



PORT OF LEITH
HOUSING ASSOCIATION

REGISTER NO. 1844 R(S)

All Previous Rules Rescinded

These are the Rules

of

PORT OF LEITH HOUSING ASSOCIATION LIMITED

Based upon
SFHA Model Rules (Scotland) 2003

Registered under the Industrial
and Provident Societies Act 1965
and the Housing (Scotland) Act 2001

Published by
the Scottish Federation of Housing Associations
in co-operation with Communities Scotland

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CONTENTS PAGE

ITEM	PAGE NO	ITEM	PAGE NO
Introduction:	3	Powers of the Board of Management	16
- Name		- Sub Boards	17
- Objects	3	- Board decisions	
Membership	4	The Secretary and other Officer Bearers	17
- Applying for membership		Financial Guarantees for Officers	18
Ending your membership	5	The Board's Minutes, Seal, Registers and Books	19
Representing an Organisation	5	- Minutes	
Share Capital	6	- Seal	
- Shares		- Registers	
- Transforming shares		- Registered name	20
Our Borrowing Powers	6	- Documentation	
General Meetings	7	Accounts	20
- Annual General Meeting		The Auditor	21
- Special General Meeting		Annual Returns and Balance Sheet	22
- Notice of meetings	8	Profits	22
Procedure at General Meetings	8	Investments	22
- Proxies/representatives	9	Inspecting the Books	23
- Voting	9	Disputes	23
Proceedings at General Meetings	10	Statutory Applications to the FSA	23
Board of Management	11	Copies of Rules	23
- Composition of the Board		Closing Down the Association	24
- Co-optees		Changing the Rules	24
Electing Board Members	11	Interpreting these Rules	24
- Leaving the Board	12	Appendices:	
- Eligibility for the Board	13	- Appendix 1: Proxy form	26
- Members interests		- Appendix 2: Cancellation of Proxy	27
Board Procedure	14	Signatures of Board Members	28
- Special Board meetings	15		
- Proceedings at Board meetings			
- Chairpersons; responsibilities			

INTRODUCTION

Name

- 1 We are **Port of Leith Housing Association Limited** (hereinafter referred to as “the Association”).

Objects

- 2 The association is formed for the benefit of the community. Its objects are:
 - 2.1 To provide for the relief of those in need by reason of age, ill-health, disability, financial hardship, unemployment or other disadvantage through the provision, construction, improvement and management of land, housing and accommodation and the provision of support, care and other services, facilities and amenities and the provision of training and work experience.
 - 2.2 To undertake any activity allowed under Section 58 of the Housing (Scotland) Act 2001, as amended by the Housing (Scotland) Act 2006 and Scottish Statutory Instrument 2006 No.211, The Registered Social Landlords (Purposes or Objects) (Scotland) Order, which are charitable.
- 3 Our permitted activities and powers will include anything which is necessary or expedient to help us achieve these objects, provided that they constitute “charitable purposes” under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and which are also regarded as a charitable purpose in relation to the application of sections 505 and 506 of the Income and Corporation Taxes Act 1988
- 4 As a landlord and managing agent we will:
 - 4.1 have regard for the requirements of public accountability.
 - 4.2 use any money we receive carefully and properly; and
 - 4.3 consider the welfare of the people who live in the properties we are responsible for.
- 5 We do not trade for profit.
- 6 Our registered office is at : 108 Constitution Street, Leith, Edinburgh, EH6 6AZ.

If this address changes, we will inform the Financial Services Authority and Communities Scotland in writing within 14 days.

MEMBERSHIP

- 7 The members of the Association shall be those people who hold a share in the Association and whose names are entered in the Register of Members referred to in Rule 67.1

Applying for Membership

- 8.1 To apply for membership, you must send an application form and one pound to the Secretary at our registered office. Our Board will consider your application at its next meeting or as soon as possible after that. We will return your money if we do not approve your application.
- An application for membership will not be considered by the Board within the 14 day period occurring before the date of a general meeting.
- 8.2 If we approve your application, you will immediately become a member of the Association and your name will be included in our Register of Members referred to in Rule 67 within seven working days. You will then be issued one share in the Association.
- 8.3 If you are a representative of an organisation which is a member of the Association, you cannot be a member of the Association as an individual yourself. If you are already a member as an individual when you start to represent an organisation which is a member, we will suspend your membership as an individual, until such times as you are no longer a representative of an organisation which is a member.
- 9 You must be at least 18 years old to apply for membership unless you are already our tenant. If you are our tenant, you can apply for membership from the age of 16.
- 10 No member can hold more than one share in the Association.
- 11 If you change your address, you must let us know by writing to our Secretary at our registered office within three months. This rule does not apply if you are our tenant and have moved home by transferring your tenancy to another property owned and managed by the Association.

ENDING YOUR MEMBERSHIP

12.1 You can end your membership of the Association by giving the Secretary at our registered office one month's notice in writing.

12.2 If the Board is satisfied that:

- you have failed to tell us of a change of address as set out in Rule 11 or;
- you have failed to attend five annual general meetings in a row and you did not submit apologies;

we will end your membership and cancel your share.

The value of the share will then belong to us with effect from the date of a Board resolution to that effect. The ending of your membership will be recorded in the register of Members referred to in Rule 67.1.

13.1 We may end your membership if we receive a complaint about your behaviour and two-thirds of the members voting at a special general meeting agree to this. The following conditions apply to this procedure:

13.1.1 the members can vote in person or through a representative by proxy.

13.1.2 the complaint must be in writing and must relate to behaviour which could harm our interests.

13.1.3 the Secretary must notify the member of the complaint in writing not less than one calendar month before the meeting referred to at 13.1 takes place;

13.1.4 you will be called to answer the complaint at the meeting. The members present will consider the evidence supporting the complaint and any evidence you decide to introduce; and

13.1.5 if you receive proper notice but do not go to the meeting referred to at Rule 13.1 above without providing a good reason, the meeting may go ahead without you.

13.2 If you are expelled from membership, you will immediately cease to be a member from the date that the resolution to expel you was passed.

13.3 If we end your membership in this way, any further application for membership by you will need to be approved by two-thirds of the members voting at a general meeting.

REPRESENTING AN ORGANISATION

14.1 An organisation which is a member is free to appoint any person it considers suitable as its representative to the Association. That person will represent all of the organisation's rights and powers at our general meetings, but must act with regard to the best interests of the Association.

- 14.2 To confirm the identity of a representative, the organisation must send us a copy of the authorisation or appointment of an individual as a representative. This should be signed by the Director, Secretary or an Authorised Signatory of the organisation which signature must be witnessed, or in the case of a local authority, by the Chief Executive, or properly authorised Officer of the local authority.
- 14.3 An organisation can change the identity of the person entitled to represent that organisation at any time by confirming the identity of the new representative in terms of Rule 14.2 and withdrawing the authority of the original representative.

SHARE CAPITAL

Shares

- 15 Our share capital will be raised by issuing one-pound shares to members. Shares cannot be held jointly. Joint tenants of the Association may each become individual members of the Association.
- 16 There is no interest, dividend or bonus payable on shares.

Transferring Shares

- 17.1 You cannot sell your share but you can transfer it if the Board agrees.
- 17.2 If you die or end your membership or have your membership withdrawn, or you are a representative of an organisation which no longer exists, we will cancel your share, except in those circumstances outlined in Rule 18.1. The value of the share will then belong to us.
- 18.1 You, as a member, can nominate who the Association must transfer your share of the Association to when you die, as long as the person that you nominate is eligible for membership under these Rules. On being notified of your death, the Board shall transfer or pay the full value of your share to the person you have identified. Your nomination must be in the terms required by the Industrial and Provident Societies Act 1965.
- 18.2 If you die or become bankrupt and your personal representative or trustee in bankruptcy claims your share in the Association, the Board will transfer or pay the value of your share (to the extent that your personal representative or trustee in bankruptcy has right) in terms of your representative's or trustee's instructions.

OUR BORROWING POWERS

- 19.1 We can borrow money for the Association as long as our total borrowing at any time is not more than £250 million.

- 19.2 In respect of any proposed borrowing for the purposes of Rule 19.1, the amount remaining undischarged of any index-linked loan previously borrowed by the Association or any deep discounted security shall be deemed to be the amount needed to repay such borrowing in full if the pre-existing borrowing became repayable in full at the time of the proposed borrowing.
- 19.3 For the purposes of Rule 19.1 in respect of any proposed borrowing intended to be index-linked or on any deep discounted security the amount of borrowings shall be deemed to be the proceeds of such proposed borrowings that would be receivable by the Association at the time of the proposed borrowing.
- 19.4 We will not pay more than the market rate of interest as determined by the Board having regard to the terms of the loan on any money we borrow.
- 19.5 We will not accept money on deposit.
- 19.6 We can lend money to an organisation which is a subsidiary of the Association within the meaning of the Companies Act 1985 or the Friendly and Industrial and Provident Societies Act 1968 at the market rate of interest as determined by the Board having regard to the terms of the loan.
- 19.7 Our Board can determine and change conditions under which we borrow or lend money, within the conditions laid out above.
- 20.1 The Association shall not lend money to members.
- 20.2 We can accept donations from anyone towards our work.

GENERAL MEETINGS

Annual General Meeting

- 21.1 We will hold a general meeting known as the annual general meeting within six months of the end of each financial year of the Association. The functions of the annual general meeting are to:
- 21.1.1 present the Chairperson's report on our activities for the previous year;
 - 21.1.2 present the accounts, balance sheet and auditor's report;
 - 21.1.3 elect Board Members as set out in Rule 41.
 - 21.1.4 appoint the auditor for the following year as set out in Rules 74 and 76; and
 - 21.1.5 consider any other general business included in the notice calling the meeting.

Special General Meetings

- 22.1 All general meetings other than annual general meetings are known as special general meetings. The Secretary will call a special general meeting if:

- 22.1.1 the Board requests one; or
- 22.1.2 at least four members request one in writing. If there are more than 40 members, at least one tenth of all the members must ask for the meeting.
- 22.2 Whoever asks for the meeting must give the Secretary details of the business to be discussed at the meeting.
- 22.3 If a special general meeting is requested, the Secretary must within 10 days of having received the request give all members notice calling the meeting. The meeting must take place within 28 days of the Secretary receiving the members' request. The Secretary should decide on a time, date and place for the meeting in consultation with the Board or the Chairperson, but if such consultation is not practicable the Secretary can on his/her own decide the time, date and place for the meeting.
- 22.4 If the Secretary fails to call the meeting within ten days, the Board or the members who requested the meeting can arrange the meeting themselves.
- 22.5 A special general meeting must not discuss any business other than the business mentioned in the notice calling the meeting.

Notice for Meetings

- 23.1 The Secretary will call all general meetings by writing to every member at least 14 days before the date of the meeting. This letter will give details of:
 - 23.1.1 the time, date and place of the meeting;
 - 23.1.2 whether the meeting is an annual or special general meeting;
 - 23.1.3 the business for which the meeting is being called.
- 23.2 The Board may ask the Secretary to include with the letter or send separately to members any relevant papers or accounts. If a member does not receive notice of a meeting or papers relating to the meeting, this will not stop the meeting going ahead as planned. Each communication sent to a member by post, addressed to his or her registered address, shall be deemed to have arrived forty eight hours after being posted.
- 24 The proceedings of a meeting shall not be invalidated by the inadvertent failure of the Association to send a notice calling the meeting to any member.

PROCEDURE AT GENERAL MEETINGS

- 25.1 For a meeting to take place there must be at least seven members present. If there are more than 70 members, at least one-tenth must be present.
- 25.2 If not enough members are present within half an hour of the time the meeting was scheduled to start, the meeting must be re-scheduled for the same day the following week at the same time and place. If at that meeting there are not enough members present within half an hour of the scheduled starting time the meeting can still go ahead.

- 26 If a majority of members present agree, the Chairperson of a meeting can adjourn the meeting. No business can be discussed at the adjourned meeting other than the business not reached or left unfinished at the original meeting. There is no need to give notice to members of the adjourned meeting.
- 27.1 The Chairperson of the Board will be Chairperson at all our meetings. If there is no Chairperson or he/she is not present or willing to act, the members present must elect a Member of the Board to be Chairperson of the meeting. If no Board Members are present, the members present must elect a member to be Chairperson of the meeting.
- 27.2 If the Chairperson arrives later, after the meeting has commenced, s/he will take over as Chairperson of the meeting as soon as the current agenda item is concluded.

Proxies/Representatives/Postal Votes

- 28.1 To appoint a representative to vote on your behalf by proxy, you must let us have a properly completed document in the form shown in appendix 1. Your representative does not need to be a member. The document must reach us at least seven days before the meeting at which you want to be represented.
- 28.2 If there is any doubt about whether your representative has authority to vote, the Chairperson will decide and his/her decision will be final.
- 28.3 The maximum number of proxy votes that may be cast by any one person is 10.
- 28.4 To reverse your appointment of a representative, you must let us have a properly completed document in the form shown in appendix 2. The document must be presented to us before the meeting at which you no longer want to be represented convenes. If you declare yourself present before the meeting convenes, the appointment of a representative to vote on your behalf will automatically fall.
- 28.5 The Chairperson will report to the meeting the details of any documents received which are not valid or void. If you represent an organisation, the document must be authorised by the organisation.

Voting

- 29 If a decision of a meeting is put to the vote, the outcome will be based on what the majority of members vote for. Voting will be by a show of hands except where a poll is requested or required. Votes cannot be taken on resolutions which conflict with any provisions of these Rules or the law.

- 30 Where a vote is by a show of hands every member present in person has one vote. Where a vote is by a poll every member present in person or who has appointed a representative has one vote. Where an appointed proxy is present, he must advise the Chairperson and the Chairperson shall direct that the vote is by poll.
- 31 If there is an equal number of votes for and against a resolution, or in relation to the election of Board Members, the Chairperson will have a second and deciding vote. The Chairperson's announcement of the decision of a vote will be final and conclusive. The decision is then recorded in the minutes of the meeting. There is no need to record the number of votes for or against the decision.
- 32.1 A poll can be required before or immediately after a vote by a show of hands, if at least one-tenth of the members present at the meeting (in person or by proxy through a representative appointed in accordance with Rule 28.1) request this.
- 32.2 A poll must take place as soon as the Chairperson has agreed to it, in line with the Chairperson's instructions. The result of the poll will stand as the decision of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 33 All speakers must direct their words to the Chairperson. All members must remain quiet and orderly while this is happening.
- 34 You will not be allowed to speak more than once on any individual matter unless it is to explain something or ask for an explanation until every other member has had the chance to speak. You will then have the opportunity to speak a second time on a matter but only if the Chairperson agrees. Where the Chairperson raised the matter for discussion initially, she/he shall be permitted to make a final reply on the matter.
- 35 The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.
- 36 If any point arises which is not covered in these Rules, the Chairperson will give his/her opinion. If the Chairperson's opinion is challenged by more than one person, the Chairperson will step down and those present will decide the point raised on a majority vote. If the vote is tied, the Chairperson's original opinion is carried.
- 37 Meetings must not last longer than two hours unless at least two-thirds of the members present agree after the end of that time to continue the meeting.

THE BOARD OF MANAGEMENT

Composition of the Board

- 38.1 The Association shall have a Board of Management which shall have a minimum of 7 and a maximum (including co-optees) of 15 members.
- 38.2 You must be a member of the Association and aged 18 or over to become a Board Member, unless you are a co-optee or a Communities Scotland appointee. An individual appointed to fill a casual vacancy must also be aged 18 or over and a member of the association.
- 38.3 An employee of the Association, or a close relative of an employee, may not be a Board Member.

Co-optees

- 39.1 The Board can co-opt to the Board anyone who is suitable to become a Board Member. Co-optees do not need to be members of the Association, but they can only serve as co-optees on the Board until the next annual general meeting or until removed by the Board. A person co-opted to the Board can also serve on any sub- Boards.
- 39.2 Co-optees can take part in discussions at the Board or any sub-Boards and vote at Board and sub-Board meetings on all matters except those which directly affect the membership of the Association or the election of the Association's Office Bearers. Co-optees may not stand for election, nor be elected as one of the Office Bearers of the Board.
- 39.3 Board members co-opted in this way must not make up more than one-third of the total number of the Board or sub-Board members at any one time. The presence of co-optees at Board Meetings will not be counted when establishing whether the minimum number of Board Members are present to allow the meeting to take place as required by Rule 47.

ELECTING BOARD MEMBERS

- 40.1 At the end of every annual general meeting, at least one-third of the Board Members or the nearest whole number thereto, must retire. Anybody appointed as a co-optee under Rule 39.1 or to fill a casual vacancy under Rule 42 and who retires for that reason, shall not count towards the one third provision. The retiring Board Members should be selected in accordance with Rule 40.2.

- 40.2 The retiring Board Members should be those who have served the longest on the Board since the date of their last election. If two or more Board Members have served equally long and cannot agree who should retire, they must draw lots.
- 40.3 Board Members must also retire if they have been co-opted onto the Board under Rule 39.1 or have filled casual vacancies under Rule 42.
- 40.4 If you retire from the Board in terms of this rule before or on the date of the next annual general meeting, you can stand for re-election without being nominated.
- 41.1 If, at the annual general meeting the number of members standing for election is equal to the number of Board Members to be elected, the Chairperson will declare them elected without a vote. If there are more members standing for election than there are vacant places, those present at the general meeting, will elect members onto the Board the method of election to be decided by the Chairperson. Each member present or who has appointed a representative will have one vote for each place to be filled on the Board. You must not give more than one vote to any one candidate.
- 41.2 Nominations for the Board must be in writing and must give the full name, address and occupation of the member being nominated. Nominations must be signed by and include a signed statement from the member being nominated to show that they are eligible to join the Board in accordance with Rules 38.4 and 44, and that they are willing to be elected. Nominations must be delivered to the Secretary or left at our registered office at least seven days before the general meeting.
- 42 If an elected Board Member leaves the Board between the annual general meetings, this creates a casual vacancy and the Board can appoint a member to take their place on the Board until the next annual general meeting.

Leaving the Board

- 43.1 A Board Member must leave the Board if the majority of the members voting at a general meeting decide this. The members will then elect someone to take his/her place. If a replacement is not elected at the meeting, the Board may appoint a Board Member.
- 43.2 A Board Member must leave the Board if two thirds of the remaining Board Members vote in favour of this at a special meeting of the Board convened for the purpose. The vote must relate to one of the following issues:
- 43.2.1 failure to perform to the published standards laid down by the Scottish Federation of Housing Associations and/or Communities Scotland adopted and operated by the Association;
 - 43.2.2 failure to sign or failure to comply with the Association's Code of Conduct for Board Members;
 - 43.2.3 a serious breach of the Association's Rules or standing orders;
 - 43.2.4 a breach of Schedule 7 Part 1 of the Housing (Scotland) Act 2001.

Eligibility for the Board

- 44.1 You cannot become or remain or be re-elected as a Board Member if one of the following happens to you:
- 44.1.1 you are declared bankrupt under the Bankruptcy (Scotland) Act 1985.
 - 44.1.2 you have made an arrangement with your creditors.
 - 44.1.3 in the opinion of a qualified medical doctor, you are unable to go to Board Meetings for 12 months because of incapacity due to a physical or mental illness.
 - 44.1.4 you are sent to prison for a month or more or have been convicted of a crime of dishonesty for which the rehabilitation period in terms of the Rehabilitation of Offenders Act 1974 has not expired or for which rehabilitation is excluded in terms of the said Act.
 - 44.1.5 you are a party to any legal proceedings in any Court of Law by or against us.
 - 44.1.6 you are or will be away for a period of 12 months and are thus unable to attend the Board Meetings.
 - 44.1.7 you have been removed by Communities Scotland from the Board of another registered social landlord.
 - 44.1.8 you have been removed from a charity under Section 7 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 (in connection with the power of a Court to remove or suspend any person who is concerned in the management or control of a charity); or
 - 44.1.9 a Disqualification Order has been made against you under the Company Directors' Disqualification Act 1986 (which relates to the power of a Court to prevent someone from being a director, liquidator or administrator of a company or a receiver or manager of company property or being involved in the promotion, formation or management of a company).
- 44.2 You will no longer be a Board Member if you:
- 44.2.1 resign your position in writing; or
 - 44.2.2 leave the membership of the Association or have your membership withdraw; or
 - 44.2.3 miss four Management Board meetings in a row without special leave of absence previously granted by the Board.
 - 44.2.4 Are excluded under Rule 44.1.
- 44.3 No Board member may act as such until they have agreed to and signed a code of conduct for Board Members.

Members Interests

- 45.1 If you serve on the Board or any sub-Board you must not have any financial interest whether:-
- 45.1.1 personally; or
 - 45.1.2 as a member of a firm; or
 - 45.1.3 as a director or other officer of a business trading for profit; or

45.1.4 in any other way whatsoever,

in a contract or other transaction with the Association except if it is permitted under these Rules.

We will not make any payment or provide any benefit unless it is permitted under these Rules or by Schedule 7 Part 1 of the Housing (Scotland) Act 2001.

45.2 If you have a 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 a contract or other transaction with the Association as described in Rule 45.1; or you receive any payment or benefit from us other than those listed above under Schedule 7 Part 1 of the Housing (Scotland) Act 2001, your membership of the Board will end.

46.1 If while serving on the Board you have any conflict of interest or an interest other than a financial interest in any contract or other agreement about to be discussed at a meeting, you must tell the Board. You will be required to leave the meeting while the matter is discussed unless the Board agree that in the circumstances it is appropriate for you to remain but you will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If you are inadvertently allowed to stay in the meeting and vote on the matter, your vote will not be counted.

46.2 If you fail to disclose an interest described in Rule 46.1, you must leave the Board if required to do so by the majority of the remaining Board Members voting at a Board Meeting specially convened for the purpose.

BOARD PROCEDURE

47 It is up to the Board to decide when and where to hold its ordinary meetings, but it must meet at least six times a year. There must be at least four Board Members present for the meeting to take place, or such other greater number as may be agreed by the Board.

48 The Board will continue to act while it has vacancies for Members. However, if at any time the number of Board Members falls below seven, the Board can continue to act only for another two months. If at the end of that period the Board has not found new members to bring the number of Board Members up to seven, the only power it will have is to act to bring the number of Board Members up to seven.

49 Board Members must be sent notice of ordinary meetings at least seven days before the date of the meeting.

- 50.1 All business for the meeting's agenda must be with the Secretary in good time for it to be mailed with the papers accompanying notice of the meeting. Urgent matters not on the agenda may be discussed at meetings if most Board Members agree to this. Urgent matters known before the meeting should be brought to the attention of the Secretary as soon as possible.
- 50.2 In all cases, the Chairperson will decide whether a matter is urgent.

Special Board Meetings

- 51.1 The Chairperson or two Board Members can request a special meeting of the Board by writing to the Secretary with details of the business to be discussed. The Secretary will send a copy of the request to all Board Members within three days of receiving it. The meeting will take place at a place mutually convenient for the majority of Board Members - normally the usual place where Board Meetings are held - between 10 and 14 days after the Secretary receives the letter.
- 51.2 No other business may be discussed at the meeting other than the business for which the meeting has been called.
- 51.3 If the Secretary does not call the special meeting as set out above, the Chairperson or the Board Members who request the meeting can call the meeting. In this case, they must write to all Board Members at least seven days before the date of the meeting.
- 52 If a Board Member does not receive notice of the meeting, this will not prevent the meeting going ahead.

Proceedings at Board meetings

- 53 All speakers must direct their words to the Chairperson. All Members must remain quiet and maintain order while this is happening. The Chairperson will decide who can speak and for how long.
- 54 If any point arises which is not covered in these Rules, the Chairperson will give his/her decision which will be final.

Chairpersons Responsibilities

- 55.1 At its first meeting after registration of the Association, the Board will elect the Chairperson of the Association. Thereafter a Chairperson will be appointed on an annual basis at the next scheduled Board Meeting held after each annual general meeting.

- 55.2 The Chairperson must be elected from the ordinary Board Members and must be prepared to act as Chairperson until the end of the next annual general meeting (unless s/he resigns the post). The Chairperson can only be required to resign if two-thirds of the Board Members present at a special meeting agree to this.
- 55.3 If the Chairperson is not present at a Board meeting or is not willing to act, the Board Members present will elect another Board Member to be Chairperson for the Board Meeting. If the Chairperson arrives at the meeting late, s/he will take over as Chairperson of the Board meeting as soon as the current agenda item is concluded.
- 55.4 If the votes of the Board Members are divided equally for and against an issue, the Chairperson will have a second and deciding vote.
- 55.5 The Chairperson can resign his/her office in writing to the Secretary and must resign if s/he leaves the Board or is prevented from standing, for or being elected to the Board under Rule 44. The Board will then elect another Board Member as Chairperson.
- 55.6 The Chairperson can be re-elected but must not normally hold office continuously for more than five annual general meetings.

THE POWERS OF THE BOARD OF MANAGEMENT

- 56 The Board is responsible for directing the affairs of the Association and its business and may use all its powers to carry out its duties. The Board is not permitted to exercise any powers which are reserved to the Association in general meetings either by these Rules or by statute. Each Board Member must operate in accordance with the Association's objects and these Rules.
- 57 The Board acts in our name in everything it does. A third party acting in good faith and without prior notice does not need to check if the powers of the Board have been restricted, unless they are already aware that such a restriction may exist.
- 58.1 Amongst its most important powers, the Board can:-
- 58.1.1 buy, sell, build upon, lease or excamb any land and accept responsibility for any related contracts and expenses.
 - 58.1.2 agree the terms of engagement and remuneration of anyone employed in connection with our business.
 - 58.1.3 grant heritable securities over our land and floating charges over all or any part of our property and assets both present and in future. This includes accepting responsibility for any related expenses.
 - 58.1.4 decide, monitor and vary the terms and conditions under which our property is to be let, managed, used or disposed of.
 - 58.1.5 appoint and remove our solicitors, surveyors, consultants, managing agents and employees, as required in the Association's business.

- 58.1.6 refund any necessary expenses as are wholly necessary incurred by Board Members and sub Board members in connection with their duties.
- 58.1.7 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.

Sub-Boards

- 59.1 The Board can delegate its powers to sub-Boards made up of Board Members or to staff or Office Bearers of the Association. The sub-Boards and staff or Office Bearers must follow the written instructions given to them by the Board.
- 59.2 The meetings and procedures of sub-Boards will be the same as those of the Board as set out in these Rules other than in respect of the quorum where the required number shall be three. Sub-Boards must also follow any other additional regulations the Board may impose.
- 59.3 Any decision made by sub-Board must be reported to the next Board Meeting.
- 59.4 Co-optees must not make up more than one-third of a sub-Board. Co-optees do not count towards the number of Board Members needed for a meeting to take place. They can vote on all matters except those which directly affect the membership of the Association or the election of our Office Bearers.

Board decisions

- 60 All acts done in good faith as a result of a Board Meeting or sub-Board meeting will be valid. This is so even if it is discovered afterwards that a Board Member was not entitled to be on the Board.
- 61 A written resolution signed by all Board Members or all the members of a sub-Board will be as valid as if it had been passed at a Board Meeting or sub-Board meeting duly called and constituted.

THE SECRETARY AND OTHER OFFICE BEARERS

- 62.1 The Association must have a Secretary and any other Office Bearers the Board considers necessary. The Office Bearers, except for the Secretary, must be elected Board Members and cannot be co-optees. The Board will appoint these Office Bearers. If the Secretary cannot carry out his/her duties, the Board, or in an emergency the Chairperson, can ask another Office Bearer or employee to carry out the Secretary's duties until the Secretary returns.
- 62.2 The Secretary and the other Office Bearers will be controlled, supervised and instructed by the Board.
- 62.3 The Secretary' s duties include the following:

- 62.3.1 calling and going to all meetings of the Association and all the Board Meetings.
- 62.3.2 keeping the minutes for all meetings of the Association and Board.
- 62.3.3 sending out letters, notices calling meetings and relevant documents to members before a meeting.
- 62.3.4 preparing and sending all the necessary reports to the Financial Services Authority and Communities Scotland
- 62.3.5 ensuring compliance with these Rules and unless the Board decides otherwise.
- 62.3.6 keeping the Register of Members and other registers required under these Rules.
- 62.3.7 supervision of the Association's seal.
- 62.3.8 keeping all the books of accounts and receiving all contributions and payments owed to the Association; and
- 62.3.9 paying over the contributions and payments received by the Association as instructed by the Board.

The Secretary must produce or give up all the Association's books, registers, documents and property whenever requested by a resolution of the Board, or of a general meeting.

FINANCIAL GUARANTEES FOR OFFICERS

- 63 The Board shall take out fidelity guarantee insurance to cover all Office Bearers and employees who receive or are responsible for the Association's money, or, these office bearers and employees must be covered by a bond as set out in Schedule 4 of the Industrial and Provident Societies Act 1965, or a guarantee under which they promise to account for and repay our money accurately.
- 64 Office Bearers and employees will not be responsible for the Association's loss while they are carrying out their duties unless there has been gross negligence or dishonesty. If an Office Bearer or employee is dishonest, we may tell the police or another suitable authority, and will try to recover any loss we have suffered.

THE BOARD'S MINUTES, SEAL, REGISTERS AND BOOKS

Minutes

- 65 Minutes of every general meeting, Board Meeting and sub-Board meeting must be kept. Those minutes must be represented at the next appropriate meeting and signed by the chairperson of the meeting at which they are presented. All Minutes signed by the chairperson of the meeting shall be conclusive evidence that the facts recorded in the Minutes are accurate.

Seal

- 66 The Association must have a seal which the Secretary must keep in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by the Secretary of the Association or a Member of the Board and recorded in the register.

Registers

- 67.1 The Association must keep at its registered office, a Register containing:
- 67.1.1 the names and addresses of the members;
 - 67.1.2 a statement of the share held by each member and the amount each member paid for it;
 - 67.1.3 the date each person was entered in the Register as a member and the date at which any person ceased to be a member of the Association;
 - 67.1.4 a statement of other property in the Association, whether in loans or loan stock held by each member; and
 - 67.1.5 the names and addresses of the Office Bearers of the Association, their positions and the dates they took and left office.
- 67.2 The Association must also keep at its registered office:
- 67.2.1 a second copy of the Register showing the same details as above but not the statements of shares and property. This second register must be used to confirm the information recorded in the main Register.
 - 67.2.2 a register of loans and who they are made to.
 - 67.2.3 a register showing details of all loans and charges on the Association's land.
- 67.3 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 the person is or is not a member of the Association.

Registered name

- 68 The registered name of the Association must be clearly shown on the outside of every office or place where the Association's business is carried out. The name must also be engraved clearly on the Association's seal and printed on all its business letters, notices, adverts, official publications, and legal and financial documents.

Documentation

- 69 The Association's books of account, registers, securities and other documents must be kept at the registered office or any other place the Board decides is secure.
- 70 At the last Board Meeting before the annual general meeting, the Secretary must confirm in writing to the Board that Rules 65 to 69 have been followed or, if they have not been followed, the reasons for this. The Secretary's confirmation or report must be recorded in the minutes of the Board Meeting.

ACCOUNTS

- 71 The Association must keep proper books of accounts to cover its income, expenditure, spending, assets and liabilities in line with sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
- 72 The Board must send the Association's accounts and balance sheet to the Association's auditor. The auditor must then report to the Association on the accounts they have examined. In doing this, the auditors must follow the conditions set out in section 9 of the Friendly and Industrial and Provident Societies Act 1968 and paragraphs 13(2) and 13 (3) of Schedule 7 Part 3 of the Housing (Scotland) Act 2001.
- 73 The Association must provide Communities Scotland and the Financial Services Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate.

THE AUDITOR

- 74.1 Each year the Association must appoint, at a general meeting of the Association, a qualified auditor to audit the Association's accounts and balance sheet. In this Rule "qualified auditor" means someone who is a qualified auditor under section 7 of the Friendly and Industrial and Provident Societies Act 1968.
- 74.2 None of the following can act as auditor to the Association.
- 74.2.1 a Board Member or employee of the Association;
 - 74.2.2 a person who is a partner of, or an employee or employer of a Board Member or employee of the Association;
 - 74.2.3 an organisation which is a member of the Association.
- 75 The Association must appoint an auditor within three months of being registered by the Financial Services Authority. The Board will appoint the auditor unless there is a meeting of the Association within that time. The Board may appoint an auditor to fill in a casual vacancy occurring between general meetings of the Association.
- 76.1 An auditor appointed to act for the Association one year will be re-appointed for the following year unless:-
- 76.1.1 a decision has been made at a general meeting to appoint someone else or specifically not to appoint them again; or
 - 76.1.2 they have been given the Association notice in writing that they do not want to be re-appointed; or
 - 76.1.3 they are not a qualified Auditor or are excluded under Rule 74; or
 - 76.1.4 they are no longer capable of acting as Auditor to the Association; or
 - 76.1.5 notice to appoint another Auditor has been given.
- 76.2 To prevent an auditor being re-appointed or to appoint another person as auditor, not less than 28 days notice must be given to the Association that the matter requires to be discussed at the next meeting of the Association.
- 76.3 The Association shall give notice to the auditor who is to be asked to step down that the matter will be discussed at the next meeting of the Association. If possible the Association will also give proper notice of this matter to you but if this is not possible, the Association can give you notice by advertising in the local newspaper at least 14 days before the meeting.

- 76.4 The retiring Auditor may make representations to the Association or give notice that he intends to make representations at the meeting and the Association must tell you of any representations made by the Auditor under Section 6 (7) of the Friendly and Industrial and Provident Societies Act 1968.

ANNUAL RETURNS AND BALANCE SHEET

- 77.1 Every year, within the time allowed by the law, the Secretary shall send to the Financial Services Authority the annual return in the form required by the Financial Services Authority.
- 77.2 The Secretary must also send:
- 77.2.1 a copy of the auditor's report on the Association's accounts for the period covered by the return; and
 - 77.2.2 a copy of each balance sheet made during that period and of the auditor's report on that balance sheet.
- 78 The Association must provide a free copy of the latest annual return and auditor's reports to members or people with a financial interest in the Association.
- 79 The Association must always keep a copy of the latest balance sheet and auditor's report publicly displayed at its registered office.
- 80 The Association must comply with the requests of Communities Scotland for annual returns.

PROFITS

- 81.1 The Association must not distribute its profits to members.
- 81.2 At an annual general meeting, members may decide to use profits in the following ways:
- 81.2.1 to set aside an amount recommended by the Board to allow the Association to carry out the objects, of the Association.
 - 81.2.2 to give an amount recommended by the Board to charitable voluntary groups which further the objects of the Association.

Any remaining profits must be carried forward to the next financial year.

INVESTMENTS

- 82 If the Board agrees, the Association's funds may be invested in line with section 31 of the Industrial and Provident Societies Act 1965.

INSPECTING THE BOOKS

- 83 Any member or person having a financial interest in the Association can inspect their own account. They may also inspect the second copy of the Register of Members which shall be made available to them for inspection within 7 days of the request of a member or eligible person. The books must be available for inspection at the place they are kept at all reasonable hours. The Board may set conditions for inspecting the books.

DISPUTES

- 84.1 Every dispute between the Association or the Board Members and:
- 84.1.1 a member; or
 - 84.1.2 a person aggrieved who has ceased to be a member within the previous six months; or
 - 84.1.3 a person claiming under the Rules of the Association shall be dealt with by the Sheriff in the Sherrifdom in which the Association's registered office is located.

STATUTORY APPLICATIONS TO THE FINANCIAL SERVICES AUTHORITY

- 85 Any 10 members of the Association who have been members for at least the 12 previous months can apply to the Financial Services Authority to appoint an accountant or actuary to inspect and report on the Association's books on payment to the Financial Services Authority of the costs required.
- 86.1 One-tenth of members can apply to the Financial Services Authority to:
- 86.1.1 appoint an inspector to examine and report on the affairs of the Association; or
 - 86.1.2 call a special general meeting of the Association.
- 86.2 If there are more than 1000 members in the Association, only 100 members need to apply to the Financial Services Authority.

COPIES OF RULES

- 87 The Secretary must provide a copy of the Rules of the Association to every new member; and to anyone who asks and who pays the amount set by the Board (not more than 10 pence).

CLOSING DOWN THE ASSOCIATION

- 88.1 The Association can be dissolved in either of the following ways:
- 88.1.1 by an order or resolution to wind up the Association as set out in the Insolvency Act 1986.
 - 88.1.2 if three-quarters of our members sign an Instrument of Dissolution in the form set out in treasury regulations.
- 89 If any property remains after we have paid our debts, this property will belong to Communities Scotland or to any other registered social landlord Communities Scotland decides.

CHANGING THE RULES

- 90.1 Any of these Rules can be changed or deleted and new Rules can be introduced if:
- 90.1.1 three-quarters of the votes at a special general meeting are in favour of the change(s); and
 - 90.1.2 Communities Scotland has approved the change(s).
- 90.2 We must apply to the Financial Services Authority to register every rule change as set out in treasury regulations. Each member must receive a copy of the change. No change is valid until it has been registered by the Financial Services Authority.
- 90.3 We can change the name of the Association if:
- 90.3.1 three-quarters of the votes at a special general meeting are in favour of the change(s); and
 - 90.3.2 the Financial Services Authority approves the change in writing.
- 90.4 If we want to change our name or our Registered Office we must:-
- 90.4.1 obtain the approval of Communities Scotland for our new name before we change it; and
 - 90.4.2 let Communities Scotland know that we have changed the Registered office within seven working days of our decision.

INTERPRETING THESE RULES

- 91.1 In these Rules, the following words and phrases have the meanings given below:

- 91.1.1 “Chairperson” means the Chairperson of the Association referred by Rule 55.
 - 91.1.2 “Board” means the Board of management appointed in line with Rule 38. “Board Meeting” means a meeting of the Board. “Board Member” means a member of the Board
 - 91.1.3 “Communities Scotland” means the body known as Communities Scotland having their head office at Thistle House, 91 Haymarket Terrace, Edinburgh, being an Executive Agency acting on behalf of Scottish Ministers.
 - 91.1.4 “Financial Services Authority” means the body set up under the Financial Markets Act 2000 to register Industrial & Provident Societies under the 1965 Industrial & Provident Societies Act.
 - 91.1.5 “Meeting” means a general meeting of the Association, whether special, general or annual referred to in Rules 21-24.
 - 91.1.6 “Member” means one of the people referred to in Rule 8.
 - 91.1.7 “Office Bearer” means the Chairperson, Secretary, Treasurer and Vice Chairperson of the Association.
 - 91.1.8 “organisation” means a legal body which exists separately and distinctly from its members and includes companies, building societies, industrial and provident societies, local authorities and so on and also for the purposes of these Rules includes unincorporated organisation such as social clubs, branches of political parties or trade unions and other voluntary bodies.
 - 91.1.9 “property” includes everything which can be passed on by inheritance (including loans, certificates, books and papers).
 - 91.1.10 References to a statute or section of statute also cover amendments to that statute.
 - 91.1.11 “Secretary” means the Office Bearer appointed by the Board to be the Secretary of the Association or anyone authorised by the Board to stand in for the Secretary.
 - 91.1.12 “these Rules” means our registered Rules.
 - 91.1.13 “We” or “the Association”, or “our” means the registered social landlord referred to in Rule 1 whose Rules these are, as the context permits.
 - 91.1.14 Words in the singular also include the plural. Words in the plural also include the singular.
 - 91.1.15 “You” means a member, prospective member or applicant for membership of the Association.
 - 91.1.16 “A person claiming through a member”:- includes an heir executor assignee or nominee. This heading would be used in connection with disputes about the transfer of a member’s share after his death. It would also cover executors of a former member.
- 91.2 In the event of Sterling joining the Euro any sums of money referred to in Sterling in these Rules shall be redenominated into Euros at the rate of exchange applying for such redenomination as at the date of joining the Euro.

APPENDIX 1

PROXY FORM

You must use the wording shown below to appoint a representative to vote at a meeting for you. Please see rule 28 for more details.

I (insert name) am a member of Port of Leith Housing Association Limited.

My address is: (please insert).

I hereby appoint (insert name) who lives at (insert address) to be my representative and vote for me at the Association's meeting on (insert date) and any other dates that meeting continues on.

Your name _____
Your signature _____
Date _____

APPENDIX 2

CANCELLATION OF PROXY

You must use the wording shown below to reverse your application to send a representative to vote at a meeting for you. Please see rule 28 for more details.

I (insert name) am a member of Port of Leith Housing Association Limited.

My address is: (please insert).

I hereby revoke the appointment of (insert name) as my representative to vote for me at the Association's meeting on (insert date) made by me on the (insert date).

I no longer authorise the person referred to above to represent me at the meeting referred to above.

Your name _____
Your signature _____
Date _____

SIGNATURE OF BOARD MEMBERS

Date _____

1. J Hunter Chair

2. Anil Lal Member

3. Stan Godman Member

Mohanjit Singh Secretary