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ADMINISTRATIVE REGULATIONS

SC027025

TURCAN CONNELL

SOLICITORS AND ASSET MANAGERS

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Shetland Charitable Trust
ADMINISTRATIVE REGULATIONS

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1. CONSTITUTION

1.1 Terms of Reference

- 1.1.1 The Shetland Charitable Trust (“the Trust”) is a charity registered in Scotland with charity number SC027025. It is governed by its Deed of Trust now comprising Appendix B of the Resolution by the Trustees in implement of the 2016 Re-organisation Scheme dated 15 May 2017 and registered in the Books of Council and Session on 23 May 2017 (“the Trust Deed”) and amended by Supplementary Deed of Trust by the Trustees dated 24 January 2019 and registered in the books of Council and Session on 18 March 2019 recording resolutions by the Trustees passed at meetings on 14 June 2018 and 29 November 2018.
- 1.1.2 These Administrative Regulations are granted in furtherance of Clause (FOURTH) of the Deed of Trust (“these Regulations”).

2. TRUSTEES OF THE TRUST

2.1 Roles and Duties

- 2.1.1 Trustees must set and thereafter implement the strategic aims, objectives and direction of the Trust. Trustees must exercise overall control over financial affairs and ensure the completion of the relevant statutory reports, returns and accounts.
- 2.1.2 Trustees must act in the interests of the Trust at all times. They must promote the success of the Trust in the way that they think, in good faith, would be most likely to help the Trust achieve its purposes.
- 2.1.3 Trustees must try, in good faith, to ensure that the Trust acts in a way which is consistent with its purposes as set out in the Trust Deed.
- 2.1.4 Trustees must act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person.
- 2.1.5 Trustees must manage conflicts of interest if they have (or can have) a direct or indirect interest which conflicts or might conflict with the interests of the Trust in line with Regulation 2.9. They must also declare the nature and extent of any interest, direct or indirect, which they have in a proposed transaction or arrangement.
- 2.1.6 Trustees must ensure that the Trust complies with any direction, requirement, notice or duty imposed on it as a result of the Charities and Trustee Investment (Scotland) Act 2005 ("the Charities Act").
- 2.1.7 Trustees must take any steps that are reasonably practicable to ensure that any breach of duty by a fellow Trustee is corrected and not repeated and also that any Trustee who seriously or persistently breaches his/her duties is removed as a Trustee.
- 2.1.8 Trustees must act within their powers and only exercise those powers for the purposes for which the powers were granted.
- 2.1.9 Trustees must exercise independent judgement. They must not accept benefits from third parties which might give rise to a conflict of interests and which are given because of the Trustee's position or because of an action they can take.
- 2.1.10 Trustees must attend meetings regularly and, unless a task is delegated, must act together to take decisions affecting the Trust. Trustees nonetheless also retain ultimate responsibility for any delegated decisions.
- 2.1.11 Trustees recognise that decisions are taken collectively and, once taken, that they must unite behind them and accept them as binding.
- 2.1.12 Trustees will appraise their collective performance annually.
- 2.1.13 Trustees must act in accordance with not only charity law but the law in general.
- 2.1.14 Trustees must take professional advice where appropriate or necessary.
- 2.1.15 Trustees will advise the Chief Executive of the Trust if charged with a criminal offence specifying the nature of the offence and that without delay.

2.2 Code of Conduct

2.2.1 All Trustees shall be required to accept and sign and return to the Trust the 'Code of Conduct' set out in Appendix A.

2.2.2 Trustees may be subject to another Code of Conduct, which applies to them by virtue of a professional body of which they are a member. In the event that any such code or other duty to which a Trustee is subject to imposes a higher standard than imposed by these Regulations, then that Trustee must follow that higher standard.

2.3 Appointment of Trustees

2.3.1 All Trustees shall be appointed, and retire, in accordance with the Schedule of Governance Arrangements appended to the Trust Deed reproduced as Appendix C.

2.4 Induction

2.4.1 All new Trustees shall receive an induction pack which will include the following:

- the Trust Deed
- these Administrative Regulations
- the most recent audited accounts
- the Code of Conduct
- the Register of Interest Form
- OSCR's "Guidance and good practice for Charity Trustees".

In addition, such induction pack may include information on the Trust's strategy and administration and copies of any policies and other guidance as is appropriate to include.

2.4.2 All new Trustees shall have a meeting with at least one of the Chair, the Vice Chair, and the Chief Executive and shall be required to undertake introductory Trustee training which will be provided.

2.4.3 All Trustees shall be required to undertake any such training as required.

2.5 Election of Chair and Vice-Chair

2.5.1 The election of the Chair will be the first business transacted at the first Trustees' meeting following the retiral of the outgoing Chair. At that meeting, until the Chair is elected, a Trustee selected by the meeting, shall preside. A person holding the office of Chair shall be eligible for re-election as Chair for one further term thereafter.

2.5.2 Prior to voting, nominations for the position of Chair shall be sought and nominees shall be permitted to address the meeting as to their candidature. No questions will be permitted in response, and no further nominations will be allowed after voting begins.

2.5.3 If there is only one candidate, that candidate shall be elected. If there is more than one candidate, voting shall be by secret ballot. Regardless of the number of candidates, each Trustee will vote for one candidate at each ballot. After the first ballot, the candidate who secures a clear majority of the total

votes cast shall be elected. However, in the case of no clear majority, the lowest scoring candidate shall drop out and the second ballot will take place. This method shall continue until the appointment is made either by clear majority or a choice between two remaining candidates. In the case of an equality of votes, the Chair shall be elected by lot as between those who received equal votes, and proceed on the basis that the person to whom the lot falls upon had received the additional vote.

- 2.5.4 If a casual vacancy arises in the office of Chair, an election to fill the vacancy shall be held as soon as practicable. The Vice Chair of the Trust shall act as the Chair until such time as a new Chair is elected. The notice of the Trustees' meeting at which the election is to be held shall specify the filling of the vacancy as an item of business and election shall take place in the usual manner.
- 2.5.5 The Vice Chair shall be elected in the same way as the Chair and will be eligible for re-election for one further term thereafter.

2.6 Duties and Responsibilities of Chair

- 2.6.1 The duties of the Chair of the Trust are set out below.
- 2.6.2 The Chair's overall purpose is to provide leadership and direction to the Trustees, enabling them to fulfil their responsibilities for the overall governance and strategic direction of the Trust and also for developing the Trust's aims, objectives and goals in accordance with the governing document, legal and regulatory guidelines.
- 2.6.3 The Chair will work with the Chief Executive to ensure that Trustee decisions are acted upon and the Trust is managed in an effective manner.
- 2.6.4 The Chair's main responsibilities are:
- (a) chairing Trust meetings;
 - (b) leading the trustees and members of the staff to develop strategic plans for the Trust;
 - (c) with the Chief Executive, ensuring that the Trust is run in accordance with the decisions of the trustees and the Trust's governing document;
 - (d) liaising with the relevant staff to draft agendas for trustee meetings and ensure that the business is covered efficiently and effectively in those meetings;
 - (e) manage matters relating to conflicts of interest.
- 2.6.5 Other duties of the Chair are:
- (a) taking action on behalf of the Trust on matters which will not admit of delay;
 - (b) speaking with the press or other media on behalf of the Trust;
 - (c) acting as "spokesperson" for the Trust in other situations;
 - (d) representing the Trust at functions;
 - (e) representing the Trust on external bodies.

2.7 Duties and Responsibilities of Vice Chair

- 2.7.1 The Vice Chair shall substitute for the Chair as and when required and support the Chair in fulfilling the responsibilities and duties of the Chair as set out in Regulation 2.6 above.

2.7.2 Anything authorised or required to be done by, to or before the Chair may, in the Chair's absence or where the Chair's authorisation has been granted, be done by, to or before the Vice Chair.

2.8 Advisory Councils or Committees

2.8.1 The Trustees have power in terms of the Trust Deed to create an Advisory Council or Councils or Committee or Committees (referred to in these Regulations as "committees") to act along with the Trustees and/or advise them on all or any of the objects of the Trust provided always that the creation, constitution, membership and continuance of any such committees shall be entirely at the discretion of the Trustees.

2.9 Conflicts of Interest

2.9.1 Trustees have a duty to manage any conflicts of interest. Conflicts of interest may create problems, such as:

- (a) inhibit free discussion;
- (b) result in decisions or actions that are not in the interests of the Trust; and
- (c) risk giving the impression that the Trust has acted improperly.

2.9.2 In law, conflicts of interest may arise in circumstances where there is a conflict or the potential of a conflict of interest between:

- (a) the personal interests of a Trustee and those of the Trust; and
- (b) the concerns of two different organisations to which a Trustee is affiliated;

Further, in terms of Section 66 (c) of the Charities Act Trustees must:

"in circumstances capable of giving rise to a conflict of interest between the Trust and any person responsible for the appointment of the Trustees:

- (i) put the interests of the Trust before those of the other person; or
- (ii) where any other duty prevents the Trustee from doing so, disclose the conflicting interest to the Trust and refrain from participating in any deliberation or decision of the other Trustees with respect to the matter in question."

2.9.3 Generally, in deciding whether a conflict, or a potential conflict, of interests exists, Trustees should consider whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it would be likely to prejudice a Trustee's discussion or decision-making in his/her role as a Trustee.

Declarations of Interest

2.9.4 Accordingly, Trustees are asked to declare their interests, as follows:

- (a) current employment and any previous employment in which they continue to have a financial interest;

- (b) appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority membership, tribunals, etc;
- (c) membership of any professional bodies, special interest groups or mutual support organisations;
- (d) ownership or lease of land and property;
- (e) ownership and interests in companies (with limits specified);
- (f) any tenancy of premises owned by the Trust;
- (g) gifts or hospitality offered by external bodies and whether this was declined or accepted in the last twelve months;
- (h) any use, or care for a user of, the Trust's services;
- (i) any contractual relationship with the Trust or its subsidiary.

Interests will be recorded on the Trust's Register of Interests, which will be maintained by the Chief Executive.

- 2.9.5 The information provided will be processed in accordance with data protection principles and data will be processed only to ensure that Trustees act in the best interests of the Trust. The information provided will not be used for any other reason.

General

- 2.9.6 Subject to clause 2.9.7, a Trustee must declare an interest, refrain from taking part in the deliberations and withdraw from the room where circumstances arise capable of giving rise to a conflict of interest between the Trust and:
- (a) a Trustee or a person with whom a Trustee is connected;
 - (b) a Trustee, or a person with whom the Trustee is connected, as a user of the Trust's Services; and
 - (c) an organisation to which a Trustee is affiliated, i.e. owes a fiduciary duty to.

Exceptional circumstances allowing participation

- 2.9.7 If circumstances arise capable of giving rise to a conflict of interest between the Trust and the parties described in sub paragraphs 2.9.6 (a), (b) or (c) but such circumstances cannot reasonably be regarded as likely to give rise to a conflict of interest then a Trustee:-
- (a) must declare the interest, and
 - (b) may take part in the deliberations and decision-making process.

Duty of Trustees/Chair on failure of a Trustee to declare an interest

- 2.9.8 If a Trustee fails to declare an interest that is known to any other Trustee, then such other Trustee shall draw it to the attention of the Chair of the Trust and the Chair will declare that interest at the outset of the discussion and the Trustee who has failed to declare the interest must act accordingly in terms of clause 2.9.6.

Connected Persons

2.9.9 With reference to Clause 2.9.6 the following persons are “connected” with the Trustee:

- (a) Any person
 - (i) to whom the Trustee is married;
 - (ii) who is a civil partner of the Trustee; or
 - (iii) with whom the Trustee is living as husband and wife or, where the Trustee and the other person are of the same sex, in equivalent relationship.
- (b) Any child, parent, grandchild, grandparent, brother or sister of the Trustee (and any spouse of any such person)
- (c) Any institution which is controlled (whether directly or through one or more nominees) by
 - (i) the Trustee;
 - (ii) any person with whom the Trustee is connected by virtue of paragraph (a), (b), (d) or (e); or
 - (iii) two or more persons falling within sub-paragraph (i) or (ii), when taken together.
- (d) A body corporate in which
 - (i) the Trustee has a substantial interest;
 - (ii) any person with whom the Trustee is connected by virtue of paragraph (a), (b), (c) or (e) has a substantial interest; or
 - (iii) two or more persons falling within sub-paragraph (i) or (ii) when taken together have a substantial interest.
- (e) A Scottish partnership in which one or more of the partners is
 - (i) the Trustee; or
 - (ii) a person with whom the Trustee is virtue of paragraph (a) or (b) connected.

2.9.10 For the purposes of the foregoing a person who is:

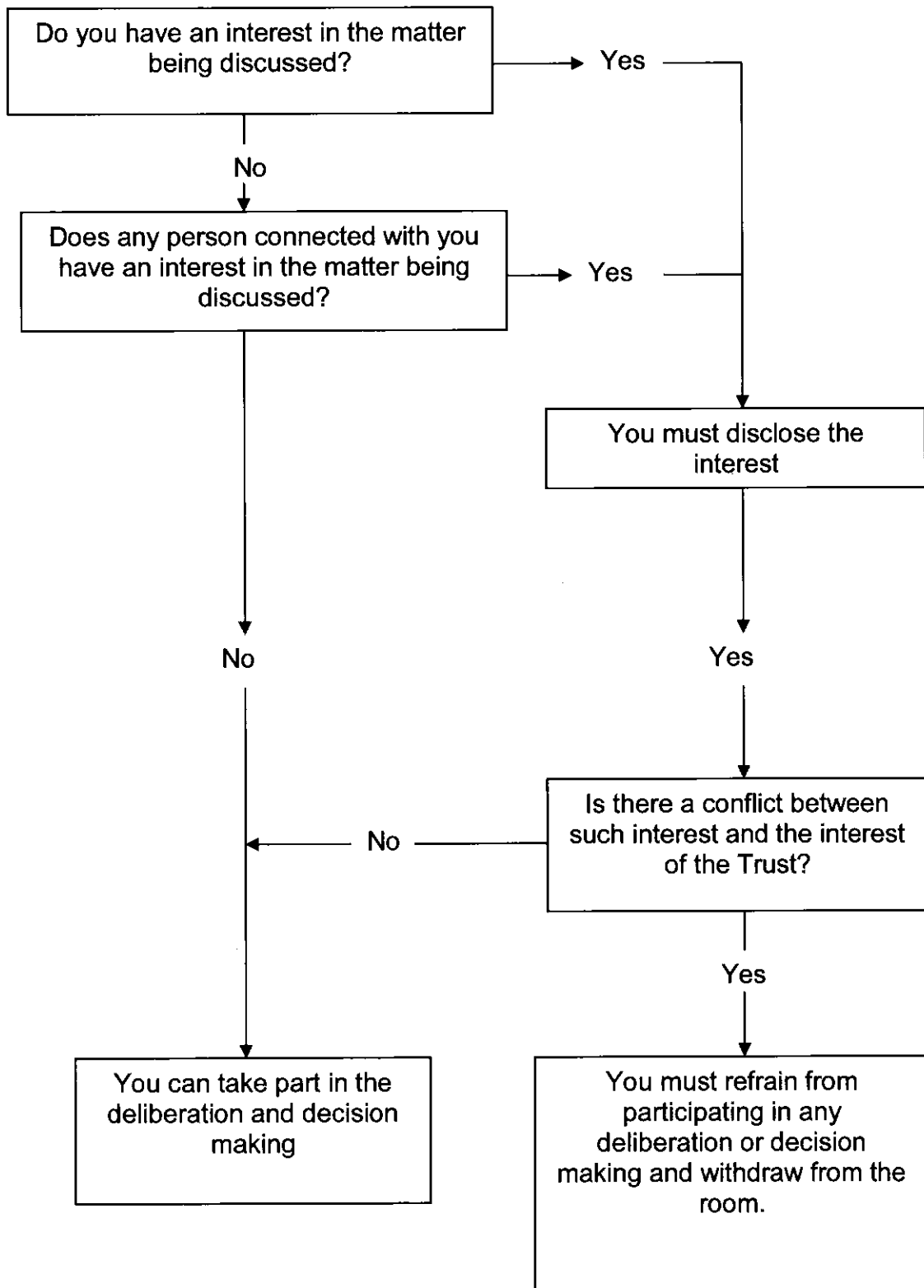
- (a)
 - (i) another person's stepchild, or
 - (ii) brought up or treated by another person as if the person were a child of the other person, is to be treated as that person's child.
- (b) able to secure that the affairs of an institution are conducted in accordance with the person's wishes is to be treated as being in control of the institution; and
- (c)
 - (i) interested in shares comprised in the equity share capital of a body corporate of a nominal value of more than one-fifth of that share capital; or
 - (ii) entitled (whether directly or through one or more nominees) to exercise, or control the exercise of, more than one-fifth of the voting power at any general meeting of a body corporate, is to be treated as having substantial interests in the body corporate.

OSCR

- 2.9.11 The Office of the Scottish Charity Regulator (“OSCR”), established by the Charities Act, has published guidance for Trustees which deals with, amongst other things, the general duties of Trustees and conflicts of interest. It is worth noting that this is OSCR’s interpretation of the duties in terms of the Charities Act and does not itself have any binding effect on Trustees. It is however published guidance circulated by OSCR and ought to be given due consideration when a decision is being made with regard to whether or not a conflict of interest exists.

Management of Conflicts of Interest at Trustees' Meetings

The following flowchart is a summary of how a Trustee should act when he, or a connected party, has an interest in a matter of Trust business. This summary is demonstrative only and does not replace the written regulations.



3. DISCIPLINARY PROCESS

In the event that there is an allegation of a breach of the Code of Conduct the procedures outlined below apply:

- 3.1 The allegations will be referred to the Chief Executive and the Chair of AGAC who will review the allegations and apply outcomes 3.6.1, 3.6.2 or 3.6.3.
- 3.2 In the event that option 3.6.3 applies an investigation will be carried out by The Chief Executive, the Chair of the AGAC and one other Trustee ("the Panel").
- 3.3 Following any investigation, if a decision is reached that entails further action being taken against a Trustee then:
 - 3.3.1 The Trustee is entitled to be heard on all allegations.
 - 3.3.2 The Trustee has the right to appeal any decision.
- 3.4 The Panel will be entitled, but not obliged, to draw such inference from any Trustee's refusal to attend any meeting or to otherwise cooperate with the process as shall seem reasonable to the Panel in all the circumstances.
- 3.5 The Trustees may authorise the temporary suspension from attending board Meetings or attending to the business of the Trust of an individual under investigation if it is felt that continuing to do so may impede the investigation.

Outcomes

- 3.6 The outcomes available are as follows:
 - 3.6.1 No further action required; or
 - 3.6.2 Reprimand and recommendation that the Trustee takes such action as the panel deem appropriate to ensure that the breach does not occur again; or
 - 3.6.3 Investigation; or
 - 3.6.4 Following an investigation under 3.6.3, either 3.6.1, 3.6.2 or a recommendation that the Trustees resolve to remove the Trustee under Paragraph 4 (c)(iv) or (v) of the Schedule of Governance Arrangements referred to in the Deed of Trust.

Appeal

- 3.7 All Trustees shall have a right of appeal provided that such appeal, including the grounds thereof, is lodged in writing with the Chair within 14 days of intimation of such decision. The Trustee shall be given an opportunity of stating the grounds of his/her appeal, either in person or through or with a friend, or by written statement. A failure to attend the appeal hearing in person or through or with a friend or send a written statement or otherwise to cooperate with the appeal process may result in the appeal being rejected.

3.8 Trustees have a right of appeal to an appeal panel convened by Chair.

Review of Outcomes

3.9 Where a case is heard on an appeal the appeal panel may review the outcomes and either affirm or quash the recommendations by the Panel or, in the case of clause 3.6.2 make such alternative recommendations as it sees fit.

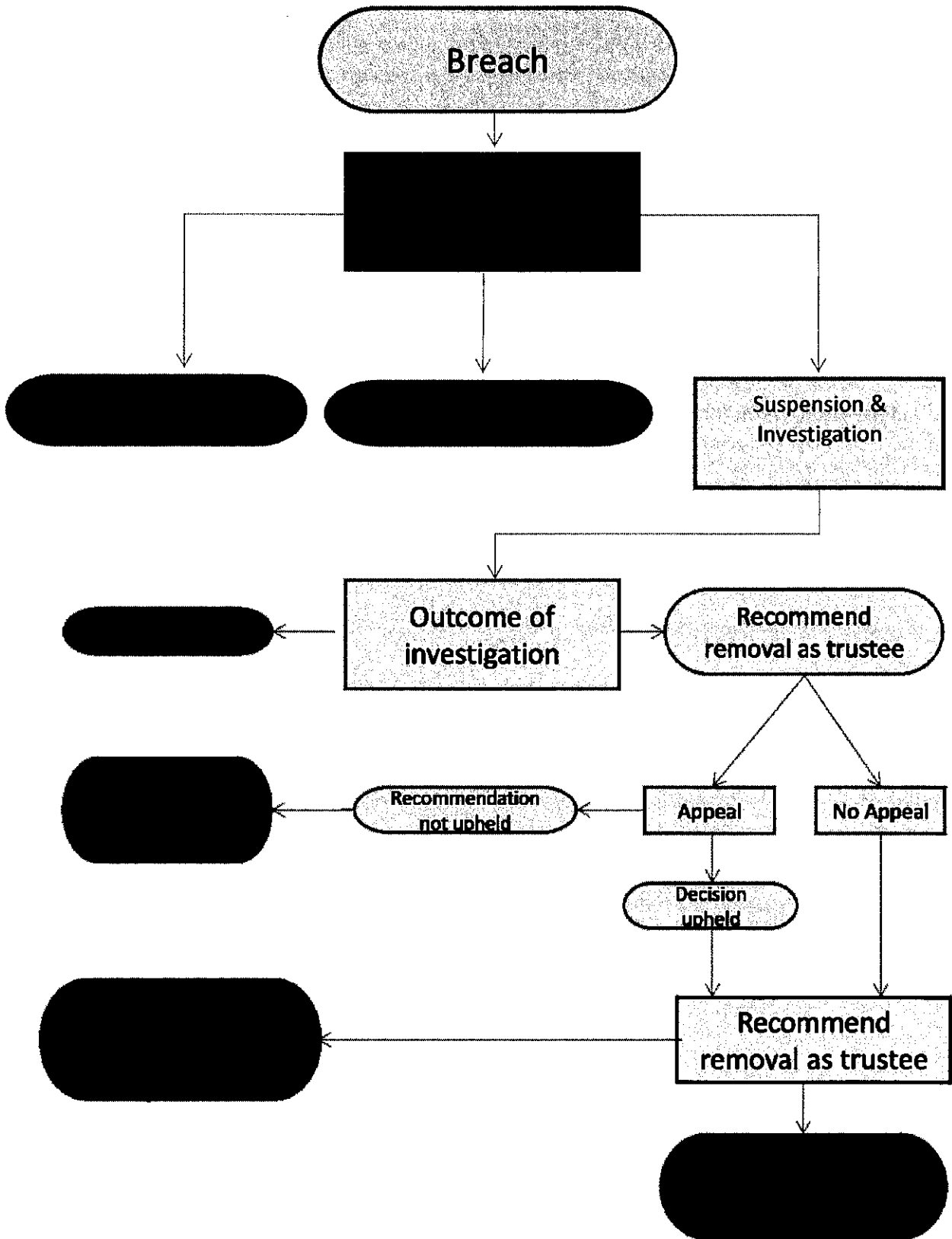
Notification of Outcome

3.10 The decision of the appeal panel will be notified to the appellant within 14 days of the appeal hearing taking place.

Finality of decision

3.11 Save as otherwise specified in terms of this Regulation, the decision of an appeal panel is final and no further right of appeal exists.

What happens if I do something wrong? The disciplinary process



4. MANAGEMENT OF THE TRUST

4.1 Composition and Function of the Management

4.1.1 Trustees shall ensure that the following services are always available to the Trust:

- Co-ordination and management;
- Financial services;
- Investment services;
- Trust and taxation legal services; and
- Administrative and secretarial services.

4.1.2 The Trustees shall appoint Senior Management and such professional advisers to carry out the functions of the Trust.

4.1.3 Employees and/or officials acting on behalf of the Trust and applicants for employment may not canvass Trustees.

4.1.4 No employee and/or official acting on behalf of the Trust may attend any unofficial meeting of a group of Trustees.

5. BUSINESS OF THE TRUST

5.1 Trustee Meetings

- 5.1.1. Dates of Trust meetings will be set and notified to the Trustees in November, for the following year.
- 5.1.2 A special meeting of the Trustees may be called at any time:
- (a) by the Chair of the Trust; or
 - (b) by the Chair of the Audit and Governance Committee; or
 - (c) on the request of 5 Trustees.
- 5.1.3 On receipt of a requisition under Regulation 5.1.2, the Chief Executive or such other person as is authorised by him/her shall call a special meeting, which shall be held within 14 days of the receipt of such requisition by the Chief Executive or such other person as is authorised by him/her.
- 5.1.4 Unless specified otherwise in these Regulations, no business shall be transacted at a meeting of the Trust unless a quorum is present. The Schedule of Governance Arrangements prescribes the quorum as 5 Trustees.
- In determining whether Trustees are present at a meeting of the Trust, it is irrelevant where any Trustee is or how they communicate with each other.
- 5.1.5 If the Chair finds that the quorum is wanting, the fact shall be announced and a period of 30 minutes shall elapse after which, if a quorum is then wanting, the meeting shall end, and the remaining business be carried forward.
- 5.1.6 No business shall be transacted at a meeting of the Trust other than that specified in the summons relating thereto.
- 5.1.7 Notwithstanding paragraph 5.1.6 hereof, at his or her discretion the Chair may bring forward at a meeting of the Trust any business.
- 5.1.8 Any Trustee, who must have the support of at least two other Trustees, may request that an item of business is considered at a meeting of the Trust. Such request must be made in writing to either the Chair and/or the Chief Executive, setting out at least the nature of the business together with the reasons why it should be considered. It will then be at the discretion of the Chair and the Chief Executive as to whether the item of business becomes an item of business at the next meeting of the Trustees or whether it is first considered by a committee.
- 5.1.9 Four clear days before a meeting the agenda paper for the meeting shall be sent to the Trustees of the Trust, and no other business, unless the Chair judges it urgent, shall be brought before the meeting.
- 5.1.10 At each Trustee Meeting there shall be a report (verbal or written) tendered by any committees and working groups of the Trust.

5.2 Conduct of Meetings

- 5.2.1 At a meeting of the Trust the Chair, if present, shall preside. If the Chair is absent, the Vice Chair of the Trust, if present shall preside. If the Chair and Vice Chair are both absent, another Trustee chosen by the Trustees present shall preside.

- 5.2.2 The ruling of the Chair (in which the Chair shall have the benefit of the advice of the Chief Executive or such other person as is authorised by the Chair) as to the construction or application of the Regulations shall not be challenged at any meeting of the Trust. The Chair may at any time adjourn a meeting or suspend a sitting of the Trust for a time to be named by the Chair.
- 5.2.3 Unless otherwise specified herein, all questions coming or arising before the Trust shall be decided by a majority of the Trustees present and voting thereon at a meeting of the Trust.
- 5.2.4 In the case of an equality of votes the person presiding at the meeting shall have a second or casting vote except where the matter which is the subject of the vote relates to the appointment to any particular office or committee or sub-group, in which case the decision shall be by lot.
- 5.2.5 If a Trustee disregards the Chair, the Chair may order their removal from the room, or suspend the sitting for a specified time.
- 5.2.6 All meetings of the Trust shall be open to the public provided that the Trust may by resolution exclude the public from a meeting (whether during the whole or part of the proceedings) whenever, in the sole opinion of the Trustees, publicity would be prejudicial to the Trust by reason of the confidential nature of the business to be transacted or for other special reasons stated in the resolution and arising from the nature of that business or of the proceedings.
- 5.2.7 After warning, the Chair may order the removal from the room of any member of the public causing disturbance.

5.3 Minutes

- 5.3.1 Minutes will be taken at Trustees' meetings under Regulations 5.1.1 and 5.1.2 and the Annual General Meeting.
- 5.3.2 In the case of a Trustee meeting, the minutes will be circulated to all Trustees, and submitted to and signed at the next Trustee meeting as appropriate. In the case of the Annual General Meeting, the minutes will be signed by the Chair once approved and circulated to all Trustees with the notice of the following Annual General Meeting. Any minute purporting to be so signed shall be received in evidence without further proof.
- 5.3.3 In the case of a committee or working group meeting, a minute of action points arising shall be recorded and maintained as necessary and their implementation monitored by the Chief Executive or the committee or working group as appropriate.

5.4 Confidentiality

- 5.4.1 Documents containing information which in the interests of the Trust ought not to be divulged will be marked as confidential.
- 5.4.2 The Chief Executive or such other person as is authorised by him/her shall classify all documents for presentation to the Trust and any committees or sub-groups of the Trust, and mark accordingly those classified as confidential, such classification being subject to the approval of the Trust and/or the relevant committee or sub-group as appropriate. He or she shall remove this

marking when it is no longer, in his or her view, required, for a complete document or for part of it. Confidential documents or their contents shall not be referred to in public and their contents shall in no circumstances be quoted in public or divulged. The advice or opinions of employees and/or officials acting on behalf of the Trust, as opposed to factual information provided by them, contained in documents, whether classified or not, shall not be divulged at any time as being those of the employees and/or officials acting on behalf of the Trust.

- 5.4.3 The production in response to a request by a Trustee of a specified document or documents, whether circulated or not, which has not or have not been presented to the Trust or a committee shall be at the discretion of the Chair of the Trust.

5.5 Signing of Documents

- 5.5.1 Any document to be executed for and on behalf of the Trust shall be signed by any 3 of the 12 Trustees, and these signatures shall be full and sufficient certificate that the document has been duly and validly executed for and on behalf of the Trust in compliance with all the regulations of the Trust.

5.6 Expenses

- 5.6.1 Each Trustee shall be entitled to reimbursement of all expenses reasonably incurred by him or her in connection with the necessary performance of his or her duties as Trustee.
- 5.6.2 Any Trustee who wishes to submit an expenses claim for incidental expenses must do so in any format set down by the Chair. Receipts must be attached and where receipts are not available, an explanation must be given for the failure to produce a receipt.
- 5.6.3 The Chair shall be entitled to introduce a requirement for prior approval of expenses or a cap on the maximum level of permitted expenses in relation to expenses for all or some of the Trustees and in relation to some or all expenses. Where the procedure does not apply uniformly to all Trustees, there must be a reasonable justification for it being introduced in a targeted manner.
- 5.6.4 It shall be the duty of the Chief Executive's office to keep a record of all expense claims.

6. AMENDMENT

6.1 Amendment of Administrative Regulations

- 6.1.1 Amendments may be effected by submitting a written proposal to a Trust meeting, notice of which has been circulated to all Trustees in advance of the meeting.

Appendix A

CODE OF CONDUCT FOR TRUSTEES

I will respect and uphold the objects of the Trust, as set out in the Deed of Trust.

I recognise that it is included in this ambition that:

1. General Responsibilities of Trustees

- 1.1 I will act within the Deed of Trust and the law and will abide by the policies and procedures of the Trust. It is my responsibility to have a sound knowledge of the contents of the Deed of Trust, the Administrative Regulations, relevant policies, plans and procedures;
- 1.2 I will support the objects of the Trust and will champion it using any skills or knowledge I have to further that mission, and I will seek expert advice where appropriate;
- 1.3 I will help to set and maintain the Trust's values and standards;
- 1.4 I will be an active Trustee, making my skills, experience and knowledge available to the Trust, and I will seek to do what additional work I can outside Trustee meetings, including sitting on sub-committees and sub-groups. I will make sure that I am able to commit sufficient time to ensure that I am an effective member of the Board of Trustees;
- 1.5 I will respect organisational, board and individual confidentiality, while never using confidentiality as an excuse not to disclose matters that should be transparent and open;
- 1.6 I will develop and maintain a sound and up-to-date knowledge of the Trust, its financial, risk and business planning and its environment. This will include having an understanding of how the Trust functions, the social, political and economic environment in which it operates, scrutinising its goals and objectives, monitoring the reporting of performance and progress and understanding the nature and extent of its work;
- 1.7 I will use the Trust's resources responsibly and when claiming expenses will do so in line with the Trust's procedures;
- 1.8 I will seek to be accountable for my actions as a Trustee of the Trust and will submit myself to whatever scrutiny is appropriate;
- 1.9 I accept my responsibility to ensure that the Trust is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.

2. Managing Interests

- 2.1 I will not gain, materially or financially, from my involvement with the Trust unless specifically authorised to do so by the board in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005, nor will I gain benefits for family, friends or other organisations to which I belong.

- 2.2 I will act in the best interests of the Trust as a whole, and not as a representative of any group. I will consider what is best for the Trust and its present and future beneficiaries and stakeholders and will avoid bringing the Trust into disrepute.
- 2.3 Unless authorised, I will not put myself in a position where my personal interests conflict with my duty to act in the interests of the Trust. Where there is a conflict of interest I will ensure that this is managed effectively in line with the Trust's policy. I understand that a failure to declare a conflict of interest may be considered to be a breach of this code.
- 2.4 I will inform the Chief Executive of any changes to the list of organisations of which I have board level membership or where I have responsibilities which may be seen to conflict with my role as a Trustee of the Trust.
- 2.5 I will inform the Chief Executive if I accept appointments to other organisations.

3. Meetings

- 3.1 I recognise that as a Trustee it is mandatory to attend all appropriate meetings and other appointments of the Trust or give apologies.
- 3.2 I will prepare fully for all meetings and work for the Trust. This will include reading papers, querying anything I do not understand, thinking through issues before meetings and completing any tasks assigned to me in the agreed time.
- 3.3 I will actively engage in discussion, debate and voting in meetings; contributing in a considered and constructive way, listening carefully, challenging sensitively and avoiding conflict.
- 3.4 I will participate in collective decision making, accept a majority decision of the Board of Trustees and will not act individually unless specifically authorised to do so.
- 3.5 Where I am a member of a committee or sub-group, I will take all reasonable steps to ensure that other Trustees are kept fully up-to-date with information upon which decisions may be taken.
- 3.6 I will take joint responsibility for decisions taken, including those determined by a nominated committee and sub-groups and recognise that I am accountable to stakeholders. I will submit to whatever scrutiny is appropriate.

4. Governance

- 4.1 I will actively contribute towards improving the governance of the Board, participating in induction and training and sharing ideas for improvement with the Board of Trustees.
- 4.2 I will help to manage the Trust with care, diligence and skill, taking professional advice where appropriate. I understand that I am not

expected to possess expertise other than that which might reasonably be expected of me.

5. Relations with others

- 5.1 I will endeavour to work considerately and respectfully with all those I come into contact with at the Trust. I will respect diversity, different roles and boundaries, and will avoid causing intentional offence.
- 5.2 I recognise that the roles of Trustees, volunteers and staff of the Trust are different, and I will seek to understand and respect the difference between these roles.
- 5.3 I will seek to support and encourage all those I come into contact with at the Trust who are acting in the Trust's interests. In particular I recognise my responsibility to support the Chair, the Chief Executive and the Senior Management Team.
- 5.4 I will not make public comments about the Trust unless authorised to do so by the Chair or the Chief Executive. Any public comments I make about the Trust will be considered and in line with organisational policy, whether I make them as an individual or as a Trustee.

6. Disciplinary process

- 6.1 I understand that breach of any part of this code may result the Trust's Disciplinary Process being invoked which may result in my suspension and/or removal from the Board of Trustees. Should I be removed from the Board of Trustees I will be given the opportunity to be heard as provided for in the Disciplinary Process.

7. Ceasing to be a Trustee

- 7.1 If I wish to resign as a Trustee at any time, I will inform the Chair in advance in writing, stating my reasons for leaving and will agree to participate in a recorded exit interview.

Trustee Declaration

Please read OSCR's Guidance for Charity Trustees before signing this declaration.

I declare that:

1. I have read OSCR's Guidance for Charity Trustees.
 2. I am willing to act as a charity trustee of the above named organisation.
 3. I understand the organisations purposes and rules set out in its governing document.
 4. I am aware of my duties and responsibilities as a charity trustee in terms of section 66 of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act').
 5. I am not disqualified from being a charity trustee in terms of the 2005 Act – that is:
 - 5.1 I am not an undischarged bankrupt
 - 5.2 I have not granted a Protected Trust Deed (PTD)
 - 5.3 I do not have an unspent conviction for an offence involving dishonesty
 - 5.4 I do not have an unspent conviction for an offence under the 2005 Act
 - 5.5 I have not been removed by the Court of Session under the 2005 Act (or earlier legislation) from being a charity trustee or being concerned in the management or control of any charity or body
 - 5.6 I have not been removed from being a charity trustee by the Charity Commission or the High Court in England due to misconduct or mismanagement
 - 5.7 I have not entered into an individual voluntary arrangement (IVA) to pay off debts with creditors. (This only applies to trustees living in England or Wales)
 - 5.8 I am not disqualified from being a company director.
 6. I have not been charged of any offence
 7. I have no unspent convictions for any offence.
 8. I am not on the sex offenders register (ie subject to notification requirements of Part 2 of the Sexual Offences Act 2003).
- A. I understand that it is an offence under section 26 of the 2005 Act to knowingly or recklessly provide false or misleading information.**
- B. I will inform the Chief Executive without delay, if after the date of this declaration, one or more of the declarations under clauses 5, 6 or 8 no longer apply to me.**

C. I understand that if either clauses 6 or 8 no longer apply to me that the remaining Trustees:-

(a) may suspend me as a Trustee, without prejudice of guilt, if it is resolved that the fact that either clauses 6 or 8 no longer apply to me may be detrimental to the reputation of the Trust; or

(b) may resolve to remove me as a Trustee on the grounds that, in the sole opinion of the remaining Trustees, I have acted in such a way as would bring the Trust into disrepute and in all the circumstances removal as a Trustee is justified to preserve the reputation of the Trust.

To be signed by the Trustee

Signed _____

Name _____

Date _____

NOTES

For Trustees:

This Code has been written in accordance with the Office of the Scottish Charity Regulator's "Guidance for Trustees", the Scottish Arts' Council's handbook on "Care Diligence and Skill" and The Trustee Network's booklet "Codes of Conduct for Trustees".

The purpose of this Code of Conduct is to ensure consistent application of the values and ethos of the Trust and set out the relevant standards and commitments expected of all Trustees.

For Prospective Trustees:

All new Trustees will be provided with information about what is expected of them in relation to time commitment, committee membership and involvement outside Trustees' meetings, together with copies of relevant policy documents. Opportunities will be provided to speak to an existing Trustee.

For the Trust:

The Senior Management Team of the Trust will:

1. provide the Board of Trustees with timely and relevant information in order to allow the Board to govern well;
2. provide the Board with advice when necessary, ensuring that external professional advisors are available as and when needed;
3. work in partnership with the Board to ensure that they fulfil all of their statutory and legal responsibilities;
4. invest time, money and other resources in order to help support and further develop good governance;
5. provide the Board with the necessary administrative and other support that it will need to govern well, including its development needs; and
6. reimburse Trustees' out-of-pocket expenses incurred in the course of their duties as Trustees in accordance with the Trust's procedures. Trustees may waive all or part of these if they so choose. Such expenses will be in line with the Trust's policy. All expense claims to be in accordance with the standing order on expenses.

Appendix B

Register of Interest Form

Name: _____

As a Trustee of Shetland Charitable Trust, I have set out below my interests in accordance with the Trust's Code of Conduct.

Current employment and any previous employment in which you continue to have a financial interest	
Appointments (voluntary or otherwise) e.g. trusteeships, local authority membership, tribunals etc.	
Membership of any professional bodies, special interest groups or mutual support organisations	
Ownership or lease of land and property	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings	
Any tenancy of land owned by the Trust	
Any gifts of hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months	
Any contractual relationship with the Trust	
Any use, or care for a user of, the Trust's services	
Any other conflicts not covered by the above	

To the best of my knowledge, the above information is complete and correct.

I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the Code of Conduct and for no other purpose.

Signed:

Position with Trust:

Date:

Note to Trustees completing the form

Please give details of the interest and whether it applies to you or, where appropriate, a member of your immediate family or an individual or organisation with which you have a close personal connection.

Appendix C

This is the Schedule of Governance Arrangements referred to in the foregoing Supplementary Deed by the Trustees dated 24 January 2019

This is the SCHEDULE OF GOVERNANCE ARRANGEMENTS referred to in the 2012 DEED of TRUST by Malcolm John Bell and others dated 13th and 14th September 2012

1 Definitions:-

In this Schedule of Governance Arrangements:-

“Trustee” means a trustee appointed or re-appointed by the Trustees under Paragraph 4 unless the context requires otherwise;

“Continuing Trustees” means the Trustees in office as at the Effective Date;

“Effective Date” means 29th November 2018;

“Schedule” means this Schedule of Governance Arrangements;

“Selection Panel” means such persons appointed by the Trustees under Paragraph 6;

“Term” means the term of office from the date of appointment for a period of four years;

“Trustees” includes Continuing Trustees;

2 Trustees

Subject as aftermentioned, 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. In exceptional circumstances, Trustees may resolve:-

- (a) that a Trustee who ceases to be principally resident in the Shetland Islands may continue in office as a Trustee notwithstanding that he or she has ceased to be so resident; or
- (b) appoint as a Trustee an individual not principally resident in the Shetland Islands.

3 Number and Body of Trustees

- (a) The minimum number of Trustees shall be seven and the maximum number of Trustees shall be twelve in number and any vacancy shall be promptly filled allowing for due process.
- (b) Notwithstanding any vacancy in the number of Trustees at all times there shall be deemed to be at least the minimum number of Trustees.

- (c) 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 Trustees

- (a) The Trustees shall, on the recommendation of the Selection Panel, appoint Trustees.
- (b) Subject to sub-paragraph 8(b) below, Trustees shall serve a Term and shall be eligible for re-appointment for one further Term thereafter.
- (c) The office of Trustee shall be vacated in any of the following events, namely:-
 - (i) if he shall enter into an arrangement with his creditors or become apparently insolvent; or
 - (ii) if a registered medical practitioner who is treating him gives a written opinion to the Trust stating that he has become physically or mentally incapable of acting as a Trustee and may remain so for more than three months; or
 - (iii) if he is prohibited by law from being a Trustee or if he is disqualified from acting as a charity trustee in terms of the Charities and Trustee Investment (Scotland) Act 2005; or
 - (iv) if, in the sole opinion of the other Trustees, he shall have acted in such a way as would bring the Trust into disrepute and in all the circumstances his removal from office is justified to preserve the reputation of the Trust; or
 - (v) if he is removed from office by resolution of the other Trustees on the ground that he is considered to have been in serious or persistent breach of his duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005.
- (d) Trustees may suspend any Trustee from office by resolution of the other Trustees on for such period as the Trustees think fit.

5 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 five 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 unless removed as Chair or Vice Chair by resolution of the other Trustees.
- (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 under paragraph 4(c)(iv).

6 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 Trustees.
- (b) The Selection Panel shall comprise:-
 - (i) an independent Chair appointed by the Trustees or an Advisory Committee established in furtherance of Clause 4 of the Schedule of Powers annexed and executed as relative to the 2012 Deed of Trust but who shall not be a Trustee of the Trust; and
 - (ii) two Trustees.
- (c) In the event that the Selection Panel is unable to recommend appropriate individuals resident in the Shetland Islands for appointment as Trustees then that shall be deemed to be exceptional circumstances for the purpose of Paragraph 2

7 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.

8 Transition etc

As at the Effective Date the Continuing Trustees:-

- (a) shall be the Trustees;

- (b) shall be deemed to have been appointed on such date prior to the Effective Date as such Continuing Trustee was first appointed as a Trustee; and
- (c) shall be deemed to have served such Term or Terms as provided for in the 2012 Deed of Trust.