tenth of such 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 paragraph (c) of this rule and without prejudice to said duty shall in consultation with the Committee or the Chairman if practicable but if such consultation is not practicable at his 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 of the order or requisition, the Committee, or the 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.

22. A general meeting shall be convened by the Secretary by notice in writing posted to every member at his 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. The Committee of Management may direct the Secretary to include with the notice or send separately to members 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, or the non-receipt of notice of a general meeting or papers relating to the notice by any member shall not invalidate the proceedings of that general meeting. Each notice or communication sent by the Association to a member by post, addressed to him at his registered address, shall be deemed to have been duly served forty-eight hours after being posted.

PROCEEDINGS AT GENERAL MEETINGS

23. (a) No business shall be transacted at any general meeting of the Association unless a quorum of members is present in person at the time the meeting proceeds to business. Seven members or, if the number of members at any time exceeds seventy members, one-tenth thereof, 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 place, and 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.

24. (a) The Chairman 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.

(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.

25. (a) At all general meetings of the Association the Chairman of the Committee shall preside as Chairman, or if there be no such chairman, or it he be not present, or is unwilling to act, the members present shall elect a member of the Committee present to be the Chairman of the meeting. In the absence of any members of the Committee, the

members present shall elect from their number a Chairman of the meeting.

(b) Should the Chairman appear at a later time during the meeting, the acting Chairman at his discretion may continue in that position but only until the current or particular item on agenda is disposed of, before vacating the chair for the Chairman.

26. Subject to any special direction contained in any of these rules, or in any Act of Parliament, a resolution put to vote of a general meeting shall be decided by a simple majority of those voting, either upon show of hands, or where a poll is agreed or directed. In the case of a poll, votes may be given personally or by a proxy who need not be a member of the Association.

27. At all general meetings of the Association every member present in person shall have one vote upon a show of hands. Where however an appointed proxy is present and so declares, the Chairman shall direct a poll. On a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

28. Unless a poll be demanded, a declaration by the Chairman that a resolution on a show of hands 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 conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.

29. (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 Chairman whether pursuant to rule 27 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 Chairman shall direct. The result of such a poll shall be deemed to be the resolution of the Association in general meeting.

30. (a) The instrument appointing a proxy shall be in the form shown at the appendix attaching to these rules given under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a body corporate, under seal, and shall be deposited at the registered office of the Association not less than two 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 member so appointing. Any question as to the validity of a proxy shall be determined by the Chairman of the meeting.

(b) The member who has appointed a proxy may revoke such proxy in the form shown at the Appendix attaching to these rules given under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a body corporate, under seal, and shall be deposited at the registered office of the Association not less than one clear day before the date fixed for holding the meeting at which the person named in the instrument appointing the proxy was authorised to vote on behalf of the member so appointing.

(c) Only those instruments in the form provided at the Appendix, appointing a proxy, which are properly completed as aforesaid shall be treated as valid. The Chairman shall report to the meeting, the details of those instruments of proxy which are void.

CONDUCT OF GENERAL MEETINGS

31. All speakers shall address the Chair and all members shall observe order in such instance. No member shall be allowed to speak more than once on any motion, unless on a point of clarification, until every other member has had the opportunity to speak on the same issue. He shall then have only the opportunity to speak a second time by permission of the Chairman unless he was the person who raised the point initially and wishes to have a final reply as regards his original position.

32. Amendments to any original motion of business may be made by a member verbally by addressing the Chair. 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.

33. The time limit for speakers shall be at the discretion of the Chairman.

34. If any point arises which is not provided for in these rules, the Chairman shall give an opinion on the point. Should his opinion not be accepted by a challenge which has a seconder, the Chairman shall then vacate the Chair and a vote shall be taken and the matter determined by a simple majority.

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. Proceedings at any meeting shall not be invalidated by any accidental omission to send notice of the meeting to any member.

COMMITTEE OF MANAGEMENT

37. (a) The Association shall have a Committee of Management which shall consist of not less than seven persons or more than fifteen or such greater number as the Association may determine from time to time by resolution in general meeting.

(b) The first members of the Committee shall be the members who have signed the application to register the Association. Until the number of members of the Association exceeds seven all persons as may be defined under rule 37 (a) admitted to membership shall serve on the Committee. Upon the membership exceeding seven the then committee members shall remain in office until the conclusion of the next annual general meeting when all shall retire.

(c) Only members who have attained 18 years of age shall be eligible to become committee members.

38. The Committee may from time to time co-opt for any period expiring not later than the commencement of the next annual general meeting of the Association any suitable persons, whether members of the Association or not, to serve on the Committee and may remove such persons. Co-opted persons may take part in the deliberations of the Committee 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 shall not comprise more than one-third of the Committee at any one time and the attendance of such persons at meetings of the Committee shall not count towards determining a quorum as defined under rule 46.

ELECTION OF COMMITTEE MEMBERS

39. (a) At the conclusion of the first annual general meeting of the Association after the total 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 members of the Committee for the time being, shall retire from office and at the conclusion of every subsequent annual general meeting one-third or the nearest number thereto of committee members shall retire from office.

(b) The committee members required to retire are those who

(i) before the date of the annual general meeting commencing next attain 70 years of age.

(ii) have previously been elected under the age declaration provisions of rule 39 (d)

(iii) have filled casual vacancies under rule 41.

(iv) do not require to retire under the foregoing provisions of this rule but who have been longest in office since they last became committee members but as between those who became committee members on the same day shall be selected by lot unless otherwise agreed amongst themselves.

(c) A retiring committee member except those who have reached the age of 70 before the date of the annual general meeting commencing next shall be eligible for re-election without nomination.

(d) Any member who has reached the age of 70 may be nominated for election or re-election to the committee but his signed statement of his willingness to be elected as required under rule 40 (b) must include a declaration as to his age.

40. (a) If at any annual general meeting at which committee members retire the committee members offering themselves for re-election together with any other members of the Association duly nominated for election to the Committee do not exceed the number of committee members to be elected the said committee members and members nominated shall be declared by the Chairman to have been duly elected or re-elected. If the said committee members and members nominated together exceed the said number the general meeting shall elect from amongst them the members to serve on the Committee by ballot to be taken at the general meeting in the manner directed by the Chairman. Each member present in person or by proxy shall be entitled to one vote for each vacancy to be filled but shall not give more then one vote to any one candidate.

(b) Nominations for the Committee shall be in writing, state the full name, address and occupation of the member nominated, be signed by the member making the nomination, contain a signed statement by the member nominated of his willingness to be elected, and be delivered to the Secretary or left at the registered office not later than seven days before the date appointed for the annual general meeting, or meeting called for the purpose of rule 42.

41. A casual vacancy occurring on the Committee may be filled by the Committee, and that person shall be a committee member for the purposes of these rules until the next annual general meeting of the Association.

42. A committee member 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 which may proceed to fill the vacancy. If the vacancy is not filled at the meeting it may be filled by the Committee unless otherwise directed by the meeting.

43. (a) A member shall not be eligible for election or re-election to the Committee, and a committee member shall be deemed to have vacated his office, if:-

(i) he is apparently insolvent within the meaning of the Bankruptcy (Scotland) Act 1985 or

(ii) he is a party to an arrangement with his creditors, or

(iii) he is in the opinion of a qualified physician unable to attend committee meetings for the next 12 months due to incapacity by physical or mental illness or

(iv) he is imprisoned by due process of law for a period exceeding one month or is or has been convicted of a crime of dishonesty for which the rehabilitation period, in terms of Rehabilitation of Offenders Act 1974 and any amendment thereto or re-enactment thereof, has not expired or for which rehabilitation is excluded in terms of the said Act, or

(v) he is a party to civil proceedings by or against the Association.

(b) A committee member shall cease to be a member of the Committee if he resigns his office in writing to the Secretary, ceases to be a member of the Association or absents himself from four consecutive meetings of the committee without special leave of absence previously granted by the Committee.

44. No committee member or person co-opted to the Committee or any sub-committee shall have any financial interest personally or as a member of a firm or as a director or other officer of a business trading for profit or in any other way whatsoever in any contract or other transaction with the Association and the Association shall not make any payment, except under rule 56 (f) or grant any benefit including a tenancy to a committee member or co-opted person, except in any contract, transaction or grant as is permitted under section 15/15A of the 1985 Act.

45. (a) Any committee member or person co-opted to the Committee or any sub-committee having an interest, other than a financial interest, or any conflict or duality of interest, in any contract or other transaction about to be discussed at a meeting shall disclose the nature of his interest to the Committee and shall not (unless requested to do so by the other members of the Committee) remain during its discussion of the matter nor vote upon the matter and if by inadvertence he does so remain and vote, his vote shall not be counted.

(b) Any committee member or person co-opted to the Committee or any sub-committee who has any financial interest as described in rule 44 or who has accepted a payment, other than under rule 56 (f), or the grant of a benefit from the Association, other than one permitted under section 15/15A of the 1985 Act, shall be deemed by resolution of the committee to have vacated his office. Any committee member or co-opted person who fails to disclose any interest he is required to disclose under (a) above shall vacate his office if required to do so by a majority of the remaining members of the Committee at a Committee meeting specially convened for that purpose.

PROCEEDINGS OF COMMITTEE

46. Ordinary meetings of the committee shall be held at such times and places as the Committee shall from time to time decide but not less than six meetings shall be held in each calendar year. Four committee members or such greater number as the Committee shall determine shall form a quorum.

47. Notwithstanding any vacancies on the Committee the remaining committee members may continue to act, but if at any time the number of committee members falls below seven the Committee may act by a majority of its remaining members for a maximum period of two months. If at the end of that period the Committee has not filled such vacancies to make up the membership to seven the only power which the Committee may thereafter exercise shall be that of filling such vacancies as may be required to bring the number of members of the Committee up to seven.

48. The members of the committee as defined at rule 92 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 Chairman from their own number to hold office until the conclusion of the next annual general meeting, unless he shall cease in the meantime to be a committee member. He shall be the Chairman of the Association and shall be removable from the office of Chairman only by a vote of two-thirds of those members of the Committee present at a special meeting called for that purpose. If at any meeting of the Committee the Chairman is absent or unwilling to act the members of the committee present shall elect one of their number to be Chairman for the meeting. In any case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

    (b) The Chairman may resign his office by notice in writing to the Secretary and shall vacate his office if for any reason he is deemed to have vacated his office as a committee member or he ceases to be a member of the Committee and in any of these events the Committee shall forthwith elect one of their number to be Chairman in his place.

    (c) The Chairman may be re-elected but may not hold office continuously for more than 5 consecutive annual general meetings. On the expiry of 5 continuous terms of office, the retiring Chairman shall not be eligible for election as Chairman during the ensuing twelve months.

49. A special meeting of the Committee may be called by a notice in writing given to the Secretary by the Chairman of the Committee, or by two committee members, specifying the business to be transacted. The Secretary shall send a copy of the notice to all committee members and persons co-opted to the Committee within three days of receiving it, and the meeting shall be held at the ordinary place for meetings of the Committee not earlier than ten days and not later than fourteen days after the receipt by the Secretary of the notice. No other business shall be done at the meeting than the business named in the notice. Should the Secretary fail to convene the special meeting as prescribed above, the Chairman of the Committee or the committee members who have

given the notice may call the meeting. If the Chairman or the two committee members call the meeting the notice shall be sent to all committee members and persons co-opted to the Committee not less than seven days before the date of the meeting.

CONDUCT OF COMMITTEE MEETINGS

50. All speakers shall address the Chair and all members shall observe order in such instance. The selection of, and time limit for speakers shall at the discretion of the Chairman.

51. If any point arises which is not provided for in these rules, the Chairman shall give a ruling on the point and his decision shall be final.

52. Notice of ordinary meetings of the Committee shall be sent to committee members not less than seven days before the date of the meeting.

53. 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 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 Chairman who shall have due regard to the reasonable intent of this rule.

54. Proceedings at any meeting shall not be invalidated by any accidental omission to send notice of the meeting to any member.

POWERS OF COMMITTEE OF MANAGEMENT

55. The business of the Association shall be conducted by the Committee of Management 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 committee member shall be bound by these rules. Any person acting in good faith and without prior notice shall not be concerned to see or inquire whether the powers of the Committee have been restricted by any other regulations so made unless he had prior knowledge of the existence of some such restriction. The Committee shall in all things act for and in the name of the Association.

56. Without prejudice to its general powers conferred by these rules the Committee 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 members of the Committee, appointed under rule 60 and 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;

(c) to grant heritable securities over any land and floating charges 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 times 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 committee member or person co-opted to the Committee or a sub-committee in the execution of his 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;

(h) to affiliate the Association to the Scottish Federation of Housing Associations and pay an appropriate fee thereto and to subscribe to any other organisation having objects similar to the objects of the Association.

57. The Committee may delegate any of its powers to sub-committees consisting of such committee members and other persons as it thinks fit which shall in the functions entrusted to them conform to the instructions given to them in writing by the Committee. The meetings and proceedings of sub-committees shall be governed by the provisions in these rules for regulating the meetings and proceedings of the Committee so far as they are applicable and by any other regulations which may be imposed on it by the Committee and any decision made by a sub-committee shall be reported to the next meeting of the Committee. Taken as a fraction of the number of committee members who compose a sub-committee, co-opted persons shall not comprise more than one third of other persons who shall serve on the sub-committee. Co-optees shall not form part of any quorum required for the meeting but may vote upon all matters except those directly affecting membership of the Association or election of its officers.

58. All acts done in good faith by any meeting of the Committee or of any sub-committee shall, not withstanding that it shall be afterwards discovered that there was any defect in the appointment of any committee member or committee members or that any one or more of them were disqualified, be as valid as if every committee member had been duly appointed and was duly qualified to serve.

59. A resolution in writing signed by all committee members or by all the committee members of a sub-committee shall be as valid and effectual as if it had been passed at a meeting of the Committee or sub-committee duly called and constituted.

SECRETARY AND OTHER OFFICERS

60. (a) The Association shall have a Secretary and such other officers as the Committee may from time to time determine who shall be appointed and may be removed by the Committee.

(b) In circumstances where the Secretary is unavailable to carry out his functions the Committee or in cases of emergency the Chairman 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 duties.

(c) The Secretary and the other officers, if any, shall act under the superintendence, control and direction of the Committee, and without prejudice thereto the Secretary shall in particular:-

(i) summon and attend all general meetings of the Association and all meetings of the Committee and keep the minutes referred to in rule 63;

(ii) as regards (i) above, issue the notice together with any relevant reports or papers;

(iii) prepare and send all returns required to be made to the Registrar and to Scottish Homes;

(iv) unless the Committee otherwise direct, 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 Committee direct.

(d) The Secretary or other officer shall produce or give up all books, registers, documents and property of the Association in his possession whenever required so to do by a resolution of the Committee or of a general meeting.

SECURITY BY OFFICERS

61. The Committee 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 Committee determine in a bond according to one of the forms set out in Schedule 4 of the 1965 Act, or to give the security of a guarantee society in such sum as the Committee direct conditioned for his rendering a just and true account of all monies received by him on account of the Association as a general meeting or the Committee require him to do and for the payment by him of all sums due from him to the Association.

62. No officer shall be liable for any loss suffered by the Association through the execution of the duties of his office, unless the loss be the consequence of his gross negligence or his 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

63. Minutes of every general meeting and of every meeting of the Committee and any sub-committee shall be kept and such minutes shall be read at the next of such meetings respectively and signed by the Chairman of the meeting at which they are so read and all minutes so signed shall be conclusive evidence of any fact stated therein as between the Association and every member.

64. The Association shall have a seal which shall be kept under the custody of the Secretary unless the Committee direct that it should be kept in the custody of some other officer and shall be used only under the authority of a resolution of the Committee, and the affixing of the seal shall be attested by the signatures of two committee members and the counter-signature of the Secretary for the time being and recorded in the register kept for that purpose.

65. The Association shall keep at its registered office -

    (a) a register of members in which shall be entered the following particulars -

        (i) the names and addresses of the members;

        (ii) a statement of the share held by each member and the amount paid therefore;

        (iii) a statement of other property in the Association whether in loans or loan stock, held by each member.

        (iv) the date at which each person was entered in the register as a member and the date at which any person ceased to be a member;

(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 office;

(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 paragraphs (a) (ii) and (iii) above; 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;

(d) a register in which shall be entered particulars of all loans and charges on land of the Association.

66. 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 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.

67. 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 Committee shall from time to time determine.

68. At the last meeting of the Committee before the annual general meeting the Secretary shall to the extent within his knowledge confirm in writing to the Committee that all the requirements of rules 63 to 67 have been complied with or if they have not been complied with the Secretary shall report in writing to the Committee the reasons for such non-compliance. The confirmation or report required by this rule shall be recorded in the minutes of the meeting.

ACCOUNTS

69. The Association shall keep proper books of accounts with respect to its transactions and to its assets and liabilities in accordance with sections 1 and 2 of the 1968 Act, and shall establish and maintain a satisfactory system of control of its book of account, its cash holdings and all its receipts and remittances.

70. The Committee shall submit the Association's accounts and balance sheet for audit to the Association's auditor and the auditor shall in accordance with section 9 of the 1968 Act and section 24 (3) of the 1985 Act, make a report to

the Association on the accounts examined by him and on the revenue account or accounts and the balance sheet for the year of account in respect of which he is appointed.

71. The Association shall furnish to Scottish Homes 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

72. (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 7 of the 1968 Act.

(b) None of the following persons shall be appointed or re-appointed as auditor of the Association:-

(i) an officer or servant of the Association;

(ii) a person who is a partner of or in the employment of or who employs an officer, servant or agent of the Association;

(iii) a body corporate.

(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.

73. (a) Save as provided in paragraph (b) of this rule 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 Registrar and shall be made by the Committee if no general meeting of the Association is held within that time. The Committee may appoint an auditor to fill any casual vacancy occurring between general meetings of the Association.

74. (a) An auditor appointed to audit the accounts and balance sheet of the Association for the preceding year of account (whether by a general meeting or by the Committee) shall be re-appointed as auditor of the Association for the current year of account (whether or not any resolution expressly re-appointing him has been passed) unless –

(i) a resolution has been passed at a general meeting of the Association appointing somebody instead of him or providing expressly that he shall not be re-appointed or

(ii) he has given to the Association notice in writing of his unwillingness to be re-appointed, or

(iii) he is not a qualified auditor or is a person mentioned in rule 72 (b), or

(iv) he has ceased to act as auditor to the Association by reason of incapacity.

Provided that a retiring auditor shall not be automatically re-appointed if notice of an intended resolution to appoint another person in his place has been given in accordance with paragraph (b) of this rule and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or is a person mentioned in rule 72 (b).

(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 its 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) Where, under the provisions of section 6 (6) of the 1968 Act, the retiring auditor makes representatives to the Association or notifies the Association that he intends to make representations with respect to the intended resolution the Association shall notify its members in accordance with the requirements of section 6 (7) of that Act.

ANNUAL RETURNS AND BALANCE SHEET

75. Every year not later than the date prescribed in the 1965 Act or where the return is made up to a date allowed by the Registrar not later than 3 months after such date the Secretary shall send to the Registrar the annual return in the form prescribed by the Registrar relating to its affairs for the period required by the 1965 Act to be included in the return together with -

(i) a copy of the report of the auditor on the Association's accounts for the period included in the return, and

(ii) a copy of each balance sheet made during that period and of the report of the auditor on that balance sheet.

76. The Association shall supply free of charge to every member or person interested in the funds of the Association on his 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.

77. 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.

78. The Association shall, upon receipt of the form of annual return from Scottish Homes, duly complete the form and send it to Scottish Homes within the period which Scottish Homes may direct.

PROFITS

79. (a) The profits of the Association shall not be distributed either directly or indirectly in any way whatsoever among members of the Association.

(b) An annual general meeting may out of the net profits -

(i) set aside to reserve such amount (not exceeding the amount recommended by the Committee) as it may direct which may be applied in or towards carrying out the objects of the Association, and

(ii) if any amount has been set aside by the annual general meeting to reserve as aforesaid, allocate to a common fund out of any balance remaining such amount (not exceeding the amount recommended by the Committee) as it may direct which may be used in the furtherance of the Association's objects and purposes for such charitable purposes or for the purposes of a voluntary organisation being concerned or connected with the provision of housing or associated amenities or services as the Committee shall from time to time determine.

(c) Any part of the profits not set aside or allocated in accordance with the preceding paragraph shall be carried forward.

INVESTMENT

80. The funds of the Association may with the authority of the Committee be invested as permitted by section 31 of the 1965 Act but may not be invested otherwise.

INSPECTION OF BOOKS

81. Any member or person having an interest in the funds of the Association shall be allowed to inspect his own account and the books containing the names of the members, including all particulars in the duplicate register of members, 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 Committee.

DISPUTES

82. (a) 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 through such member or person aggrieved or claiming under the rules of the Association, and the Association or an officer thereof, shall be referred to the Registrar and his decision shall be binding and conclusive on all parties without appeal and shall not be removable into any Court of Law or restrainable by interdict and application for the enforcement thereof may be made by the Association to the Sheriff within whose jurisdiction the registered office of the Association is situated.

(b) The costs of the arbitration shall be borne as the Registrar directs and the complaining party shall before the arbitration deposit with the Association the sum of one pound to abide by the decision reached by the Registrar.

STATUTORY APPLICATION TO THE REGISTRAR

83. Any ten members each of whom has been a member of the Association for not less than twelve months immediately preceding the date of the application may apply to the Registrar in the form prescribed by Treasury Regulations to appoint an accountant or actuary to inspect the books of the Association and to report thereon.

84. One-tenth of the whole number of members, or, if the number shall at any one time exceed one thousand, one hundred members, may apply to the Registrar 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

85. 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 not exceeding ten pence as the committee may determine.

PROCEEDINGS ON DEATH OF A MEMBER

86. Upon claim being made by the personal representative of a deceased member, or the trustee in bankruptcy of a bankrupt member, to any property in the Association belonging to the deceased or bankrupt member, the Committee shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.

NOMINATIONS

87. A member may, in accordance with the 1965 Act, nominate any person or persons to whom (subject to the provisions of the 1965 Act as to amount and the persons to whom a valid nomination may be made) any of his property in the Association at the time if his death shall be transferred. On receiving satisfactory proof of death of a member who has made a nomination, the Committee shall, if and to the extent that the nomination is valid under the said Act, either transfer or pay in accordance with the Act the full value of the property comprised in the nomination to the person entitled thereunder.

DISSOLUTION

88. The Association may be dissolved -

    (a) by an order to wind up the Association or a resolution for the winding up thereof made as is directed with regard to companies by the Companies Act 1985, the provisions whereof shall apply to such order or resolution except that the term "Registrar" shall, for the purpose of such winding up, have the meaning given to it by rule 92 (f), or

    (b) by the consent of three-fourths of the members of the Association testified by their signatures to an instrument of dissolution in the form prescribed by Treasury Regulations.

89. If on the winding up or dissolution of the Association there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Association but shall be transferred to Scottish Homes or to such registered housing associations as Scottish Homes, under section 23 of the 1985 Act, may direct.

AMENDMENT OF RULES

90. (a) Any rule of the Association may be rescinded or amended, or any new rule may be made by a resolution carried by three-fourths of the votes given thereon at any special general meeting of which notice has been given specifying the intention to propose such rescission, amendment or new rule but no rescission, amendment or new rule shall be valid without the consent of Scottish Homes given in accordance with section 19 (3) of the 1985 Act.

(b) The Association may, by resolution carried by three-fourths of the votes given thereon at such special general meeting as is referred to in paragraph (a) change the name of the Association but only with:-

(i) written confirmation from Scottish Homes that the proposed name is acceptable and

(ii) the approval in writing of the Registrar.

(c) In the case of an amendment of rules to change the Association's name or the location of its registered office the statutory consent of Scottish Homes mentioned in paragraph (a) above is not required but notice of such changes shall be sent within 7 working days to Scottish Homes.

91. Application for the registration of every amendment of rules shall be made to the Registrar in the manner and form required by Treasury Regulations, together with Scottish Homes' consent where appropriate, as soon as practicable after the same has been made and a copy of the amendment shall be issued to every member and in the case of a partial amendment of rules, a copy of the amendment shall be supplied with every copy of the rules issued thereafter. No amendment of rules is valid until registered by the Registrar.

INTERPRETATION OF TERMS

92. 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 shall include a reference to any statutory amendment, modification or re-enactment thereof for the time being in force;

(d) "the 1965 Act" shall mean the Industrial and Provident Societies Act 1965, and "the 1968 Act" shall mean the Friendly and Industrial and Provident Societies Act 1968,

(e) "the 1985 Act" means the Housing Association Act 1985;

(f) "the Registrar" shall mean the Chief Registrar of Friendly Societies or an Assistant Registrar as defined in section 73 of the 1965 Act;

(g) "property" shall include all heritable and moveable estate (including loan stock certificates, books and papers);

(h) "he", "him" and "person" shall include a body corporate;

(i) “these rules” shall mean the registered rules of the Association for the time being;

(j) “persons claiming through a member” shall include the heirs, executors or administrators and assigns of a member, and also his nominees where a nomination had been made;

(k) “the Association” shall mean the Association whereof these are the registered rules;

(l) “member” shall mean one of the persons referred to in rule 7;

(m) “Committee” shall mean the Committee of Management appointed in accordance with rule 37 and “committee member” or “member of the Committee” shall mean a member of the Committee for the time being;

(n) “a body corporate” is a legal body which exists separate and distinct from its members, including without limitation companies, building societies, industrial and provident societies, local authorities and bodies incorporated by Act of Parliament or charter, under declaration that unincorporated organisations such as social clubs, branches of political parties or trade unions are not bodies corporate for the purpose of these rules.

(o) “officer” shall include the Chairman and Secretary of the Association and any committee member for the time being and such other officers as the Committee may appoint under rule 60;

(p) “Secretary” means the officer appointed by the Committee to be the Secretary of the Association or other person authorised by the Committee to act as his deputy.