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## **NAMES, OBJECTS AND REGISTERED OFFICE**

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1. The name of the Association shall be:-  
**Drumchapel Housing Co-operative Limited**
2. The objects of the Association shall be:-
  - (a) the construction, improvement and management on the co-operative principles of houses for occupation exclusively by members of the Association under the terms of an agreement to occupy (hereinafter called "the agreement) granted to each member of the Association and which agreement shall, subject to Rule 13, exclude any right for a member to purchase a house or to dispose or transfer or assign the agreement under which he occupies a house to any person or body other than the Association and shall require a member to surrender his agreement to the Association upon his ceasing to be a member.
  - (b) the provision on the co-operative principle of land or buildings for purposes connected with the requirements of the members occupying the houses provided or managed by the Association.
3. The Association shall have power to do all things necessary or expedient for the fulfilment of its objects.
4. The Association shall not trade for profit.
5. The registered office of the Association shall be at:-  
**4 Kinclaven Avenue, Glasgow G15 7SP**

## **SHARE CAPITAL**

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6. (a) The share capital of the Association shall be raised by the issue of the value of One Pound Sterling each.
- (b) A share shall not be transferable nor withdrawable except as provided in Rule 11, nor carry a right to interest, dividend or bonus.

## MEMBERSHIP

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7. (a) The Members of the Association shall be the persons whose names are entered in the register of members. Only tenants, occupants and prospective tenants are eligible to become members. Prospective tenants are those person whose names are entered in the register of prospective tenants. Each member who signed the application to register, the Association shall be deemed to have applied for one share which shall be issued upon payment of the sum of One Pound Sterling immediately after registration of the Association.
  - (b) No person who is under the age of sixteen years shall be admitted to membership.
  - (c) The Committee of Management may within their absolute discretion admit or refuse to admit to membership of the Association any person eligible to become a member.
8. (a) Every member shall take up and hold (either solely or jointly as provided for in paragraph (b) hereof) one share only in the Association.
  - (b) A share may be held jointly by not more than two members, hereinafter called "joint members".
9. (a) With every application for membership there shall be forwarded to the registered office the sum of One Pound Sterling (which shall be returned if the application is not approved).

Every application shall be considered by the Committee at its next meeting after it is made, or soon thereafter as is practicable.

- (b) If the application is approved the name of the applicant, or in the case of applicants for joint membership, their names shall be entered in the register of members hereinafter mentioned and one share in the Association shall be issued to the applicant, or jointly to the two applicants, as the case may be, provided that in the case of a joint application the applicants' names shall be entered in the register and shall appear on the share certificate in the order in which they appear on the application.
- (c) For the purposes of these Rules (other than Rule 11), only the member whose name stands first in the register of members of the Association shall be entitled to exercise the rights of membership.

10. (a) As soon as may be practicable after the houses provided by the Association are ready for occupation, the Committee shall by notice in writing require every member, or in the case of joint members both, to enter into or contract to enter into the agreement in respect of a house within one month of such notice. In the case of joint members they must be or become joint tenants under the agreement.
  - (b) Each member, or in the case of joint members, the member whose name stands first in the register, shall subscribe and pay for loan stock in accordance with Rule 18 and such loan stock in the case of joint members shall be held by them as joint tenants.
11. Any member, or in the case of joint members, either member may, before being required under Rule 10 (a) to enter into the agreement, give to the secretary three months' notice in writing of his intention to withdraw from the Association and with the consent in writing of the Committee and on the expiry of the notice the member's share shall be cancelled and the amount paid up thereon refunded to him. In the case of joint members the amount shall be repaid to the person whose name stands first in the register.
12. (a) A member shall cease to be a member if:-
- (i) he fails to enter into the agreement in accordance with Rule 10 (a);  
or
  - (ii) he fails to subscribe and pay for loan stock in accordance with Rule 18; or
  - (iii) he withdraws from the Association in accordance with Rule 11; or
  - (iv) he is expelled from the Association under Rule 15; or
  - (v) he dies; or
  - (vi) the other member with whom he jointly holds a share ceases in the events aforementioned other than death to be a member;
  - (vii) his agreement is terminated in which he ceases to be a member 7 days after the agreement comes to an end unless by that time he has entered into a new agreement with the Association.
  - (viii) he ceases to occupy the housing provided by the Association.

(ix) he is a prospective tenant and he has notified the Association in writing that he no longer requires accommodation provided by the Association, in which case his name shall be removed from the register of prospective tenants.

The date at which any person ceases to be a member shall be entered in the register of members as provided in Rule 61(a)(iv).

- (b) The share of any member who ceases to be a member, unless he is a joint member who ceases by reason of his death to be a member, shall be cancelled and the amount paid up thereon shall become the property of the Association except as provided for in Rule 11.
13. (a) A member shall not transfer the agreement of his loan stock. In the event of the death of a member, or of the survivor of joint members, the deceased member's personal representatives may within a period of six months from the date of death of the member, simultaneously vest the agreement and the loan stock in a person who has been admitted by the Committee to membership of the Association.
- (b) A member shall be entitled to apply to the Association to purchase from the Association a share in a house made available by the Association under the Association's shared ownership scheme. This entitlement shall be subject to such regulations as laid down by the Association in terms of its shared ownership scheme from time to time and shall apply only to those houses forming part of the Association's shared ownership scheme.
14. (a) In the event of a member (in the case of joint members, either member) ceasing to be a member, that member (or in the case of joint members the person whose name stands first in the register of members), or in the event of death his personal representatives shall, unless they have vested the agreement and the loan stock in a person who has been admitted by the Committee to membership of the Association.
- (b) A member who enters into the agreement in respect of a house following the determination or surrender of the agreement in respect of which such payments as are referred to in paragraph (a) of this Rule have been made for in the case of joint members shall pay to the Association over and above the payment for loan stock, such sum not exceeding the said payments as the Committee shall be notice in writing require him to pay.

- (c) Without prejudice to the Association's other powers, the Association may advance money on the security of real or personal property to a member by way of loan to enable him to pay the Association part or all of any sum required to be paid under paragraph (b) of this rule.
  - (d) Where the agreement and the loan stock of a deceased member have been vested in a person admitted to membership as provided in Rule 13, the entitlement of such payments as are provided for in paragraph (a) of this Rule shall be in that person.
15. (a) A member may be expelled by a resolution carried by the votes of two-thirds of the members present or by proxy and voting on a poll at an annual or 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 sent to him by order of the Committee 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 under this Rule. At such 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 due cause the meeting may proceed in his absence.
- (b) A person expelled from membership shall cease to be a member at the expiration of 28 days from the date at which the resolution to expel him was carried under the preceding paragraph of this Rule.
- (c) No person who has been expelled from membership shall be re-admitted except 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 any general meeting of which notice has been duly given.

## **BORROWING POWERS**

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16. (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 £20 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 nett 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 percent above Bank of Scotland 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.

## **LOAN STOCK**

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- 17. Loan stock shall be subscribed for in a form prescribed by the Association which shall contain a statement of the terms and conditions of issue and repayment.
- 18. (a) A member (in the case of joint members, the person whose name stands first in the register of members) shall before entering into the agreement with the Association subscribe for such loan stock as the Committee may by notice in writing require being not less than 5 percent of the amount which the Committee shall, having regard to the house provided for him decide is his appropriate contribution to the cost to the Association of providing houses and any other land or buildings under Rule 2.

- (b) A member (in the case of joint members, the person whose name stands first in the register of members) shall within four weeks of being given notice in writing subscribe to such further loan stock as the Committee may from time to time determine provided that the Committee has similarly required all other members to subscribe for further loan stock in proportion to their initial subscription under the preceding paragraph of this Rule.
  - (c) Loan stock shall be paid for at such times and in such amounts as the Committee may from time to time require by notice in writing.
  - (d) If a member (in the case of joint members, the person whose name stands first in the register of members) fails to take up and pay for loan stock within one month of being required to do so under the preceding provision of this Rule, he shall cease to be a member as provided in Rule 12.
  - (e) Loan stock shall be issued in multiples of not less than £5 and shall carry such interest, if any, as may have been determined by the Committee under Rule 16. A Certificate sealed by the Association shall be delivered to the member subscribing to the loan stock (in the case of joint members, the names of both of them) upon payment to the Association of the full amount of such loan stock.
19. (a) Subject to the payment of or the making of sufficient provision for all subsisting claims on the Association loan stock shall confer a right to repayment of the principal from the Association where:-
- (i) a member ceases to be a member as provided in Rule 12 and he (or his personal representatives as the case may be) makes a written demand for repayment, or in the case of joint members, on written demand by either of them;
  - (ii) any interest due thereon is in arrears for two consecutive years;
  - (iii) the Association dissolves.
- (b) Subject as aforesaid, the Association may from time to time repay to all loan stock subscribers the whole or any proportionate part of the loan stock.
  - (c) On the repayment of loan stock the member to whom it is repaid shall surrender the Certificate to the Association.

- (d) In the case of joint members, the repayment of loan stock shall be made to the member whose name stands first in the register of members.
- (e) The Committee shall have power to accept without consideration the surrender of fully paid loan stock on which there is not outstanding lien or charge, and all loan stock so surrendered shall be cancelled forthwith.

## **GENERAL MEETINGS**

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- 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 revenue account and balance sheet and reports referred to in Rule 56;
  - (b) to elect committeemen as provided in Rule 34 and fix the remuneration (if any) of the Committee;
  - (c) to transact any other general business of the Association included in the notice convening the meeting.
- 21. All general meetings other than annual general meetings shall be called special general meetings and shall be convened by the secretary either upon an order of the Committee or at the written request of the nominated member appointed under Rule 32 or upon a written requisition signed by not less than six members, or if the number of members exceeds sixty by one-tenth of the members, stating the purpose for which the meeting is to be convened. Such meeting shall be held within two months after the receipt of such order, request or requisition. Should the secretary fail to convene a special general meeting within fourteen days after delivery to him of the order, request or requisition, the Committee, the nominated member or the members who have signed such requisition may themselves give notice of and convene the meeting. A special general meeting shall not transact any business other than that mentioned in the notice convening the meeting.

22. (a) A general meeting shall be convened by notice in writing to every member posted to or delivered 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 general nature of the business for which it is convened. The accidental omission to send notice of a general meeting to, or the non-receipt of notice of a general meeting by, any member shall not invalidate the proceedings at that general meeting.
- (b) 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 24 hours after being posted.

#### **PROCEEDINGS AT GENERAL MEETINGS**

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23. (a) No business shall be transacted at any general meeting of the Association unless a quorum of members is present at the time the meeting proceeds to business. Seven members, or if the number of members at any time exceeds seventy members or one-tenth thereof or 28 members (whichever is the lower) shall form a quorum.
- (b) If no quorum is present within half an hour of 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 of 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 any notice of an adjournment or of the business to be transacted at an adjourned meeting.

25. At all general meetings of the Association the chairman of the Committee shall preside a chairman, or if there is no such chairman or if he is not present, or if he is unwilling to act, the members present shall elect a member (who shall be a member of the Committee if any such person is present and willing to act) to be the chairman of the meeting.
26. Subject to the provisions of Rule 35 (a) relating to the election of committeemen, and subject to any special direction contained in any of these Rules or in an Act of Parliament, a resolution put to the vote at a general meeting of the Association shall, except where a poll is demanded or directed, be decided by a simple majority of those voting upon a show of hands. In the case of a poll, votes may be given personally or by proxy.
27. (a) At all general meetings of the Association every member present in person shall have one vote upon a show of hands. 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.
- (b) Joint members shall have one vote to be exercised by the member whose name stands first in the register unless that person shall have authorised in writing the other joint members to exercise the vote or shall have appointed a proxy.
28. Unless a poll be demanded, a declaration by the chairman that a resolution on 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 show of hands not less than one-tenth of the members present at the meeting (in person or by proxy) or may be directed at the chairman. A demand for a poll may be withdrawn.
- (b) If a poll be demanded or directed it shall be taken at such time and 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. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing in such form as the Committee may approve, and shall be deposited at the registered office of the Association, not less than two clear days before the day fixed for holding the meeting at which the person named in such instrument is authorised to vote, and in default the instrument of proxy shall not be treated as valid. Any question as to the validity of a proxy shall be determined by the chairman of the meeting whose decision shall be final. A proxy need not be a member of the Association.
31. Any question as to the acceptability of any vote whether tendered personally or by proxy shall be determined by the chairman of the meeting, whose decision shall be final.

## **COMMITTEE OF MANAGEMENT**

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32. (a) The Association shall have a Committee of Management which shall manage the business of the Association.
- (b) The Committee shall consist of not less than seven nor more than fifteen committeemen. A local authority having a loan to the Association outstanding, in these Rules called a lending authority, may from time to time appoint one committeeman (called a nominated member) and may remove him provided that where there are more than three such local authorities the three local authorities with the longest outstanding loans only may exercise such power of appointment and removal.
- (c) The first committeemen shall be the members who have signed the application to register the Association and the nominated members (if any). They shall have power to elect to the Committee such other members of the Association as they think fit, subject to the preceding provisions of this Rule.
- (d) With the exception of the nominated members only members of the Association shall be eligible to become committeemen.
33. The Committee may from time to time co-opt for any period any suitable persons, whether members of the Association or not, to serve on the Committee and may remove such persons, and such persons may take part in the deliberations of the Committee and vote at any meetings thereof. Not more than three such persons shall serve on the Committee at any one time.

34. (a) At the conclusion of the first annual general meeting of the Association all the committeemen for the time being, except the nominated members shall retire from office and at the conclusion of every subsequent annual general meeting one-third or the nearest number thereto of committeemen, other than the nominated members shall retire from office. The committeemen to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became committeemen, but as between persons who became committeemen on the same day those to retire shall, unless they otherwise agree among themselves, be decided by the Committee by lot. In reckoning the aforesaid one-third, any person appointed under Rule 36 (b) shall not be taken into account.
- (b) A retiring committeeman shall be eligible for re-election without nomination.
- (c) The annual general meeting shall determine from time to time the number of committeemen to be elected within the limits prescribed by Rule 32 (b).
35. (a) If any annual general meeting at which committeemen retire the committeemen 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 committeemen to be elected having regard to any determination made under Rule 34 (c) the said committeemen and members nominated shall be declared by the chairman to have been duly elected or re-elected. If the said committeemen 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 than 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 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 37 or 40.
36. (a) If a vacancy caused by the retirement or removal of any committeeman other than a nominated member is not filled at the general meeting at which he retires or is removed, the vacancy may be filled by the Committee.

- (b) A casual vacancy on the Committee occurring by death or resignation or under Rule 38 other than that of a nominated member, may be filled by the Committee and the member appointed to fill the vacancy shall retire at the next annual general meeting and shall be a retiring committeeman for the purposes of Rule 34 (b).
37. A committeeman, other than a nominated member, may be removed from office by a resolution carried by two-thirds 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, the vacancy may be filled by the Committee unless otherwise directed at the meeting.
38. A member of the Committee shall be deemed to have vacated his office if he becomes bankrupt, or compounds with his creditors, or is convicted of an indictable offence and shall not thereafter be eligible for membership of the Committee. A committeeman (other than a nominated member) shall cease to be a member of the Committee if he ceases to be a member of the Association or absents himself from four consecutive meetings of the Committee without special leave of absence. Any committeeman who is interested personally or as a member of a firm, director or officer of a company, a bank, or a building society or in any other way whatsoever in any contract, proposed contract, arrangement or other transaction about to be discussed at a meeting of the Committee shall, if he is present at the meeting, disclose the nature of his interest to the Committee and shall not vote upon the matter under discussion, nor (unless requested to do so by the other members of the Committee) remain during its discussion of such matter and if by inadvertence he does so remain and vote, his vote shall not be counted. Any Committee member so interested shall not be accountable for any profit he may receive from such transaction but he shall vacate his office if requested to do so, by the remaining members of the Committee at a special meeting thereof convened to consider such request. Any act done in good faith by a committeeman whose office is vacated as aforesaid shall be valid unless prior to the doing of such act written notice has been served upon the Committee and an entry has been made in the Committee's minute book stating that each committeeman has ceased to be a member of the Committee.

## **PROCEEDINGS OF COMMITTEE**

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39. Ordinary meetings of the Committee shall be held at such times and places as the Committee shall from time to time decide. Three committeemen, or such greater number as the Committee shall determine, shall form a quorum.

40. Notwithstanding any vacancies on the Committee, the remaining committeemen may continue to act. If at any time the number of committeemen falls below the minimum prescribed in Rule 32 (b) the Committee so constituted may act by a majority of its members for a maximum period of six months, but if at the end of that period the Committee has not elected one or more members as additional committeemen to make up such a minimum, the only power which the Committee may thereafter exercise shall be the convening of a general meeting of the Association which shall be empowered to appoint such number of committeemen as is required to bring the number of members of the Committee up to the number required to comply with Rule 32 (b).
41. The members of the Committee shall, at their first meeting after registry of the Association and subsequently after each annual general meeting unless he shall cease in the meantime to be a committeeman. He shall be the chairman of the Association and shall be removable from the office of chairman only by a vote of three-fifths 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 is unwilling to act, the members of the Committee present shall elect one of their number to be chairman for the meeting. In case of an equality of votes the chairman shall have a casting vote.
42. 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 committeemen or by a nominated member, specifying the business to be transacted thereat. The secretary shall communicate every such notice to all committeemen and persons co-opted to the Committee as soon as possible after the receipt thereof, and the meeting shall be held at the ordinary place for meetings of the Committee not earlier than two clear days and not later than seven clear days after the receipt by the secretary of such notice. Should the secretary fail to convene the special meeting as provided above, the chairman of the Committee, or the nominated member of the two committeemen who have given the notice in writing may call the meeting. No other business shall be done at the meeting than the business named in the said notice.

## POWERS OF COMMITTEE OF MANAGEMENT

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43. 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, subject nevertheless to the provisions of these Rules and any regulations not inconsistent with these Rules made from time to time by the Association in general meeting. 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 an regulations so made. The Committee shall in all things act for and in the name of the Association.
44. Without prejudice to the general powers conferred on the Committee by these Rules it is hereby expressly declared that the Committee may exercise the following powers:-
- (a) purchase, hire, take on lease, sell, feu, excamb, create fixed securities and floating charges over and otherwise acquire and dispose of heritable and moveable property and to enter into any contracts and settle the terms thereof;
  - (b) 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;
  - (c) subject to the Association's agreement with any lending authority, to determine from time to time the terms and conditions upon which the property of the Association is to be let or sold, and to make, revoke, and alter at all times enforce as it thinks fit such terms and conditions;
  - (d) to appoint and remove all solicitors, architects, surveyors and employees of every description;
  - (e) to pay all such expenses, including travelling expenses, as are properly incurred by any committeeman or person co-opted to the Committee or a sub-committee in the execution of his duties;
  - (f) to affiliate the Association to the Scottish Federation of Housing Associations Limited and pay an appropriate fee thereto and to subscribe to any other organisation having objects similar to the objects of the Association.

45. The Committee may delegate any of its powers to sub-committees consisting of such committeemen and other persons as it thinks fit, which shall in the functions entrusted to them conform to the instructions given to them by the Committee and any such sub-committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Committee so far as they are applicable and by any regulations which may be imposed on it by the Committee. Not more than two persons other than committeemen shall serve on any sub-committee.
46. All acts done in good faith by any meetings of the Committee or of any sub-committee shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any committeeman or committeemen or that anyone or more of them were disqualified be as valid as if every committeeman had been duly appointed and was duly qualified to serve.
47. A resolution in writing signed by all committeemen or by all the 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**

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48. (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 and who shall receive such remuneration (if any) as the Committee shall determine.
- (b) The secretary and the other officers, if any, aforementioned 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 meetings of the Association and of the Committee and keep the minutes referred to in Rule 58;
  - (ii) keep the register of members and other registers required to be kept by these Rules; give notice to the Registrar within 14 days of any change in the situation of the registered office in the form prescribed by Treasury Regulations; prepare and send all returns required to be made to the Registrar; have charge of the seal of the Association;

- (iii) unless the Committee otherwise direct, keep all the books of accounts and receive all contributions and other payments due from the members and other persons to the Association and pay over the amount so received as the Committee direct;
- (iv) produce or give up all books, documents and property of the Association in his possession whenever possible so to do by a resolution of the Committee or of a general meeting.

## **SECURITY BY OFFICERS AND INDEMNITY**

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- 49. The Committee shall require every officer having receipt or charge of money to become bound either with or without a cautioner as the Committee determines in a bond according to one of the forms set out in Schedule 4 of the Industrial and Provident Societies Act 1965 or to give the security of a guarantee society in such sum as the Committee directs in security for his rendering a just and true account of all moneys 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.
- 50. Every officer shall be indemnified by the Association against all costs, losses and expenses which he may reasonably incur in discharge of his duties, including travelling expenses, and the amount for which such indemnity is provided shall immediately attach as a charge on the property of the Association.
- 51. No officer shall be liable for any loss happening to the Association through the execution of his duties of his office, unless the loss be the consequence of his own dishonesty or gross negligence.

## **INVESTMENT**

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- 52. The funds of the Association may with the authority of the Committee be invested:-
  - (a) in narrower-range investments within the meaning of Section 1(4) of the Trustee Investments Act, 1961;
  - (b) in shares of any building society which has been designated under Section 1 of the House Purchase and Housing Act 1959; or

- (c) in shares or on the security of any society registered under the Act - but may not be invested otherwise.

## **INCOME, PROPERTY AND PROFITS**

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- 53. (a) No portion of the income, property or profits of the Association shall be paid or transferred either directly or indirectly by way of dividend, bonus or otherwise by way of profit to members of the Association except insofar as an agreement may provide upon its surrender to the Association for a payment to be made to a member.
- (b) An annual general meeting may out of the profits:-
  - (i) set aside as a reserve such amount (not exceeding the amount recommended by the Committee) as it may direct which may be applied in or towards 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 an amenities fund out of any balance remaining such amount (not exceeding the amount recommended by the Committee) as it may direct which may be applied in or towards additional amenities in connection with the objects of the Association or improving the houses occupied by members or such other similar objects 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.

## **AUDIT**

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- 54. (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" person who is a qualified auditor under Section 7 of the Friendly and Industrial and Provident Societies Act 1968.

- (b) None of the following persons shall be appointed as auditor of the Association:-
- (i) an officer or servant of the Association;
  - (ii) a person who is a partner or in the employment of or who employs an officer or servant of the Association; or
  - (iii) a body corporate.
- (c) Save as provided in paragraph (d) of this Rule every appointment of an auditor shall be made by resolution of a general meeting of the Association.
- (d) The first appointment of an auditor shall be made within three months of the registration of the Association 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.
- (e) 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 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 paragraph (b) of this Rule; or
  - (iv) he has ceased to act as auditor of 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 (f) 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 paragraph (b) of this Rule.

- (f) A resolution at a general meeting of the Association:-
- (i) appointment another person as auditor in place of a retiring auditor;  
or
  - (ii) providing expressly that a retiring 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. On receipt by the Association of notice of such an intended resolution the Association shall forthwith send a copy of the notice to the retiring auditor. If it is practicable to do so, the Association 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. Where the retiring auditor makes any representations in writing to the Association with respect to the intended resolution or notifies the Association that he intends to make such representations, the Association shall notify the members accordingly as required by Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

55. The auditor shall in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968 make a report to the Association on the accounts examined by him and on the revenue account or accounts and the balance sheet of the Association for the year of account in respect of which he is appointed.
56. The Committee shall lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon before each annual general meeting, accompanied by a report by the Committee on the position of the affairs of the Association signed by the chairman of the Committee meeting at which the report is adopted. The account shall be made up to such date within the period 1st September to 31st January inclusive as the Committee shall determine to be the end of the financial year, or such other date as may be allowed by the Registrar.

## **DISPUTES**

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57. (a) Every dispute as to the construction and effect of these Rules 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 Court.
- (b) The costs of the arbitration shall be borne as the Registrar directs and the complaining party shall before the arbitration deposit within the Association the sum of £1 to abide the decision reached by the Registrar.
- (c) All rights to make any such application as is referred to in Section 3(1) of the Administration of Justice (Scotland) Act 1972 are waived and excluded.

## **MINUTES, SEAL, REGISTER AND BOOKS**

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58. Minutes of every general meeting and of every meeting of the 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. All minutes so signed shall be conclusive evidence of any fact stated therein as between the Association and every member.
59. The Association shall have a seal which shall be kept in the custody of the secretary and shall be used only under the authority of a resolution of the Committee, and any documents sealed with the seal shall be subscribed on behalf of the Association by two committeemen and the secretary for the time being.
60. (a) The Association shall keep at its registered office a register of members in which the secretary shall enter 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) particulars of the agreement held by each member including its date of commencement, its term and a description of the heritable subjects described in the agreement;
  - (vi) the names and addresses of the officers of the Association with the offices held by them respectively and the dates on which they assumed office.
- (b) The Association shall provide and keep:
- (i) proper books for entering the accounts of all business carried on by the Association and the minutes of all meetings thereof and of the proceedings of the Committee;
  - (ii) a register of the holders of loan stock in which the secretary shall enter such particulars as the Committee direct and register all transfer of loan stock;
  - (iii) a register in which the secretary shall enter such particulars of all heritable securities on land of the Association as the Committee direct.
62. 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 provisions for their security as the Committee shall from time to time determine.
63. 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 of parcels, invoices, receipts and letters of credit of the Association.

## **ANNUAL RETURNS AND BALANCE SHEETS**

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64. Every year not later than the date provided by the Act or where the return is made up to the date allowed by the Registrar, not later than three months after such date, the secretary shall send to the Registrar the annual return in the form prescribed by the Chief Registrar of Friendly Societies relating to its affairs for the period required by the 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 any report of the auditor on that balance sheet.
65. The Association shall supply gratuitously 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 for the time being together with a copy of the report of the auditor on the accounts and balance sheet contained in the return.
66. 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.

## **INSPECTION OF BOOKS**

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67. 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 is kept, subject to such conditions as to the time and manner of such inspection as may be made from time to time by the general meetings to the Association.

## **STATUTORY APPLICATIONS TO THE REGISTRAR**

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68. (a) 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 the report thereon.
- (b) One-tenth of the whole number of members or, if the number shall at any time exceed 1,000 then 100 members may apply to the Chief Registrar in the form prescribed by Treasury Regulations:-
- (i) for the appointment of an inspector or inspectors to examine into the affairs of the Association and to report thereon, or
- (ii) for the calling of a special general meeting of the Association.

## **COPIES OF RULES TO BE SUPPLIED**

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69. The secretary shall deliver a copy of the Rules of the Association to every person on demand on payment of a sum not exceeding 10p.

## **PROCEEDINGS ON DEATH OF A MEMBER**

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70. Upon a 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 Association 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**

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71. (a) A member may in accordance with the Act nominate any person or persons to whom any of his property in the Association at the time of his death shall be transferred but such nomination shall only be valid to the extent of the amount for the time being provided in the Act.

- (b) On receiving satisfactory proof of death of a member who has made a nomination the Committee shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

## **AMALGAMATION, TRANSFER OR ENGAGEMENTS AND DISSOLUTION**

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- 72. Subject to Rule 75 the Association may be special resolution in manner prescribed in the Act amalgamate with or transfer its engagements unto any other Association having similar objects.
- 73. Subject to Rule 75 the Association may be dissolved:-
  - (a) by an order to wind up the Association or a resolution for the winding up thereof may as is directed with regard to companies by the Companies Act 1948, the provision 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 the Act; or
  - (b) by the consent of three-fourths of the members testified by their signatures to an instrument of dissolution in the form provided by Treasury Regulations.
- 74. If on the winding up or dissolution of the Association there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall be disposed of in whatever manner may be decided by a special general meeting, provided that no member shall receive any property or sum beyond the repayment of his share investment any interest due thereon.
- 75. In so far as the Association is registered with the Housing Corporation the statutory procedure under the Act referred to in Rules 72 and 73 is subject to the consent of that body under the provisions of section 24 of the Housing Act 1974.

## **AMENDMENT OF RULES**

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- 76. Any Rule of the Association not hereinafter declared to be fundamental may be rescinded or amended, or any new Rule made by a resolution carried by two-thirds 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.

77. Rules 2, 3, 4, 6, 8, 9, 10, 12, 13, 14, 16, 18, 19, 32, 43, 44, 45, 52, 53, 74, 76 and this Rule are hereby declared to be fundamental and shall not be amended or rescinded except with the prior consent in writing of any lending authority and by a resolution carried by three-fourths of the votes given thereon at a special general meeting as provided in Rule 76.
78. Application for the registration of every amendment of Rules shall be made to the Registrar in manner and form required by Treasury Regulations as soon as practicable after the same has been made and a copy shall be issued to every member and (in the case of a partial amendment of Rules) supplied with every copy of the Rules after the registration thereof. No amendment of Rules is valid until registered.

## **INTERPRETATION OF TERMS**

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79. In these Rules, including this Rule, unless the subject matter or context are inconsistent therewith:
- (a) words importing the singular or plural shall include the plural and singular respectively;
  - (b) words importing the masculine gender shall include females;
  - (c) "the Act" shall mean the Industrial and Provident Societies Act, 1965 to 1978 or any Act or Acts amending or in substitution for the same and for the time being in force;
  - (d) "the Registrar" shall have the meaning given to it by the Act;
  - (e) "property" shall include all heritable and moveable estate (including loan stock certificates, books and papers);
  - (f) "these Rules" shall mean the registered Rules of the Association for the time being;
  - (g) "amendment of Rules" shall include the making of a new Rule and the rescission of a Rule, and "amended" in relation to Rules shall be construed accordingly;
  - (h) "persons claiming through a member" shall include his personal representatives and also his nominees where a nomination has been made;

- (i) "the Association" shall mean whereof these are the registered Rules;
- (j) "member" shall mean one of the persons referred to in Rule 7 and in the case of joint members unless the contrary intention appears shall mean the member whose name stands first in the register of members;
- (k) "Committee" shall mean the Committee of Management appointed in accordance with Rule 32 and "committeemen" or "member of the Committee" shall mean a member of the Committee of Management for the time being but shall not include a person co-opted to the Committee under Rule 33;
- (l) "officer" shall include the chairman and secretary of the Association and any committeeman for the time being and such other officers as the Committee may appoint under Rule 48;
- (m) "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;
- (n) "Housing Association" has the meaning given by Section 208(1) of the Housing (Scotland) Act 1966;
- (o) "house" has the meaning given to it by Section 208(1) of the Housing (Scotland) Act 1966;
- (p) "agreement" in Rules 2 and 53 shall include a lease which has been approved by the Housing Corporation.
- (q) "register of prospective tenants" shall mean the register kept by the Committee of individuals who have submitted applications and which applications have been accepted by the Committee but in respect of an agreement has not yet been signed.
- (r) "occupant" shall mean a person who has a valid occupancy agreement with the Association".

**MEMBERS**

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- 1. ....
- 2. ....
- 3. ....
- 4. ....
- 5. ....
- 6. ....
- 7. ....
- 8. ....
- 9. ....
- 10. ....

.....Secretary

**INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965**

*Acknowledgement of Registration of Society*

**Register No. \_\_\_\_\_ R**

..... **Limited**  
is this day registered under the Industrial and Provident Societies Act 1965

Dated .....

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