

NIFHA Model Rules 2006 for DSD-Registered Housing Associations with Charitable Status

RULES of:

Registered under the Industrial and Provident Societies Act (Northern Ireland) 1969

Register No.

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PART A

NAME AND OBJECTS

Name

A1 The name of the society shall be
Limited ("the association").

Objects

A2 The association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A2.1 the business of providing housing, accommodation, assistance to help house people and associated facilities and amenities for the prevention or relief of poverty or for those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage

A2.2 any other charitable object that can be carried out by an Industrial and Provident Society registered as a housing association by the Department.

Non-profit

A3 The association shall not trade for profit.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

PART B POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS

Powers

B1 The association shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.

B2 Without limiting its general powers the association shall have power to:

B2.1 take or grant any interest in land, or carry out works to buildings;

B2.2 help any charity or other body not trading for profit in relation to housing;

B2.3 subject to rules F13, F14, and F15 borrow money or issue loan stock for the purposes of the association on such terms and on such security including floating charges as the association thinks fit; and

B2.4 subject to rule F16 invest the funds of the association.

B3 The association shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000, or any other authority required by statute unless it has such authorisation

Powers of the board

B4 The business of the association shall be directed by the board.

B5 Apart from those powers which must be exercised in general meeting:

B5.1 by statute; or

B5.2 under these rules

all the powers of the association may be exercised by the board for and in the name of the association.

- B6 The board shall have power to delegate, in writing, the exercise of any of its powers to committees and to employees of the association on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

- B7 The association in general meeting can only exercise the powers of the association expressly reserved to it by these rules or by statute.

General

- B8 The certificate of an officer of the association that a power has been properly exercised shall be conclusive as between the association and any third party acting in good faith.
- B9 A person acting in good faith shall not be obliged to see or enquire if the board's powers are restricted by the association's rules or any regulations.

PART C

SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders

- C1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall act at all times in the interests of the association and, for the benefit of the community, as guardians of the objects of the association.

Nature of shares

- C2 The association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.
- C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees). Such transfer shall be made by written notice addressed to the secretary at the registered office.
- C4 When a shareholder ceases to be a shareholder or is expelled from the association, his or her share shall be cancelled. The amount paid up shall become the property of the association.

Nature of shareholders

- C5 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders.
- C6 The following cannot be shareholders:
- C6.1 a person under the age of 16 years;
 - C6.2 a person who has been expelled as a shareholder, unless readmitted by special resolution at a general meeting;
 - C6.3 an employee of the association or an employee of any other body whose accounts must be consolidated with those of the association.

- C7 A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.
- C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be made by written notice addressed to the secretary at the registered office.
- C9 No shareholder shall hold more than one share and each share shall carry only one vote.
- C10 A share cannot be held jointly unless by nominees of an unincorporated body.

Admission of shareholders

- C11 The board shall set, review and publish its policies and objectives for admitting new shareholders. The board shall only admit new shareholders in accordance with such policies.
- C12 An applicant for a share shall apply in writing to the association's registered office:
- C12.1 setting out their reasons for applying and their qualifications in accordance with the association's policies; and
- C12.2 pay the sum of one pound (which shall be returned to them if the application is not approved).
- C13 Every application shall be considered by the board in accordance with rule C11. The board has the power in its absolute discretion to accept or reject the application. If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of shareholders. One share in the association shall be issued to the applicant.

Ending of shareholding

- C14 A shareholder shall cease to be a shareholder if:
- C14.1 they die; or
- C14.2 they are expelled under rule C15; or
- C14.3 they withdraw from the association by giving one month's notice to the secretary; or
- C14.4 they have absented themselves from three consecutive general meetings of the association without delivering written apologies in advance; or
- C14.5 in the case of a body corporate it ceases to be a body corporate; or
- C14.6 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body.
- C15 A shareholder may only be expelled by a special resolution at a special general meeting called by the board.
- C15.1 The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the association, and must request the shareholder to attend the meeting to answer the complaint.
- C15.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.
- C15.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

Annual general meeting

- C16 The association shall hold a general meeting called the annual general meeting within three calendar months of the close of each of its financial years.
- C17 The functions of the annual general meeting shall be:
- C17.1 to receive the annual report which shall contain:
- the revenue accounts and balance sheets for the last accounting period
 - the auditor's report (if one is required by law) on those accounts and balance sheets
 - the board's report on the affairs of the association;
- C17.2 to appoint the auditor;
- C17.3 to elect board member(s) if applicable;
- C17.4 to transact any other general business of the association set out in the notice convening the meeting including any business that requires a special resolution.

Special general meetings

- C18 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:
- C18.1 upon an order of the board; or
- C18.2 upon a written requisition signed by one-tenth of the shareholders (to a maximum of twenty-five but not less than three) stating the business for which the meeting is to be convened;
- C18.3 if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting.
- C19 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

Calling a general meeting

- C20 All general meetings shall be convened by at least fourteen clear days' written notice. Notices shall be posted or delivered or sent by fax or email to every shareholder at the address, fax number or email address given in the share register. Notice sent by post shall be deemed to have arrived two days after being posted or sent. A notice sent by fax or email shall be deemed to have arrived on the same day it was sent, provided the sender receives evidence that the fax or email was successfully delivered. A notice sent by email shall be deemed to be given at the expiration of 48 hours after the time it was sent. Proof that a notice contained in an email was sent in accordance with the guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- C21 Any accidental failure to get any notice to any shareholder shall not invalidate the proceedings at that general meeting.

Proceedings at general meetings

- C22 Before any general meeting can start its business a quorum must be present. A quorum is one-tenth of all shareholders with a minimum number of six and a

maximum number of twenty-five. As part of the quorum at least two shareholders must be present in person.

- C23 A meeting held as a result of a shareholder's requisition will be dissolved if a quorum is not present half an hour after the meeting should begin.
- C24 All other general meetings where a quorum is not present will be adjourned to the same day, at the same time and place in the following week. If a quorum is not present within half an hour of the time the adjourned meeting should have started, those shareholders present shall carry out the business of the meeting.
- C25 The chair of any general meeting can:
C25.1 take the business of the meeting in any order that the chair may decide; and
C25.2 adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.
- C26 At all general meetings of the association the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the deputy chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

Proxies

- C27 A proxy can be appointed by delivering a written appointment in the prescribed form to the secretary at the registered office at least two clear days before the date of the meeting at which the proxy is authorised to vote. It must be signed by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final. A proxy need not be a shareholder of the association.

Voting

- C28 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.
- C29 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.
- C30 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the association, shall be conclusive evidence of that fact.
- C31 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- C32 A ballot on a resolution may be demanded by any three shareholders at a meeting (in person or by proxy) or directed by the chair (and such demand or direction may

be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.

C33

A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.

PART D

THE BOARD

Functions

- D1 The association shall have a board (in these rules referred to as "the board") which shall direct the affairs of the association in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- D1.1 define and ensure compliance with the values and objectives of the association;
 - D1.2 establish policies and plans to achieve those objectives;
 - D1.3 approve each year's accounts prior to publication and approve each year's budget;
 - D1.4 establish and oversee a framework of delegation and systems of control;
 - D1.5 agree policies and make decisions on all matters that create significant financial risk to the association or which affect material issues of principle;
 - D1.6 monitor the association's performance in relation to these plans, budget, controls and decisions;
 - D1.7 appoint (and if necessary remove) the chief executive (if any);
 - D1.8 satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety;
 - D1.9 take appropriate advice; and
 - D1.10 at all times that the association is registered as a housing association by the Department, ensure that the association takes account of any obligation imposed upon the association by the Department in exercise of its powers.

Composition of the board

- D2 The board shall consist of seven board members, or of such greater number not exceeding fifteen (including co-optees) as may be determined by the first board members before the first annual general meeting and thereafter by the association in general meeting. A majority of board members shall always be capable of appointment or election by the shareholders.
- D3 Except for co-optees or employees of any other body whose accounts must be consolidated with those of the association, only shareholders can be board members.
- D4
- D4.1 No board member may act as such until they have signed and delivered to the board a statement, confirming that they will meet their obligations to the board and to the association. The board may vary the form of statement from time to time.
 - D4.2 Any board member who has not signed such statement without good cause within one month of election or appointment to the board shall immediately cease to be a board member.

- D5 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but he cannot take part in the deliberations nor vote on the election of officers of the association nor any matter directly affecting shareholders.
- D6 For the purposes of these rules and of the Act a co-optee is not included in the expression "board member" or "member of the board".
- D7 Not more than five co-optees can serve on the board or any committee at any one time.
- D8 No one can become or remain a board member at any time if:
- D8.1 they are disqualified from acting as a director of a company for any reason; or
- D8.2 they have been convicted of an indictable offence within the last five years; or
- D8.3 they are not a shareholder (unless they are a co-optee filling a casual vacancy on the board under rule D10 or an employee of any other body whose accounts must be consolidated with those of the association); or
- D8.4 they have absented themselves from four consecutive meetings of the board without special leave of absence from the board; or
- D8.5 if they cease to be a shareholder;
- and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.
- D9 A board member may be removed from the board
- D9.1 by a special resolution at a general meeting; or
- D9.2 by a resolution passed by three quarters of the board present, (excluding co-optees or employees of any other body whose accounts must be consolidated with those of the association), provided the following conditions are satisfied:
- at least fourteen days notice of the proposed resolution has been given to all board members; and
 - the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with the code of conduct; and
 - the board is satisfied that the allegation(s) is or are true.
- D10 Whenever the number of board members and co-optees is less than permitted by these rules, the board may appoint a further board member, who need not be a shareholder, to fill the casual vacancy in addition to the board's power to co-opt. Any board member so appointed shall retire at the next annual general meeting.

Election to the board

- D11 D11.1 At every annual general meeting not less than one third of the board members shall retire from office.
- D11.2 Board members forming the retiring third shall be those who have been longest in office since they were last elected or re-elected to the board. If the choice is between people who became board members on the same day those to retire shall be chosen by lot if not agreed.
- D11.3 Anybody appointed to fill a casual vacancy under rule D10 during the year and who retires for that reason shall not count towards the one third to retire.
- D12 D12.1 If at an annual general meeting, the candidates for election as board members do not exceed the number of vacancies on the board the chair shall declare those candidates to have been duly elected. If the number of candidates

exceeds the number of vacancies the meeting shall elect the board members by ballot in such a manner as the chair directs.

D13 In an election at a general meeting every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate.

D14 In casting their votes in an election, shareholders shall endeavour to ensure that the board possesses the quality, skills and experience which the association has from time to time determined that it requires.

Candidates for the board

D15 D15.1 Any candidate for election to the board shall submit a written statement to the association in such form as the board from time to time determines. It shall set out the candidate's full name, address, and occupation, and the reasons for their suitability to be a board member.

D15.2 In addition a candidate who is not retiring as a board member must be nominated in writing by another shareholder.

D15.3 The statement and nomination shall be delivered to the secretary at the registered office at least three days before the meeting at which the vacancies on the board are to be filled.

Quorum for the board

D16 D16.1 Subject to the provisions of rule D16.2 five board members, or half of the board (whichever is lower) shall form a quorum. The board may determine a higher number.

D16.2 If the number and composition of board members falls below the number and composition necessary for a quorum, the remaining board members may continue to act as the board for a maximum period of six months. At the end of that time the only power that the board may exercise shall be to call a general meeting of the association to bring the number and composition of board members into conformity with these rules.

Board members' interests

D17 The association shall not pay or grant any benefit to anyone who is a board member or a co-optee or a member of a committee, unless it is expressly permitted by these rules.

D18 Any board member, co-optee or member of a committee, having an interest:

D18.1 personally; or

D18.2 as a member of a firm; or

D18.3 as a director or other officer of a business trading for profit; or

D18.4 in any other way whatsoever;

in any arrangement between the association and someone else shall disclose their interest before the matter is discussed by the board or any committee. Unless it is expressly permitted by these rules they shall not remain present unless requested to do so by the board or committee, and they shall not have any vote on the matter in question. Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

D19 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:

D19.1 a director or officer; or

- D19.2 a member of a firm; or
 - D19.3 an official or elected member of any statutory body; or
 - D19.4 the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or
 - D19.5 the occupier of any property owned or managed by the association; or
 - D19.6 a person whose judgement could be perceived as likely to be significantly influenced by the relationship with the association; or
 - D19.7 any other significant or material interest.
- D20 If requested by a majority of the board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time.
- D21 The association may pay properly authorised expenses, when actually incurred in connection with the association's business, or such payments or benefits authorised under article 31 of the Housing (Northern Ireland) Order 1992.
- D22 A board member, co-optee or member of a committee shall not have an interest for the purpose of rules D18 or D19 as a board member, director, or officer of any other body whose accounts are or ought to be consolidated with the association's accounts.
- D23 Board members, co-optees or members of committees who are tenants of the association shall not have an interest for the purpose of rule D18 in any decision affecting all or a substantial group of tenants.
- D24 The grant of a tenancy by the association to a board member, co-optee or member of a committee is not the grant of a benefit for the purpose of rule D17 provided it was made in accordance with a scheme approved by the Department.

Meetings of the board

- D25 The board shall meet at least three times every calendar year. The secretary shall give all board members and co-optees at least seven days' written notice of the date and place of every board meeting.
- D26 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members and co-optees to the board as soon as possible after receipt of such a request. The secretary shall call a meeting on at least seven but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

Management and delegation

- D27 The board may delegate any of its powers under written terms of reference to its committees or to officers or employees. Those powers shall be exercised in accordance with any written instructions given by the board.
- D28 The membership of any committee shall be determined by the board. Every committee shall include at least one board member or co-optee to the board. The board will appoint the chair of any committee and shall specify the quorum.
- D29 All acts and proceedings of any committee shall be reported to the board.
- D30 No committee can incur expenditure on behalf of the association unless at least one board member or co-optee of the board on the committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.

Miscellaneous provisions

- D31 All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- D32 A resolution in writing sent to all board members or all members of a committee and signed by three quarters of the board members or three quarters of the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee.
- D33 Meetings of the board can take place in any manner which permits those attending to hear and comment on the proceedings.
- D34 Notice may be given to board members by post, fax or e-mail at the last address for such communication given to the secretary. Notice sent by post shall be deemed to have arrived at the expiration of 48 hours after being posted or sent. A notice sent by fax shall be deemed to have arrived on the same day it was sent, provided the sender receives evidence that the fax was successfully delivered. A notice sent by email shall be deemed to be given at the expiration of 48 hours after the time it was sent. Proof that a notice contained in an email was sent in accordance with the guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. The notice shall state the time, date and place of the meeting, and the business for which it is convened. The accidental failure to give notice to a board member or the failure of the board member to receive such notice shall not invalidate the proceedings of the board.
- D35 A board member acting in good faith shall not be liable to the association for any loss.
- D36 The board may pay out of the funds of the association the cost of any premium in respect of any indemnity insurance to cover the liability of the board members (or any one of them) in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the association. No such insurance shall extend to any claim arising from any act or omission in which the board members (or any of them) were reckless or knew to be a breach of trust or breach of duty or the costs of an unsuccessful defence to a criminal prosecution brought against the board in their capacity as board of the association.

PART E

CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS

The chair

- E1 The association shall have a chair, who shall also chair board meetings, and shall be elected by the board.
- E2 The chair on election shall hold office until the commencement of the first board meeting after the next annual general meeting of the association (or until the chair resigns as chair). The first item of business for any board meeting when there is no chair or the chair is not present shall be to elect the chair. The chair shall at all times be a shareholder and a board member.
- E3 The chair of the association may be removed at a board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the board at the meeting.

E4 In the case of an equality of votes, the chair shall have a second or casting vote.

The chair's responsibilities

E5 The chair shall seek to ensure that:

E5.1 the board's business and the association's general meetings are conducted efficiently;

E5.2 all board members are given the opportunity to express their views;

E5.3 a constructive working relationship is established with, and support provided for the chief executive (if any);

E5.4 the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the association to be carried on effectively between board meetings;

E5.5 the board receives professional advice when it is needed;

E5.6 the association is represented as required; and

E5.7 the association's affairs are conducted in accordance with generally accepted codes of performance and propriety.

E6 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

The chief executive

E7 The association may have a chief executive appointed by the board. The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive.

The secretary

E8 The association shall have a secretary who shall be appointed by the board and who may be an employee. The secretary shall in particular:

E8.1 summon and attend all meetings of the association and the board and keep the minutes of those meetings; and

E8.2 keep the registers and other books determined by the board; and

E8.3 make any returns on behalf of the association to the Registrar and the Department; and

E8.4 have charge of the seal of the association; and

E8.5 be responsible for ensuring the compliance of the association with these rules.

Miscellaneous

E9 Every officer or employee shall be indemnified by the association for any liability reasonably incurred in the discharge of their duty.

E10 Except for the consequences of their own dishonesty or gross negligence no officer or employee shall be liable for any losses suffered by the association.

Auditor

- F1 The association shall appoint an auditor to act in each financial year. The auditor must be qualified as provided by section 41 of the Act.
- F2 The following cannot act as auditor:
- F2.1 an officer or employee of the association;
 - F2.2 a person employed by or an employer of, or the partner of, an officer or employee of the association.
- F3 An auditor must be appointed by resolution at a general meeting.
- F4 The association's first auditor shall be appointed at a general meeting within three months of its registration or when first required by law to do so, whichever is the later. The board may make the appointment if no meeting is held within three months of the due date. The board may appoint an auditor to fill a casual vacancy.
- F5 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:
- F5.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or
 - F5.2 the auditor does not want to act and has told the association so in writing; or
 - F5.3 the person is not qualified or falls within rule F2 (above); or
 - F5.4 the auditor has become incapable of acting; or
 - F5.5 notice to appoint another auditor has been given.
- F6
- F6.1 Not less than twenty eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
 - F6.2 The association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible. If not, the association shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the association and the representations must be notified to the association's shareholders under section 40 of the Act.

Auditor's duties

- F7 The findings of the auditor shall be reported to the association, in accordance with section 43 of the Act.
- F8 At each annual general meeting the board shall produce:
- (a) the revenue account and balance sheet audited by the auditor
 - (b) the auditor's report
 - (c) the board's report on the affairs of the association.
- The board's report on the affairs of the association shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

- F9 The end of the accounting year must be a date allowed by the Registrar.

- F10 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with sections 35 and 36 of the Act.
- F11 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- F12 Every year, within the time specified by legislation, the secretary shall send the association's annual return to the Registrar. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the Registrar. The annual return shall be accompanied by the auditor's reports for the period of the return and the accounts and balance sheets to which it refers.

Borrowing

- F13 The total borrowings of the association at any time shall not exceed £50 million (fifty million pounds)] or such a larger sum as the association determines from time to time in general meeting.
- F14 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may delegate to a committee the determination of the said interest rate within specified limits.
- F15 F15.1 In respect of any proposed borrowing, for the purposes of rule F13, the amount remaining un-discharged of any deferred interest or index-linked monies previously 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 pre-existing borrowing became repayable in full at the time of the proposed borrowing; and
- F15.2 For the purposes of rule F13 in respect of any proposed borrowing intended to be on index-linked or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing.

Investment

- F16 The funds of the association may be invested by the board in such manner as permitted by the Act.

PART G

**MISCELLANEOUS AND STATUTORY,
REGISTERED OFFICE AND NAME**

- G1 The association's registered office is:
.....

- G2 The association's registered name must:
G2.1 be placed prominently outside every office or place of business; and

- G2.2 be engraved on its seal; and
- G2.3 be stated on its business letters, notices, adverts, official publications, cheques and invoices.

Disputes

- G3
- G3.1 Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:
- the association and an officer; or
 - the association and a shareholder; or
 - the association and a person claiming to be a shareholder; or
 - the association and a person who was a shareholder in the last six months.
- G3.2 Alternatively, if the association has been a member of NIFHA for at least two years, such dispute can be resolved by an arbitrator appointed by NIFHA if both parties to the dispute agree. If they do not agree the dispute shall be dealt with in the County Court.
- G3.3 The arbitrator's decision is final and binding but it can be enforced by a County Court.
- G3.4 The arbitrator's decision on the costs of the arbitration is binding.

Minutes, seal, registers and books

- G4 The minutes of all general meetings and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.
- G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves. The board may in the alternative authorise the execution of deeds in any other way permitted.
- G6 The association must keep at its registered office:
- G6.1 the register of shareholders showing:
- the names and addresses of all the shareholders; and
 - a statement of all the shares held by each board member and the amount paid for them; and
 - a statement of other property in the association held by the shareholder; and
 - the date that each shareholder was entered in the register of shareholders.
- G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders.
- G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate.
- G6.4 a register of holders of any loan.
- G6.5 a register of mortgages and charges on land.
- G6.6 a copy of the rules of the association.
- G7 The association must display a copy of its latest balance sheet and auditor's report (if one is required by law) at its registered office

- G8 The association shall give to all shareholders, on request and free of charge, copies of its last annual return to the Registrar with the auditor's report on the accounts contained in the return.
- G9 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

Statutory applications to the Registrar

- G10 Ten shareholders can apply to the Registrar to appoint an accountant to inspect the books of the association, provided all ten have been shareholders of the association for twelve months immediately before their application.
- G11 The shareholders may apply to the Registrar in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

- G12 G12.1 The rules of the association may be rescinded or amended, but not so as to stop the association being a charity.
- G12.2 The rules may only be amended by a resolution put before the general meeting by the board and approved by at least two thirds of the board prior to the general meeting.
- G12.3 Rules A2; A3; A4; B1; B2; B3; C2; C3; D16; D25; G12 and G14 can only be amended or rescinded by three fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two thirds of the votes cast at a general meeting.
- G12.4 Amended rules shall be registered with the Registrar as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

Dissolution

- G13 The association may be dissolved by a three fourths majority of shareholders who sign an instrument of dissolution in the form of the instrument prescribed by the Industrial and Provident Societies Regulations (Northern Ireland) 1969 or the Act; or by winding-up under the Act.
- G14 G14.1 After the association is wound-up or dissolved and all debts and liabilities dealt with or discharged, any property that remains must be transferred to the Department or to such registered housing association as the Department directs. The property can only be transferred to another charity with like objects.
- G14.2 If no such institution exists, the property shall be transferred or given to the Northern Ireland Housing Associations' Charitable Trust.

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context is inconsistent:-
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;

- G15.3 any reference to an Act shall include any amendment or re-enactment from time to time;
- G15.4 "the Act" shall mean the Industrial and Provident Societies Act (Northern Ireland) 1969;
- G15.5 "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;
- G15.6 "the association" shall mean the association of which these are the registered rules;
- G15.7 "board" shall mean the board appointed in accordance with Part D and "board member" or "member of the board" shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D.5;
- G15.8 "clear day" means any day which is not a Saturday, a Sunday or a public holiday in the place at or to which the notice is left or sent;
- G15.9 "code of conduct" means the code of conduct of the association, from time to time;
- G15.10 "Department" means the Department for Social Development in Northern Ireland and any successor body;
- G15.11 "NIFHA" means the Northern Ireland Federation of Housing Associations;
- G15.12 "officer" shall include the chair and secretary of the association and any board member for the time being including co-optees and such other persons as the board may appoint;
- G15.13 "property" shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.14 "register of shareholders" means the register kept in accordance with rule G6.1;
- G15.15 "Registrar" means Registrar of Industrial and Provident Societies at Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3BS;
- G15.16 "these rules" shall mean the registered rules of the association for the time being;
- G15.17 "secretary" means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;
- G15.18 "shareholder" shall mean one of the persons referred to in rule C5 and means "member" as defined by the Act;
- G15.19 "tenant" means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the association's premises for residential use or the premises of any body whose accounts must be consolidated with the association;
- G15.20 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;
- G15.21 "special resolution" means a resolution at a general meeting passed by a two thirds majority of all shareholders who vote in person or by proxy.
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**INDUSTRIAL AND PROVIDENT SOCIETIES ACT (NORTHERN IRELAND)
1969**

Acknowledgement of Registration of Society

Register No IP.....

.....Limited

is this day registered under the Industrial and Provident Societies Act (Northern Ireland) 1969.

Dated **(Signature of Registrar)**

1. Shareholder

2. Shareholder

3. Shareholder

..... Secretary

Transfer of Unincorporated Body's Shareholding to Nominee

The instrument referred to in Rule C3 may be in the following form:-

To the secretary of [*name of housing association*] Limited

[*address of registered office of the housing association*]

I/we, [*name(s)*]

of [*address(es)*]

being the nominee(s) of [*name of unincorporated body*],

hereby transfer to [*name(s)*]

of [*address(es)*]

my/our share in [*name of housing association*] Limited.

AS WITNESS my/our hand(s) this day of 20[]

Signature(s)

—

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Proxy

The instrument referred to in Rule C27 shall be in the following form:-

To the secretary of [*name of housing association*] Limited

[*address of registered office of housing association*]

I, [*name*]

of [*address*]

being a shareholder of [*name of housing association*] Limited,

hereby appoint [*name*]

of [*address*]

as my proxy to vote for me and on my behalf at the [*annual*] general meeting of the association to be held on [*date*] and at any adjournment thereof.

AS WITNESS my hand this

day of

20[]

Signature _____
