Board and Committee Standing Orders

a. Introduction

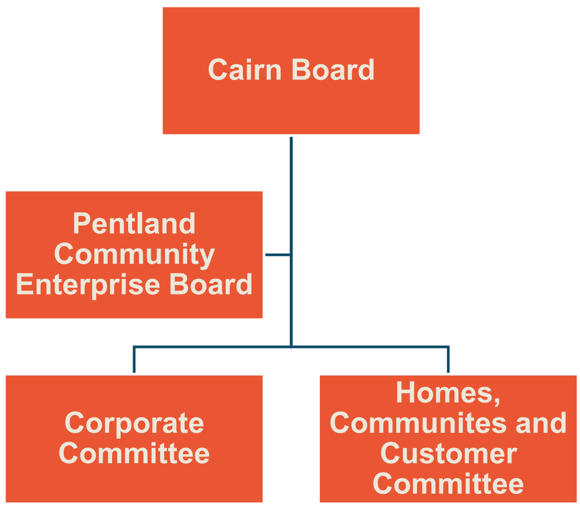
These standing orders set out the governance structures of Cairn Housing Association and provide a framework for the effective management of Cairn's business.

The standing orders are part of the wider governance framework which includes Cairn's Rules. Nothing in these standing orders shall be taken to permit Board members or staff to act in contravention of the Rules or any statutory obligations.

b. The governance structure

Cairn's governance structure comprises the Board of Management supported by two committees:

- Corporate Committee
- Homes, Communities and Customer Committee



c. The Board

The Board has overall responsibility to create committees and working groups as are considered necessary for the smooth running of Cairn. Notwithstanding the creation of these other bodies, the Board may, at its discretion, continue to legitimately exercise all powers of Cairn other than those requiring to be exercised at a general meeting.

d. Schedule of meetings

Ordinary meetings of the Board will be held no less than six times in each calendar year.

A special meeting of the Board may be called by a notice in writing given to the secretary by the chairperson of the Board, or by two Board members, specifying the business to be transacted. Any such meeting will be held at the ordinary place (including by way of video conference) for Board meetings (not earlier than 10 days and not later than 14 days after the secretary has received the notice). Use of this, it is anticipated will relate to matters of urgency and where they cannot reasonably wait until the next routine meeting of the Board. No business will be transacted at the meeting other than that specified in the notice.

Committees and working groups are responsible for making their own arrangements for meetings, but a general indication of the cycle of meetings would ensure that committees meet at least 4 times per year. Cairn's external and internal auditors may request a meeting should they consider one to be necessary.

e. Notice of Board meetings

Notice of ordinary meetings of the Board, together with minutes of the previous meeting, will be sent (including by means of electronic notice) to Board members not less than seven days before the date of the meeting. All matters of business for the agenda will be in the hands of the secretary no later than 4pm at least seven days preceding the meeting, unless in relation to a matter of urgency. The term "urgency" will be interpreted by the chairperson who will have due regard to the reasonable intent of this rule. Proceedings at any meeting will not be invalidated by any accidental omission to send notice of the meeting to any member or any other accidental defect in the arrangements for calling the meeting.

The Board will be provided with concise supporting reports with clear statements of what action is requested of the Board. Documentation submitted to the Board, or a committee is to be focused and succinct in its presentation and is to be provided by the chief executive, company secretary or relevant executive directors. Documents may be presented on behalf of the aforementioned by a senior member of their staff team. The late submission of documents is to be avoided and only permitted if approval has been granted by the chairperson.

f. The chairperson

The chairperson presides at all meetings of the Board. In the absence of the chairperson, the vice-chairperson will preside. If both the chairperson and vice chairperson are absent, the members present will elect a chairperson for that meeting. All questions of order arising at any meeting will be decided by the chairperson of that meeting.

The convenors of the Corporate and Homes, Communities and Customer Committees, preside at all meetings of the relevant body, and in the absence of the convener, the members present will elect a convener for that meeting. All questions of order arising at the meeting will be decided by the convenor of that meeting.

g. Business at Board meetings

The business at Board meetings will normally follow the order of the agenda, but the chairperson will have power to alter the order of business at any stage. With the consent of the members present, business not on the agenda may be transacted at an ordinary meeting, but not at a special meeting. The Board will have power to adjourn any meeting to such date and time as it, or the chairperson may determine, and when any adjourned meeting is resumed, the proceedings will commence at the point at which they were adjourned and will extend only to items on the agenda for the original meeting.

The Board, and each committee, reserves the right to meet in private session from time to time, with no staff members being present.

Any request by the chief executive for a decision by the Board or a committee between meetings is to be submitted with the knowledge of the company secretary and is to be documented to a standard comparable to that applying to committee meetings.

Resolutions recording Board and committee decisions between meetings are to be held in written format by the company secretary.

The Board chair and committee convenors respectively will receive a draft minute of their meetings within 10 calendar days of the meetings having taken place. The chair or relevant convenor will approve these in principle prior to distribution to the full Board or committee members respectively.

Minutes of Board and committee meetings are to be issued to all Board members to accompany the agenda of the forthcoming Board meeting.

h. Quorum

Four members of the Board will constitute a quorum for a Board meeting, three members of each of the two committees will constitute a quorum. In the event of failure to obtain a quorum the members present will reconvene the meeting.

i. Board servicing

The chief executive is responsible for arrangements for servicing the Board. In particular they, in consultation with the chairperson, will prepare agendas for Board meetings and will make appropriate arrangements for the preparation of minutes of each meeting of the Board, and these minutes will be submitted for approval to the following ordinary meeting of the Board.

j. Staff attendance at Board meetings

Under Cairn's Rules (paragraph 59 (3.1).) the secretary will summon general meetings of Cairn and all Board meetings and may attend as necessary. The chief executive will attend all Board meetings, and the relevant executive directors will attend all committee meetings. Any executive officer may be asked to leave during any meeting at the discretion of the chair.

k. Voting

Voting will normally be by show of hands but will be by secret ballot if such a procedure is requested by one-third of the members present at any meeting. A simple majority will be sufficient to determine any matter (except in the case of a motion to suspend standing orders, where a two-thirds majority of the members present in favour of the motion will be necessary). In the event of an equality of votes, the chairperson of the meeting will have a second or casting vote.

l. Points of order

Any member may raise a point of order in the course of a meeting, and all questions of order will be decided by the chairperson of the meeting. No other member will be permitted to speak to the point of order, unless with the chairperson's permission.

m. Apologies

Members unable to attend a meeting of the Board or committee should provide their apologies to the Board chair, relevant committee convenor, any executive director or the appointed minute secretary in advance. Where a member is unable to attend but wishes to comment on any agenda item, then they should pass their comments to the chairperson or committee convenor in advance of the meeting or record these on the Board portal. It will be the responsibility of that chairperson or committee convenor to ensure that these are reported at the appropriate point in the agenda.

n. Declaration of interest

No Board member or person co-opted to the Board or any committee will have any financial interest personally or as a member of a firm or as a director or other officer of a business trading for profit or in any other way whatsoever in any contract or other transaction with Cairn. Any Board member or person co-opted to the Board or any committee having an interest, other than a financial interest or any conflict or duality of interest, in any contract or other transaction about to be discussed at a meeting will disclose the nature of their interest and will not remain during its discussion nor vote upon the matter and if by inadvertence they do remain and vote, their vote will not be counted. The requirement to declare an interest applies to any situation where Board members and/or officers are in attendance where business is discussed (irrespective of the context of that situation) and there is a perceived conflict of interest for that individual. That includes for example briefings, informal discussion, training etc.

o. Suspension of standing orders

A motion to suspend standing orders will not succeed unless it is supported by at least two-thirds of the members present at the meeting at which the motion is proposed. Any meeting may only be extended by 30 minutes.

p. Closure of meetings

No meeting will continue for more than two and a half hours beyond the time for which it was called, unless following a successful motion to suspend standing orders (see above). However, in no circumstances will any meeting be allowed to continue for more than three hours in total.

q. Confidentiality

All matters discussed at Board or committee meetings will be treated in strict confidence by members and officers in attendance, whether or not a particular matter is specifically described as confidential. This confidentiality will only be relaxed by the agreement of the meeting at which the matter is discussed or where the item is relevant for disclosure within the meaning of the Freedom of Information (Scotland) Act. Where an exemption is to be applied then this must be clearly indicated in any report before the Board or relevant committee.

r. Attendance

Board Members may, with the permission of the person presiding at the meeting, attend in person, by way of conference call, videoconference, web-conference or the like. Individual Board members who have been specifically invited to contribute to committee meetings shall be entitled to take a full part in the meeting and shall count towards the quorum.

Where a member misses four meetings in a row and without first of all having previously been granted leave of absence, then their membership of the Board shall end (Rule 44.3).

Where a member is unable to attend a meeting but wishes to comment on any matter before that meeting then they should advise the Board chair or committee convenor of these or post their comment on the Board Portal and the chair or relevant convenor will make these known at the meeting.