

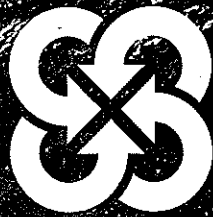
12/36969

Books of Council and Session

Extract Registered 27 Sep 2012

DEED OF TRUST

SHETLAND ISLANDS COUNCIL
CHARITABLE TRUST
SHETLAND CHARITABLE TRUST



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deed extract

Registers of Scotland
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12/36969

Books of Council and Session

Extract Registered 27 Sep 2012

DEED OF TRUST

SHETLAND ISLANDS COUNCIL
CHARITABLE TRUST
SHETLAND CHARITABLE TRUST

TURCAN CONNELL
LP1 EDINBURGH 14

Registers of Scotland

12/36969

AT EDINBURGH the Twenty Seventh day of September Two thousand and twelve the Deed hereinafter reproduced was presented for registration in the Books of the Lords of Council and Session for preservation and is registered in the said Books as follows:-

WE, MALCOLM JOHN BELL, residing at Edgecott, 34 St Olaf Street, Lerwick ZE1 0BX, MARK ROBERT BURGESS, residing at Mayburn Cottage, Ladysmith Road, Scalloway ZE1 0XD, PETER JAMES CAMPBELL, residing at 8 Sandyloch Drive, Lerwick ZE1 0SR, GARY KENNETH CLEAVER, residing at 1 Hillsgarth, Baltasound, Unst, ZE2 9DY, ALASTAIR THOMAS JAMES COOPER, residing at Linga, Mossbank ZE2 9RB, STEVEN WILLIAM COUTTS, residing at Glenlea, Weisdale ZE2 9LQ, ALLISON GEORGE LESLIE DUNCAN, residing at 1 Hillock, Dunrossness ZE2 9JR, ROBERT SIMPSON HENDERSON, residing at Maraberg, Cullivoe, Yell ZE2 9DD, ANDREA ISOBEL MANSON, residing at Greystones, Brae, ZE2 9QJ, WILLIAM ANDREW RATTER, residing at Gaets A Voe, Ollaberry, ZE2 9RX, FRANK ANDREW ROBERTSON, residing at Columbus, Selivoe, Bridge of Walls ZE2 9NR, GARY ROBINSON, residing at 17 Burnside, Lerwick ZE1 0QH, DAVID ALEXANDER SANDISON, residing at Bonhoga, 7 Castle Street, Scalloway, ZE1 0TP, MALCOLM GEORGE SMITH, residing at Breasclete, Sandwick, ZE2 9HH, THEODORE GEORGE CAMERON SMITH, residing at Stenaquoy, Wormadale, Whiteness, ZE2 9LJ, MICHAEL WILLIAM STOUT, residing at Kirkabister, Bressay, ZE2 9ER, AMANDA JOAN WESTLAKE, residing at Maya Datcha, 41 Burgh Road, Lerwick, ZE1 0LA, JONATHAN WITNEY GARRIOCK WILLS, residing at Sundside, Bressay, ZE2 9ER, ALLAN SINCLAIR WISHART, residing at Seafield Lodge, Lower Sound, Lerwick ZE1 0RN and VAILA WISHART, Eden Cottage, Setter, Burra, ZE2 9LB, (the addresses of the foregoing parties all being in Shetland), being respectively some of the members of the Shetland Islands Council, incorporated under the Local Government etc (Scotland) Act 1994, for the electoral divisions of variously Lerwick South, Lerwick North, Shetland South, Shetland North, Shetland Central, Shetland West and North Isles and VALERIE MARGARET LILLIAS NICOLSON, residing at Midgarth, Twageos Road, Lerwick and ROBERT WALTER HUNTER, residing at Millburn, Bridge End, Burra, ZE2 9LD both Shetland, being respectively Head Teacher of the Anderson High School, Lerwick and Lord Lieutenant of Shetland, and as such members of Shetland

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Islands Council, such Head Teacher and such Lord Lieutenant, the present Trustees accepting and acting under Deed of Trust by Shetland Islands Council dated Tenth and registered in the Books of Council and Session on Twenty fourth, both days of September Nineteen hundred and ninety seven (hereinafter referred to as the "1997 Deed of Trust" and the Trust constituted by the 1997 Deed of Trust then being known as the Shetland Islands Council Charitable Trust, now being known as the Shetland Charitable Trust (Scottish Registered Charity SC027025) being hereinafter referred to as "the Trust") HEREBY DECLARE that in implementation of a Scheme under Section 39 of the Charities and Trustee Investment (Scotland) Act 2005 as approved by the Office of the Scottish Charity Regulator on 3rd July 2012 the assets of the Trust comprising (i) all and any property heritable or moveable real or personal made over to us, as Trustees foresaid for the purposes of the Trust created by the 1997 Deed of Trust (ii) any other property of any description which may be made over to the Trustees as aftermentioned for the purposes of the Trust and (iii) the investments and property representing the property within (i) and (ii) from time to time (all hereinafter referred to as "the Trust Fund") are held on and from the Effective Date as defined in the Schedule of Governance Arrangements annexed and executed as relative hereto (hereinafter referred to as the "Schedule of Governance Arrangements") by the Trustees as defined in the Schedule of Governance Arrangements in trust in accordance with the terms and provisions of this Deed of Trust, the Schedule of Powers annexed and executed as relative hereto and the Schedule of Governance Arrangements (hereinafter referred to as the "2012 Deed of Trust") for the purposes hereinafter written namely:-

Payment of Expenses

(FIRST) The Trustees shall pay all expenses which may be incurred by them or under their authority in connection with the trust hereby created as the same shall be instructed by an

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account under their hands or by the discharged accounts hereof paid by their order without any other voucher.

Objects of Trust

(SECOND) The Trustees shall hold the Trust Fund at their sole discretion to make grants or loans with or without interest out of the income or capital of the Trust Fund for any purposes which in the opinion of the Trustees are solely in the interests of the area administered by the local or other governmental authority for the time being of the Shetland Islands or of the inhabitants of the said area (hereinafter referred to as "the community") and provided that any such grant or loan is for charitable purposes: Declaring that without prejudice to the generality of the foregoing such grants or loans may be made towards all or any of the following purposes:-

- (a) In carrying out developments on or in connection with the said area calculated to promote the welfare of the community;
- (b) In encouraging and assisting the holding of meetings of members of the community for purposes of recreation, instruction or education;
- (c) In improving, maintaining and encouraging the improvement and maintenance of means of communication in the said area, and in particular by (i) building or improving or maintaining ports, harbours, piers, roads, bridges or aerodromes; (ii) hiring or chartering or purchasing and operating any boat, ship, vessel, aeroplane or any kind of land, sea or air vehicle; (iii) laying or maintaining telephone and telegraph wires or cables, whether on land or under the sea; and (iv) installing and operating stations for wireless and television;
- (d) In promoting directly or indirectly the development of any industry or industries among the community for its benefit in any manner in which the Trustees consider desirable;
- (e) In promoting directly or indirectly the development of agriculture among the community for its benefit;

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- (f) In encouraging the education of the community by such means as the Trustees may consider desirable;
- (g) In improving the medical service to the community by such means as the Trustees may consider desirable;
- (h) In the preservation and improvement of the said area in the manner which in the opinion of the Trustees is most conducive to promoting the said area for the benefit of the community and of the Nation;
- (i) In the founding, endowing and equipping of schools, colleges, institutions, laboratories, experimental stations, libraries, sports centres, welfare centres or technical education centres for the community;
- (j) In encouraging the study and practice of any useful branch of human knowledge by the provision of buildings, equipment or otherwise as the Trustees may consider desirable;
- (k) In the doing of all such other things as are incidental to any of the foregoing purposes:
Declaring further that no act of the Trustees shall be deemed to be ultra vires by reason only that individuals or bodies who do not form part of the community may or will benefit indirectly by such act.

Surplus Income

(THIRD) Any income of the Trust Fund not expended in any year may at the discretion of the Trustees be accumulated as the Trustees may determine but with power to resort thereto in future years.

Supplementary Deed

(FOURTH) The Trustees may from time to time by Deed or Deeds revocable or irrevocable supplement or alter or amend the provisions of the 2012 Deed of Trust to the extent (and to such extent only) as may in the opinion of the Trustees be requisite for the purpose of conferring

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on the Trustees such further or other powers as may be necessary for the better administration and more effectual execution of the charitable trust hereby created PROVIDED always that nothing in this Clause shall authorise or be deemed to authorise any departure from or modification of the objects declared in Clause (SECOND) hereof or the application of any part of the Trust Fund or the income thereof for any purpose which is not a purpose charitable in law.

Trustees' Powers

The Trustees shall have the fullest powers of administration and management of the Trust Fund as if they were absolute owners thereof and beneficially entitled thereto, and in particular and without prejudice to these general powers the Trustees shall have the powers specified in the Schedule of Powers annexed and executed as relative hereto, such powers to be exercised or not exercised as the Trustees may decide in their sole and absolute discretion at any time and from time to time provided always that no power vested in the Trustees hereunder shall be exercised in such manner that the Trust Fund or the income thereof or any part thereof shall be held, paid or applied other than for purposes charitable in law.

Apportionments

All interest, dividends, rents and other periodical payments of income received by the Trustees after the date of these presents shall be regarded as wholly income of the Trust Fund and that without reference to the periods in respect of which the same are earned or paid and that notwithstanding the provisions of any Statutes dealing with apportionments and similarly on the sale or realisation of any part of the Trust Fund by the Trustees or on the purchase or acquisition by them of any other property heritable or moveable, real or personal, the whole of the proceeds of sale or realisation shall be treated as capital and all the interest, dividends, rents and others received subsequent to such purchase or acquisition shall be treated as income, there being no

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apportionment of such proceeds or interest, dividends, rents and others as between capital and income.

Persons transacting with Trustees

Purchasers, tenants, debtors and others transacting with the Trustees shall be nowise concerned with the application of the sums to be paid by them to the Trustees or with any of the conditions and provisions contained in these presents nor shall they be entitled to notice or to enquire whether these sums be applied or not towards the uses and purposes of the trust but they shall be sufficiently exonerated and discharged by the conveyances, discharges or other writings to be granted by the Trustees or by any factor, attorney, solicitor, accountant, stockbroker or agent duly authorised by them.

Finality of discretionary powers

Whenever it shall be necessary in connection with the affairs of the trust hereby created for the Trustees to exercise any discretionary power whatever decision or resolution they may act upon shall be final and binding on all parties interested either directly or indirectly and the actings of the Trustees shall not be liable to be called in question upon any ground whatever except fraud.

Trustees' Immunity

The Trustees shall not be in any way liable for any loss suffered as a result of the exercise of any of the powers given to them by these presents or for any fall in value of or for the validity and sufficiency of investments, securities and others held by them or on their account whether made or retained by the Trustees or for omissions or for neglect in their management or for one another or for factors, attorneys, solicitors, accountants, stockbrokers, agents or others appointed or employed by them except that they were habit and repute responsible at the time of

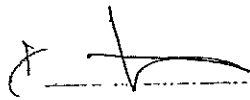
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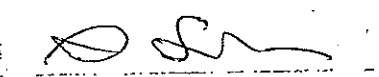
their appointment or employment but each for his or her own actual personal intromissions only.

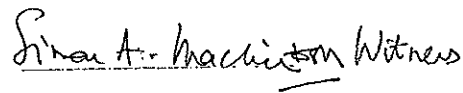
Irrevocability

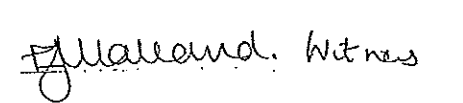
And we declare these presents to be irrevocable: IN WITNESS WHEREOF these presents typewritten on this and the preceding six pages together with the Schedule of Powers and Schedule of Governance Arrangements annexed were executed for and on behalf of the Trustees of Shetland Charitable Trust conform to a Power of Attorney by Malcolm John Bell and Others as Trustees aforesaid dated Fourth July and subsequent dates and registered in the Books of Council and Session on Sixth August both months in the year Two thousand and twelve as follows:- they were signed by William Andrew Ratter (subscribing "D Ratter") at Lerwick on the Thirteenth day of September Two thousand and Twelve in the presence of Simon Aeneas Mackintosh, Princes Exchange, 1 Earl Grey Street, Edinburgh, they were signed by Robert Walter Hunter (subscribing "R Hunter") at Lerwick on the Fourteenth day of the said last mentioned month and year in the presence of Edna Joy Mainland, 22-24 North Road, Lerwick, Shetland and they were signed by David Alexander Sandison (subscribing "D Sandison") at Lerwick on the said last mentioned date in the presence of the said Edna Joy Mainland.

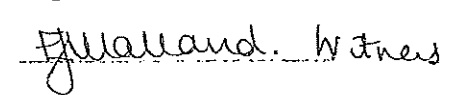








Simon A. Mackintosh Witness


Edna Joy Mainland. Witness


David Alexander Sandison. Witness

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This is the SCHEDULE OF POWERS
referred to in the 2012 DEED of TRUST
dated 13TH AND 14TH SEPTEMBER 2012
by MALCOLM JOHN BELL and others.

To hold original assets or to sell

1. To hold any assets heritable or moveable, real or personal, which are transferred by the 2012 Deed of Trust or which may subsequently be made over to the Trustees or to sell the same and reinvest the proceeds.

To invest

2. To invest the Trust Fund in the purchase or on the security of such heritable or real property including rights under Leases, corporeal or incorporeal moveables, investments, stocks, shares (including ordinary stocks and shares and including partly-paid shares), deposits and securities, real or personal (including bonds or securities payable to bearer) whether within the United Kingdom or abroad as the Trustees shall in their sole discretion think fit, it being our intention that the Trustees shall not be restricted to the class of investments authorised by law to Trustees but shall have as full and ample powers of investment as if they themselves were absolute owners of the Trust Fund and beneficially entitled thereto.

To enter into Conservation Agreements

3. To enter into Conservation Agreements for the better preservation of the Trust Fund or any part thereof.

To create Advisory Councils or Committees

4. To create, should the Trustees so desire, an Advisory Council or Councils or Committee or Committees to act along with them and/or advise them on any or all of the objects of the Trust provided always that the creation, constitution, membership and continuance

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of any such Advisory Council or Committee or the individual membership thereof shall be entirely at the discretion of the Trustees.

To use nominees

5. To have registered in the names of a nominee all or any part of parts of the Trust Fund and to pay reasonable fees to such nominee.

To distinguish between capital and income

6. To decide what money represents capital and what represents income of the Trust Fund and the proportion in which the expenses of the Trust are to be charged against capital and income respectively, notwithstanding any rule of law or practice to the contrary, and all similar questions which may arise in relation to the trust.

To repair and improve

7. To expend both capital and income of the Trust Fund as shall appear to the Trustees necessary or desirable to be expended from time to time in insuring, putting and keeping in good repair and replacing any heritable or real property (including without prejudice to the generality buildings, fences, drains, ditches, roads, plantations and others) corporal moveables and other effects forming part of the Trust Fund and in erecting any additional buildings or making any additional fences, drains, ditches, roads or plantations or executing any other works of any kind on such heritable or real property which they may consider necessary or desirable and in keeping up the offices, gardens and other grounds of and the game and fishings on any such heritable or real property.

To cut woods and to plant

8. To thin or cut down woods or plantations forming part of the Trust Fund and to sell or dispose thereof as the Trustees shall judge necessary or desirable and to plant timber.

To pay taxes, etc

9. To expend both capital and income of the Trust Fund –

- (a) for payment of all duties, rates, taxes, parochial burdens and other charges affecting or payable out of any property forming part of the Trust Fund, and
- (b) for any purposes which the Trustees shall judge to be necessary or desirable for the administration, management, cultivation, letting, working, maintenance or improving of the Trust Fund or of any part thereof.

To deal with minerals

- 10. To deal with minerals and mineral substances forming part of the Trust Fund either by themselves or in association with another or others and that in such way or ways as the Trustees may think fit provided always that this power is exercised in furtherance only of the terms and purposes of this Trust and that no part of the income or capital of the Trust Fund shall be applied otherwise than for purposes charitable in law.

To grant allowances to tenants

- 11. To grant to tenants such allowances as the Trustees shall think fit in respect of expenditure made or undertaken by such tenants for improvements or repairs on their houses, farms, farm buildings or other possessions or on any other account which the Trustees may think proper.

To carry on businesses

- 12. To begin or carry on or join or concur in the beginning or carrying on of any business or businesses where such business or businesses would be in furtherance of the terms and purposes of this Trust provided always that no part of the capital or income of the Trust Fund shall be applied in the exercise of this power otherwise than for purposes charitable in law.

To promote companies

- 13. To promote or concur in the incorporation, flotation or reconstruction or amalgamation of any company where such company would be in furtherance of the terms and purposes

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of this Trust provided always that no part of the capital or income of the Trust Fund shall be applied in exercise of this power otherwise than for purposes charitable in law.

To grant proxies

14. To grant proxies in favour of one or more of the Trustees or any other person or persons to attend, act and vote for the Trustees at all meetings of any company, corporation, trust or undertaking or in any bankruptcy proceedings in which the Trustees may be interested as shareholders, stockholders, debenture holders, creditors or otherwise or at any class meeting of shareholders, stockholders, debenture holders or creditors of such company, corporation, trust, undertaking or bankruptcy.

To settle claims

15. To settle all disputed claims competent to or against the Trust Fund.

To borrow money

16. To borrow money either on the security of the Trust Fund or without security and pay or apply the monies so raised in any manner in which money forming part of the capital of the Trust Fund may be paid or applied.

To appoint agents, etc

17. To appoint one or more of the Trustees or any other person or persons to be factors, solicitors, accountants, stockbrokers or agents for executing and carrying into effect the powers and purposes of the Trust or any of them with or without cautioners for their intromissions and to allow to such factors, attorneys, solicitors, accountants, stockbrokers or agents for their trouble their usual professional charges or if they are not members of a profession such fees as are proper and reasonable as also to employ such specialist and clerical assistance as may be required for the proper and efficient administration and management of the Trust Fund.

To pay expenses

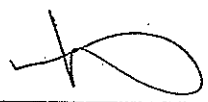
18. To reimburse the Trustees out of the Trust Fund for all expenses reasonably incurred by them in connection with the administration of the Trust without in any way prejudicing their rights, privileges and immunities as gratuitous trustees including the right to resign.

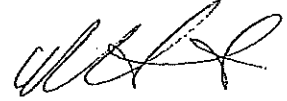
To Delegate


19. To delegate in any way and to any extent to any person or persons, committee or committees, company or authority whatsoever the exercise of any of the powers conferred on the Trustees herein or by law.

To exercise powers conferred on Trustees by Statute

20. In so far as more ample powers are not given by these presents the Trustees shall have the powers conferred on trustees by the Trusts (Scotland) Acts 1921 and 1961 and by any Acts amending the same relating to trustees in Scotland (which powers shall not be held to be at variance with the terms and purposes of this Trust).
21. To renounce irrevocably in whole or in part at any time and from time to time any power given to the Trustees by this Schedule.







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This is the SCHEDULE OF
GOVERNANCE ARRANGEMENTS
referred to in the 2012 DEED of TRUST
dated 13TH AND 14TH SEPTEMBER 2012
by MALCOLM JOHN BELL and others.

1 Definitions:-

In this Schedule of Governance Arrangements:-

"Appointed Trustee" means a trustee appointed or re-appointed by the Trustees under Paragraph 4 and shall include the First Appointed Trustees unless the context requires otherwise;

"Appropriate Officer" means the Chief Executive of Shetland Islands Council, or other officer designated by Shetland Islands Council for the purposes of this Schedule;

"Councillor" means an elected member of Shetland Islands Council;

"Councillor Trustee" means a Councillor appointed or re-appointed under Paragraph 5 and shall include the First Councillor Trustees unless the context requires otherwise;

"Existing Trustees" means the granters of the 2012 Deed of Trust and their successors;

"Effective Date" means such date as shall be determined by the Existing Trustees and shall be not later than 31st March 2013 and in the event of no determination by the Existing Trustees, 31st March 2013;

"First Appointed Trustee" and "First Councillor Trustee" means a trustee appointed as such under Paragraph 9;

"Local Government Election" means an ordinary election of councillors to Shetland Islands Council;

"Schedule" means this Schedule of Governance Arrangements;

"Selection Panel" means such persons appointed by the Trustees under Paragraph 7;

"Shetland Islands Council" means Shetland Islands Council constituted in terms of the Local Government etc (Scotland) Act 1994 and its statutory successors from time to time as such local or other governmental authority representative of the Shetland Islands or the inhabitants of the area;

"Term" means for Appointed Trustees the term of office from the date of appointment until retiral as specified in Paragraph 4(c) and for Councillor Trustees the term of office from the date of appointment until retiral as specified in Paragraph 5(b);

"Trustees" includes Appointed Trustees, First Appointed Trustees, Councillor Trustees and First Councillor Trustees and references to Trustees shall include the Existing Trustees and the Remaining *ex officio* Trustees as defined in sub-paragraph 9(c)(i) unless the context requires otherwise;

2 Trustees

Trustees shall be principally resident in the Shetland Islands and in the event that any Trustee ceases to be so resident such Trustee shall be deemed to have demitted office as a Trustee on the date he ceases to be so resident.

3 Number and Body of Trustees

Subject to the provisions of Paragraph 9 relating to the transition to the new governance arrangements:-

- (a) The Trustees shall normally be fifteen in number and any vacancy shall be promptly filled.
- (b) The body of Trustees shall be made up of seven Councillor Trustees and eight Appointed Trustees.
- (c) Notwithstanding any vacancy in the number of Trustees at all times there shall be deemed to be a full complement of Trustees.
- (d) No Trustee may serve for more than two consecutive Terms and once a Trustee has demitted office there must then be a break of at least two years before any subsequent Term. Any Trustee re-appointed following a break of two years will be deemed not to have served any prior term for the purposes of this Schedule.

4 Appointed Trustees

- (a) The Trustees shall, on the recommendation of the Selection Panel, appoint Appointed Trustees.
- (b) Subject to sub-paragraph (c) below, Appointed Trustees shall serve a Term and shall be eligible for re-appointment for one further Term thereafter.
- (c)
 - (i) One half of the First Appointed Trustees appointed under Paragraph 9(a)(i) shall retire on 30th November, 2014 and the remaining one half shall retire on 31st May 2019.
 - (ii) Appointed Trustees appointed on the retirement of the First Appointed Trustees due to retire on 30th November 2014 shall retire on 31st May 2019.
 - (iii) Appointed Trustees appointed as and from 31st May, 2019 shall retire on the 31st May occurring every fourth year after 31st May, 2019.
- (d) In the event (i) that all vacancies have not been filled, or (ii) of any vacancy occurring by the death, resignation or otherwise of any Appointed Trustee before

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the completion of his Term, on the recommendation of the Selection Panel, the Trustees may appoint any person to fill the vacancy and such Appointed Trustee shall retire when the Term of the vacancy being filled would in ordinary course have expired and shall be deemed to have served one Term on such retirement.

- (e) No Councillor may be an Appointed Trustee and in the event that any Appointed Trustee, during his Term is elected as a Councillor, he will demit office as an Appointed Trustee.

5 Councillor Trustees

- (a) Shetland Islands Council may by notice in writing, signed on its behalf by an Appropriate Officer and given to the Trust appoint a Councillor Trustee or Councillor Trustees.
- (b) Councillor Trustees shall retire one calendar month after the date of the Local Government Election next following the date on which they took up office as a Councillor Trustee.
- (c) In the event that a Councillor Trustee, other than a Councillor Trustee retiring as a Councillor on the day on which the poll is held at the Local Government Election next following the day on which he was elected, ceases to be a Councillor whether by death, resignation as a Councillor or otherwise he shall be deemed to have demitted office as a Trustee on such date as he demits office as Councillor.
- (d) In the event (i) that all vacancies have not been filled following either the Effective Date or a Local Government Election, or (ii) of any vacancy occurring in the number of Councillor Trustees whether by death, resignation as a Trustee, demitting office in terms of sub-paragraph (c) above or otherwise of such Councillor Trustee before the completion of his Term, Shetland Islands Council may appoint a Councillor to fill such vacancy and such Councillor Trustee shall retire one calendar month after the date of the Local Government Election next following the date on which he took up office as a Councillor Trustee and shall be deemed to have served one Term on such retirement.

6 Quorum, Chair and Trustees' Meetings

- (a) No business shall be transacted at a meeting of the Trustees unless a quorum is present and any and all such business shall be decided by a majority of the Trustees present and voting thereon. In the event of an equality of votes, the Chair of the Trust, or in his absence the Vice-Chair, or in the absence of both, the person presiding at the meeting shall have the second or casting vote.
- (b) The quorum for a meeting of the Trustees shall be six of whom at least three must be Appointed Trustees.
- (c) There shall be a Chair and Vice Chair of the Trust. The Chair and Vice Chair shall be elected by the Trustees for the remainder of their current Term and shall be eligible for re-election for a further Term thereafter.

- (d) Trustees shall be required to attend in person at least one-half of Trustee meetings in each financial year of the Trust and if they do not such failure to attend may be treated as grounds on which the remaining Trustees may remove such Trustee by a resolution passed by a 75% majority of those attending and voting thereon.

7 Selection Panel

- (a) The Trustees shall establish a Selection Panel to guide the Trustees in relation to the selection of appropriate individuals for appointment as Appointed Trustees.
- (b)
 - (i) The Selection Panel established in relation to the selection of individuals for appointment as the First Appointed Trustees shall comprise an independent Chair appointed by the Trustees but who shall not be a Trustee of the Trust and two existing Trustees at least one of whom must not be a Councillor.
 - (ii) Thereafter, the Selection Panel so established shall comprise an independent Chair appointed by the Trustees but who shall not be a Trustee of the Trust and two Trustees at least one of whom must be an Appointed Trustee.

8 Annual General Meetings

- (a) An Annual General Meeting shall be held in public once in every financial year at such time (within a period of not more than 15 months after the holding of the last Annual General Meeting) and place as may be determined by the Trustees.
- (b) The Chair, or in his absence for any reason the Vice-Chair, or in the absence of both for any reason a Trustee present and chosen by the other Trustees present shall preside as Chair of the Annual General Meeting.
- (c) At least 21 clear days' notice must be given of the Annual General Meeting, such notice being published on the Trust's website and in a local newspaper specifying the time and place of the meeting.
- (d) The purpose of the Annual General Meeting will be to present the Annual Report of the Trustees and such other business as the Trustees may decide.

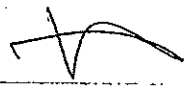
9 Transition etc


- (a) In advance of the Effective Date:-
 - (i) The Existing Trustees shall appoint the First Appointed Trustees; and
 - (ii) Shetland Islands Council shall appoint the First Councillor Trustees.
- (b) Subject to sub-paragraphs (c) and (d) below, as at the Effective Date:-
 - (i) All Existing Trustees shall demit office;

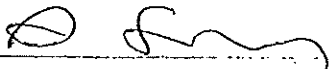
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- (ii) The First Appointed Trustees shall take up office;
 - (iii) The First Councillor Trustees shall take up office; and
 - (iv) All *ex officio* appointments shall cease to operate.
- (c) If, as at the Effective Date, the number of First Appointed Trustees appointed under sub-paragraph (a)(i) above is less than eight then, as and from the Effective Date:-
- (i) the *ex officio* appointments of the Head Teacher of the Anderson High School, Lerwick and the Lord Lieutenant of Shetland ("the Remaining *ex officio* Trustees") shall continue and shall be treated as Trustees of the Trust for all purposes other than for calculating the total number of First Appointed Trustees;
 - (ii) the power to appoint First Appointed Trustees conferred on the Existing Trustees in terms of sub-paragraph (a)(i) above shall rest with the Remaining *ex officio* Trustees and First Appointed Trustees, if any, appointed by the Existing Trustees under sub-paragraph (a)(i) above;
 - (iii) on the date the eighth First Appointed Trustee takes up office, the Remaining *ex officio* Trustees shall demit office and the *ex officio* appointments of the Remaining *ex officio* Trustees shall cease to operate; and
 - (iv) until such time as the Remaining *ex officio* Trustees demit office they shall, other than for calculating the number of First Appointed Trustees, be treated as Appointed Trustees for all purposes and further, until such time as the Remaining *ex officio* Trustees demit office, the number of Trustees referred to in paragraph 3 of this Schedule may be temporarily increased to sixteen to allow the operation of the provisions of this Schedule.
- (d) If, as at the Effective Date, the number of First Councillor Trustees appointed under sub-paragraph (a)(ii) above is less than seven then, as and from the Effective Date, such First Councillor Trustees appointed in terms of sub-paragraph (a)(ii) above shall take up office.
- (e) Subject to the terms of this Schedule, Existing Trustees are eligible for appointment as Trustees and such Trustees will be deemed not to have served any prior Term for the purposes of this Schedule.







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