

ARTICLES OF ASSOCIATION

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION
of
Perth and Kinross Heritage Trust

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Constitution of Trust

- 1 The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

Defined terms

- 2 In these articles of association, unless the context requires otherwise: -

- (a) "Act" means the Companies Act 2006;
- (b) "Anniversary Date" means where no AGM is held, the date at which:
 - retirement of Elected Trustees by rotation in accordance with articles 45(a)(i) - (vi) take place,
 - elections are held in respect of each of the office-bearers (see articles 49-51),
 - approving the annual accounts and the appointment of the Auditor or Independent Financial Examiner (see article 84),

such Anniversary Date being the Board meeting nearest to 31 October in each year unless the Board otherwise agrees (but not retrospectively, except in essential circumstances) to a different date.

- (c) "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
- (d) "charitable purpose" means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
- (e) "electronic form" has the meaning given in section 1168 of the Act;
- (f) "OSCR" means the Office of the Scottish Charity Regulator;
- (g) "property" means any property, heritable or moveable, real or personal, wherever situated; and
- (h) "subsidiary" has the meaning given in section 1159 of the Act;
- (i) "Council" means the Perth & Kinross Council, having its principal place of business at 2 High Street, Perth, PH1 5PH;

- (j) “the Trust” means Perth and Kinross Heritage Trust.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

- 4 The Trust’s objects are:
- (i) to conserve, enhance, maintain and promote, for the benefit of the residents of Perth and Kinross and the public at large, the historic environment of the area in the form of archaeological sites and landscapes, and buildings and structures of historic and/or architectural interest, value or significance;
 - (ii) to advance and promote the practical conservation of the amenity and character of the rural and urban historic built environment within Perth and Kinross;
 - (iii) to conserve, research and promote items or areas of archaeological or industrial archaeological importance within Perth and Kinross;
 - (iv) to further awareness of the historic environment through education about, and active voluntary involvement in, its conservation in the area of Perth and Kinross, and
 - (v) to undertake consultancy and other work of an educational, historical, architectural or archaeological interest anywhere in the United Kingdom or elsewhere (which need not have a bearing upon its work in the area of Perth and Kinross) which advances the arts, heritage, culture or science.
- 5 The Trust’s objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The Trust may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the Trust’s objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the Trust shall have the following powers: -
- (a) (i) to prepare, organise, promote and implement training courses, exhibitions, lectures, seminars, conferences, events and workshops, to collect, collate, disseminate and exchange information and to prepare, produce, edit, publish, exhibit and distribute articles, pamphlets, books and publication and other materials in any medium;

(ii) to provide advice, consultancy, training, tuition, expertise and assistance;

(iii) to promote and carry out research, surveys and investigations and develop initiatives, projects and programmes;

(iv) to encourage and develop a spirit of voluntary or other commitment by individuals or other bodies or persons willing to assist the Trust to achieve its objects.

- (b) To carry on any other activities which further any of the above objects.
- (c) To promote companies whose activities may further one or more of the above objects, or may generate income to support the activities of the Trust, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the Trust, all such functions as may be associated with a holding company.
- (d) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the Trust's activities.
- (e) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the Trust's activities.
- (f) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the Trust.
- (g) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the Trust.
- (h) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (i) To borrow money, and to give security in support of any such borrowings by the Trust, in support of any obligations undertaken by the Trust or in support of any guarantee issued by the Trust.
- (j) To employ such staff as are considered appropriate for the proper conduct of the Trust's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants.
- (k) To engage such consultants and advisers as are considered appropriate from time to time.
- (l) To effect insurance of all kinds (which may include officers' liability insurance).

- (m) To invest any funds which are not immediately required for the Trust's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
- (n) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Trust's objects.
- (o) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the Trust's objects.
- (p) To take such steps as may be deemed appropriate for the purpose of raising funds for the Trust's activities.
- (q) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (r) To oppose, or object to, any application or proceedings which may prejudice the Trust's interests.
- (s) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the Trust, and to enter into any arrangement for co-operation or mutual assistance with any charity.
- (t) To do anything which may be incidental or conducive to the furtherance of any of the Trust's objects.

Restrictions on use of the Trust's assets

- 8 (a) The income and property of the Trust shall be applied solely towards promoting the Trust's objects.
- (b) No part of the income or property of the Trust shall be paid or transferred (directly or indirectly) to the members of the Trust, whether by way of dividend, bonus or otherwise.
- (c) No Trustee of the Trust shall be appointed as a paid employee of the Trust; no Trustee shall hold any office under the Trust for which a salary or fee is payable.
- (d) No benefit (whether in money or in kind) shall be given by the Trust to any Trustee except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the Trust.

Liability of members

- 9 Each member undertakes that if the Trust is wound up while they are a member (or within one year after they cease to be a member), they will contribute - up to a maximum of £1 - to the assets of the Trust, to be applied towards:

- (a) payment of the Trust's debts and liabilities contracted before they cease to be a member;
- (b) payment of the costs, charges and expenses of winding up; and
- (c) adjustment of the rights of the contributories among themselves.

General structure

10 The structure of the Trust comprises:

- (a) Trustees - who hold regular meetings between any general meeting, set the strategy and policy of the Trust, generally control and supervise the activities of the Trust and, in particular, are responsible for monitoring its financial position and, where there are no employees or managers appointed, are responsible also for the day-to-day management of the Trust; and
- (b) Members - who are the Trustees for the time being, in their capacity as members of the Trust, who in that capacity have the right to attend any general meeting and have important powers under these articles and the Act, particularly in taking decisions in relation to any changes to these Articles of Association.

Members

- 11 The first members of the Trust shall be the Subscribers. The members of the Trust shall be the current Trustees, on the basis that a new Trustee shall automatically become a member on becoming a Trustee and shall automatically cease to be one on ceasing to be a Trustee for whatever reason.

Membership subscription

- 12 No membership subscription shall be payable.

Register of members

- 13 The Trustees shall maintain a register of members, setting out the full name and address of each member, the date on which they were admitted to membership, and the date on which any person ceased to be a member.

Termination of membership

- 14 Any member shall cease to be a member if they cease to be a Trustee in terms of article 46.
- 15 A member shall cease to be a member (and a Trustee) if they become an employee of the Trust.
- 16 A member may not transfer their membership to any other person.

General meetings (meetings of members)

- 17 The Trustees may convene an annual general meeting (“AGM”) in each year. Where no AGM is held, the Board of Trustees will ensure that all relevant decisions are taken by the Trustees as members at the Anniversary Date.
- 18 Not more than 15 months shall elapse between one annual general meeting and the next.
- 19 The business of each annual general meeting shall include:-
 - (a) a report by the chair on the activities of the Trust;
 - (b) consideration of the annual accounts of the Trust;
 - (c) the election/re-election of Trustees, when relevant.
- 20 Subject to articles 17, 18, and 21, the Trustees may convene a general meeting at any time.
- 21 The Trustees must convene a general meeting if there is a valid requisition by members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).
- 22
 - (a) A general meeting does not need to be held exclusively in one place, provided that, where two or more members are not in the same place as each other, they are all able to communicate together and vote thereat.
 - (b) The Board of Trustees may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at an electronic platform by electronic means (such as by means of a conference telephone, video conferencing facility or similar communications equipment), such meeting being an “electronic general meeting”, with no member necessarily in physical attendance at the electronic general meeting. A person participating in such a meeting by such means shall be deemed to be attending electronically. The members attending, or their proxy, shall be counted in the quorum for, and entitled to speak and vote at, the electronic general meeting in question, and the proceedings shall be valid if the person chairing the meeting is satisfied that adequate facilities are available throughout the electronic general meeting to ensure members attending who are not together in the same place may, by electronic means, attend, hear, speak and vote at it.
 - (c) If it appears to the person chairing the meeting that the electronic platform, facilities or security at the electronic general meeting have become inadequate to allow members to attend, communicate together, hear, speak and vote at it then the person chairing the meeting may adjourn the general meeting to such time and place (or electronic platform) as may be fixed by the person chairing the meeting. All business conducted at the general meeting up to that time of the adjournment shall be valid.

- (d) If, after the sending of notice of a general meeting, in terms of Article 6.4, but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board decides that it is impracticable or unreasonable, for a reason beyond its control, to hold the physical general meeting at the declared place or the electronic general meeting on the electronic platform specified in the notice, it may change the place or electronic platform and/or postpone the date and time at which the general meeting is to be held. In which case notice of the change or postponement will be communicated to the members no less than 7 days' prior to the date of the original general meeting.

Notice of general meetings

- 24 At least 14 clear days' notice must be given of a general meeting; but with the consent of not less than 90% or the members having the right to attend and vote thereat, a general meeting may be convened by such shorter notice period as they may think fit in the circumstances.
- 25 The reference to "clear days" in article 28 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.
- 26 A notice calling a meeting shall specify:
- (a) whether the general meeting shall be a physical or electronic general meeting or a hybrid meeting (being a physical meeting which also permits remote attendance via an electronic platform);
 - (b) for a physical general meeting, the place, the day and the hour of meeting;
 - (c) for an electronic general meeting the time, date and, electronic platform for the meeting, and the means by which a person may attend, which electronic platform may vary from time to time and from meeting to meeting, as the Board in its sole discretion sees fit
 - (d) for a hybrid meeting, the place, time, date of the physical meeting and the means by which a person may attend virtually, which electronic platform may vary from time to time and from meeting to meeting, as the Board in its sole discretion sees fit;
 - (e) the general nature of the business to be dealt with at the meeting;
 - (f) if a special resolution (see article 29) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution; and
 - (g) a statement informing the members of their right to appoint a proxy.
- 27 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.

- 28 Notice of every general meeting shall be given to such persons (including the Auditors) as are entitled to receive such notices
- (a) in hard copy form; or
 - (b) where the individual to whom notice is given has notified the Trust of an address to be used for the purpose of electronic communication, in electronic form; or
 - (c) (subject to the Trust notifying members of the presence of the notice on the website and complying with the other requirements of section 309 of the Act) by means of a website.

Special resolutions and ordinary resolutions

- 29 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 24 to 28; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.
- 30 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the Trust, by special resolution,
- (a) to alter its name.
 - (b) to alter any provision of these articles or adopt new articles of association.
 - (c) to wind up.
- 31 For the purposes of these articles, an “ordinary resolution” means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 24 - 28.

Procedure at general meetings

- 32 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting (save as otherwise provided) shall be a majority of members entitled to vote at the meeting attending in person or by proxy.
- 33 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting, or if convened on the requisition of the Trustees, shall be dissolved.

- 34 The Chairperson of the Board of Trustees shall (if present and willing to act as chairperson) preside as chairperson of each general meeting. The Vice Chairperson, if any, shall act as chair of the meeting when the Chairperson is not present. If neither chair or vice-chair is present within 15 minutes after the time at which the meeting was due to commence, the Trustees present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
- 35 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
- 36 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) must be given personally or by proxy. Where members are participating in an electronic general meeting, members may cast their vote on any resolution orally, or by way of some form of visual indication, or by use of a voting button or similar, as the Board of Trustees in its sole discretion deems appropriate for the purposes of the electronic general meeting, and providing the Board of Trustees have no reasonable grounds for suspicion as regards authenticity, any such action shall be deemed to be a vote cast personally via a show of hands.
- 37 Any member who wishes to appoint a proxy to vote on their behalf at any meeting (or adjourned meeting):
- (a) shall lodge with the Trust, at the Trust's registered office, a written instrument of proxy (in such form as the Trustees require), signed by them; or
 - (b) shall send by electronic means to the Trust, at such electronic address as may have been notified to the members by the Trust for that purpose, an instrument of proxy (in such form as the Trustees require)
- providing (in either case), the instrument of proxy is received by the Trust at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).
- 38 An instrument of proxy which does not conform with the provisions of article 37, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 39 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 40 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed them to speak at the meeting and need not be a member of the Trust.
- 41 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the Trust at the Trust's registered office (or, where sent by electronic means, was received by the Trust at the address notified by the Trust to the members for the purpose of electronic communications) before the commencement of the

meeting or adjourned meeting at which the vote was given or the ballot demanded.

- 42 If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall not be entitled to a casting vote.
- 43 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a secret ballot is demanded by the chairperson (or by at least two persons present in person at the meeting and entitled to vote (whether as members or proxies for members)); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.
- 44 If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

Maximum number of Trustees, election of Board of Trustees

- 45 The affairs of the Trust shall be managed by a Board of Trustees. The maximum number of Trustees shall be twelve. The Board of Trustees shall comprise:
- (a) up to eleven individuals elected from time to time by the Board of Trustees ("Elected Trustees"), to which the following shall apply from the AGM after these Articles are adopted:
 - (i) At each AGM (if there is one, or otherwise at each Anniversary Date), one-third of the Elected Trustees (or the nearest number downwards) shall retire from office. A retiring Elected Trustee shall retain office until the close or adjournment of the meeting.
 - (ii) A retiring Elected Trustee shall be eligible for re-election after one term of office, but no Elected Trustee can serve more than three consecutive terms of office without at least one year out of office before being eligible again (unless article 45(a)(vi) applies).
 - (iii) If no other Elected Trustee has or Elected Trustees have decided or agreed to retire, the Elected Trustee or Trustees to retire at each AGM (if there is one or otherwise at the Anniversary Date) shall be the one or those who has or have been longest in office since their last election but, as between persons who were elected or last re-elected Elected Trustees on the same day, the one or ones to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
 - (iv) Nomination of any Elected Trustee shall be by any one Trustee on the Board, at any time.

- (v) Election of any Elected Trustee shall be by vote of the Board, each Trustee (of any nomenclature) having one vote in respect of each vacancy.
- (vi) Where an Elected Trustee has held office as an Elected Trustee for three consecutive terms of office, and is due to retire, the Board of Trustees may resolve to co-opt that individual as an Elected Trustee for a maximum of one further year ending at the next AGM (after which the Elected Trustee must have a year out of office before being eligible again), so long as the Board of Trustees are satisfied that in doing so it;
 - (i) is necessary in order to ensure good governance continuity;
 - (ii) is in the best interests of the Trust;
 - (iii) does not exceed the maximum number of Elected Trustees, provided at article 45.
- (b) One individual appointed by the Council as a Trustee ("Council Nominee") to which the following shall apply:
 - (i) On receipt of the Notice of each annual general meeting (if there is one, or otherwise at the Anniversary Date), of the Trust, the Council may send a written notice nominating up to one Council Nominee as a Trustee. Unless such notice is received at least 48 hours before the start of the annual general meeting, the Council Nominee previously nominated shall remain in office.
 - (ii) The Council may remove the Council Nominee at any time, by written notice to that effect. In that event, the notice may intimate any new Council Nominee to be nominated as a replacement for the Trustee being removed. Such a notice shall take effect from the next Board or general meeting. For the avoidance of doubt, a Council Nominee shall not be required to retire from office at any annual general meeting unless removed by notice of the Council.

Termination of office

46 A Trustee shall automatically vacate office if: -

- (a) they cease to be a Trustee through the operation of any provision of the Act or becomes prohibited by law from being a Trustee
- (b) they become debarred under any statutory provision from being a charity Trustee

- (c) they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months
- (d) they cease to be a member of the Trust
- (e) they become an employee of the Trust
- (f) they resign office by notice to the Trust
- (g) they are absent (without permission of the Trustees) from more than three consecutive meetings of the Trustees, and the Trustees resolve to remove them from office
- (h) they are removed from office by resolution of the Trustees on the grounds that they are considered to have committed a material breach of the code of conduct for Trustees in force from time to time (as referred to in article 74);
- (i) they are removed from office by resolution of the Trustees on the grounds that they are considered to have been in serious or persistent breach of their duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- (j) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- (k) If, being a Council Nominee, they cease to retain the nomination of the Council.

47 A resolution under paragraph (h) or (i) of article 46 shall be valid only if:

- (a) the Trustee who is the subject of the resolution is given reasonable prior written notice by the Trustees of the grounds upon which the resolution for their removal is to be proposed;
- (b) the Trustee concerned is given the opportunity to address the meeting of Trustees at which the resolution is proposed, prior to the resolution being put to the vote; and
- (c) at least two thirds (to the nearest round number) of the Trustees then in office vote in favour of the resolution.

Register of Trustees

48 The Trustees shall maintain a register of Trustees, setting out full details of each Trustee, including the date on which they became a Trustee, and also specifying the date on which any person ceased to hold office as a Trustee.

Office-bearers

- 49 The Trustees shall elect from among themselves a chair, a vice-chair and a treasurer, and such other office bearers (if any) as they consider appropriate.
- 50 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting (if there is one, or otherwise at the Anniversary Date), but shall then be eligible for re-election.
- 51 A person elected to any office shall cease to hold that office if they cease to be a Trustee, or if they resign from that office by written notice to that effect.

Honorary Patrons

- 52 The Board may agree to the appointment of one or more Honorary Patrons of the Trust, to be appointed either for such fixed period (usually of five years) as it may determine or for an unspecified period until such appointment be terminated by it. The Honorary Patron or Patrons would be entitled to notice of all annual general meetings and to attend and contribute to discussion, but not to vote thereat. An Honorary Patron may be invited to attend and speak, but not to vote, at any meeting of the Board (but excluding any private business of the Board or any matter where they would have a conflict of interest).

Powers of Trustees

- 53 Subject to the provisions of the Act, and these articles, and subject to any directions given by special resolution, the Trust and its assets and undertaking shall be managed by the Trustees, who may exercise all the powers of the Trust.
- 54 A meeting of the Trustees at which a quorum is present may exercise all powers exercisable by the Trustees.

Personal interests

- 55 A Trustee who has a personal interest in any transaction or other arrangement which the Trust is proposing to enter into, must declare that interest at a meeting of the Trustees; they will be debarred (in terms of article 70) from voting on the question of whether or not the Trust should enter into that arrangement.
- 56 For the purposes of the preceding article, a Trustee shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs **or** any firm of which they are a partner **or** any limited company of which they are a substantial shareholder or director **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity trustee **or** any registered society or unincorporated association of which they are a management committee member (or any other party who/which is deemed to be connected with them for the purposes of the Act), has a personal interest in that arrangement.

- 57 Provided
- (a) they have declared their interest;
 - (b) they have not voted on the question of whether or not the Trust should enter into the relevant arrangement and
 - (c) the requirements of article 60 are complied with.
- a Trustee will not be debarred from entering into an arrangement with the company in which they have a personal interest (or is deemed to have a personal interest under article 56) and may retain any personal benefit which they gain from their participation in that arrangement.
- 58 The Trustees shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the Trustee concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the Trustees may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.
- 59 For the avoidance of doubt, the provisions of section 175 of the Act and article 58 do not apply to a conflict of interest relating to a transaction or arrangement with the Trust; conflicts of that kind are regulated by the provisions of articles 55 to 57 and articles 71 to 73.
- 60 No Trustee may serve as an employee (full time or part time) of the Trust, and no Trustee may be given any remuneration by the Trust for carrying out their duties as a Trustee.
- 61 Where a Trustee provides services to the Trust or might benefit from any remuneration paid to a connected party for such services, then
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable
 - (b) the Trustees must be satisfied that it would be in the interests of the Trust to enter into the arrangement (taking account of that maximum amount); and
 - (c) less than half of the Trustees must be receiving remuneration from the Trust (or benefit from remuneration of that nature).
- 62 The Trustees may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Trustees, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

Procedure at Trustees' meetings ("Board of Trustees")

- 63 Any Trustee may call a meeting of the Trustees on a direction by the Chairperson of the Board or on a requisition in writing by any three Trustees. A meeting of the Board of Trustees shall be summoned by notice served upon all the Trustees. Not less than 7 clear days' notice

in writing shall be given of any meeting of the Board unless all Trustees agree unanimously in writing to dispense with such notice on any specific occasion.

- 64 Meetings of the Board may take place in person or by telephone conference call, video conference call or by any other collective electronic means approved from time to time by the Board of Trustees.
- 65 Questions arising at a meeting of the Trustees shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 66 No business shall be dealt with at a meeting of the Trustees unless a quorum is present; the quorum for meetings of the Trustees shall be a majority of the Trustees.
- 67 If at any time the number of Trustees in office falls below the number fixed as the quorum, the remaining Trustee(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 68 Unless they are unwilling to do so, the chair of the Trust shall preside as chairperson at every Trustees' meeting at which they are present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the vice-chair of the Trust shall preside, and if the vice-chair is not present the Trustees present shall elect from among themselves the person who will act as chairperson of the meeting.
- 69 The Trustees may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the Trustees; for the avoidance of doubt, any such person who is invited to attend a Trustees' meeting shall not be entitled to vote.
- 70 A Trustee shall not vote at a Trustees' meeting (or at a meeting of a committee) on any resolution concerning a matter in which they have a personal interest which conflicts (or may conflict) with the interests of the Trust; they must withdraw from the meeting while an item of that nature is being dealt with.
- 71 For the purposes of article 70, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of theirs **or** any firm of which they are a partner **or** any limited company of which they are a substantial shareholder or Trustee **or** any limited liability partnership of which they are a member **or** any Scottish charitable incorporated organisation of which they are a charity Trustee **or** any registered society or unincorporated association of which they are a management committee member has a personal interest in that matter.
- 72 A Trustee shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 73 The Trust may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 70 to 72.

Conduct of Trustees

- 74 Each of the Trustees shall, in exercising their functions as a Trustee of the Trust, act in the interests of the Trust; and, in particular, must
- (a) seek, in good faith, to ensure that the Trust acts in a manner which is in accordance with its objects;
 - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Trust and any other party;
 - (i) put the interests of the Trust before that of the other party, in taking decisions as a Trustee; or
 - (ii) where any other duty prevents them from doing so, disclose the conflicting interest to the Trust and refrain from participating in any discussions or decisions involving the other Trustees with regard to the matter in question
 - (d) ensure that the Trust complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 75 Each of the Trustees shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the Board of Trustees from time to time.
- 76 For the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of Trustees contained in these articles of association; and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Delegation to sub-committees

- 77 The Trustees may delegate any of their powers to any sub-committee consisting of one or more Trustees and such other persons (if any) as the Trustees may determine; they may also delegate to the chair of the Trust (or the holder of any other post) such of their powers as they may consider appropriate.
- 78 Any delegation of powers under article 77 may be made subject to such conditions as the Trustees may impose and may be revoked or altered.
- 79 The rules of procedure for any sub-committee shall be as prescribed by the Trustees.

Operation of bank accounts and financial systems

- 80 The signatures of two out of the signatories appointed by the Trustees shall be required in relation to all operations (other than lodgement of

funds) on the bank and building society accounts held by the Trust; at least one out of the two signatures must be the signature of a Trustee. Where an electronic system for managing money only provides for one operator, the operator of this system shall be the Treasurer or other designated office-bearer of the Trust.

Secretary

- 81 The Trustees may (notwithstanding the provisions of the Act) appoint a company secretary, and on the basis that the term of the appointment, the remuneration (if any) payable to the company secretary, and the conditions of appointment shall be as determined by the Trustees; the company secretary may be removed by them at any time.

Minutes

- 82 The Trustees shall ensure that minutes are made of all proceedings at general meetings, Trustees' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting.

Accounting records and annual accounts

- 83 The Trustees shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 84 The Trustees shall prepare annual accounts, complying with all relevant statutory requirements; they shall ensure that an independent examination or audit of such accounts is carried out by a qualified auditor or independent financial examiner (as required) and, for the avoidance of doubt, an audit (within the meaning of the Act) shall not be required in a case where the Trust is exempt from such a requirement.
- 85 Members of the public shall have the right to inspect accounting and other documents of the Trust, in accordance with statute or as authorised by the Trustees.

Notices

- 86 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by them to the Trust *or* (in the case of a member who has notified the Trust of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.
- 87 Any notice, if sent by post, shall be deemed to have been given at the expiry of 48 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 88 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient

to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Governance Institute (formerly Chartered Institute of Secretaries and Administrators).

Winding-up

- 89 The winding-up of the Trust may take place only on the decision of not less than 75% of its Trustees as members who are present and voting at a general meeting called specifically (but not necessarily exclusively) for the purpose.
- 90 If on the winding-up of the Trust any property remains after satisfaction of all the Trust's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the members of the Trust at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.
- 91 To the extent that effect cannot be given to article 90, the relevant property shall be applied to some charitable purpose or purposes.
- 92 If the winding-up of the Trust is decided upon in terms of Article 89, the prior consent of OSCR (or any successor thereto) must be obtained in terms of section 16 of the Charities and Trustee Investment (Scotland) Act 2005.

Indemnity

- 93 Every Trustee or other officer or auditor of the Trust may be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the Trust against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office; that may include, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted **or** any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the Trust.
- 94 The Trust shall be entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) to purchase and maintain for any Trustee insurance against any loss or liability which any Trustee or other officer of the Trust may sustain or incur in connection with the execution of the duties of their office; and such insurance may (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a Trustee).