



**CONSTITUTION**

of

**LAR HOUSING TRUST**

**(as amended on 26<sup>th</sup> August 2015 and on 23<sup>rd</sup> March 2017)**

# CONSTITUTION

of

## LAR HOUSING TRUST

(as amended by members' written resolution dated 28<sup>th</sup> August 2015)

<b>CONTENTS</b>		
<b>GENERAL</b>	type of organisation, Scottish principal office, name, purposes, powers, liability, general structure	clauses 1 - 10
<b>MEMBERS</b>	qualifications for membership, application, subscription, register of members, withdrawal, transfer, re-registration, expulsion	clauses 11 - 21
<b>DECISION-MAKING BY THE MEMBERS</b>	members' meetings, notice, procedure at members' meetings, voting at members' meetings, written resolutions, minutes	clauses 22 - 51
<b>BOARD (CHARITY TRUSTEES)</b>	number, eligibility, appointment/re-appointment, termination of office, register of charity trustees, office bearers, powers, general duties, code of conduct	clauses 52 - 88
<b>DECISION-MAKING BY THE CHARITY TRUSTEES</b>	notice, procedure at board meetings, minutes	clauses 89 - 105
<b>ADMINISTRATION</b>	sub-committees, Nominations Committee, operation of accounts, accounting records and annual accounts, public access to annual accounts etc	clauses 106 - 120
<b>MISCELLANEOUS</b>	winding up, alterations to the constitution, interpretation	clauses 121 - 126

## **GENERAL**

### **Type of SCIO**

- 1 The organisation will, upon registration, be a Scottish Charitable Incorporated Organisation (SCIO).

### **Scottish principal office**

- 2 The principal office of the SCIO will be in Scotland (and must remain in Scotland).

### **Name**

- 3 The name of the SCIO is “LAR Housing Trust”.

### **Purposes**

- 4 The SCIO’s purposes are:
  - 4.1 The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage;  
  
and (as ancillary to that purpose)
  - 4.2 The advancement of community development;  
  
through providing and/or assisting in the provision of housing for rent at affordable levels and (as ancillary to those primary activities) assisting (whether financially or otherwise) with the development or improvement of public open space, and/or other public amenities or facilities, to help to create sustainable and balanced communities in the areas where such affordable housing is located.
- 5 The SCIO has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so.
- 6 No part of the income or property of the SCIO may be paid or transferred (directly or indirectly) to the members or the charity trustees - either in the course of the SCIO’s existence or on dissolution - except (a) where this is done in direct furtherance of the SCIO’s purposes or (b) by way of reasonable remuneration (and/or reasonable pension and other benefits) paid or provided to the Executive Trustee (as defined in clause 52) in respect of services provided by him/her (whether as an employee of the SCIO or on a self-employed basis) to the SCIO or (c) by way of reasonable payments to the employer of the Executive Trustee (where he/she is seconded to the SCIO) in respect of secondment of the Executive Trustee to the SCIO or (d) by way of reasonable remuneration paid to the Chair in respect of services provided by him/her (whether as an employee of the SCIO or on a self-

employed basis) to the SCIO during the period prior to the appointment of the chief executive (as provided for in clause 85) or (e) by way of reasonable payments under a contract for services or other contractual document between the SCIO and a member where the terms of that contractual document were approved by the board as being in the best interests of the SCIO.

### **Liability of charity trustees**

- 7 The members of the SCIO have no liability to pay any sums to help to meet the debts (or other liabilities) of the SCIO if it is wound up; accordingly, if the SCIO is unable to meet its debts, the members will not be held responsible.
- 8 The charity trustees have certain legal duties under the Charities and Trustee Investment (Scotland) Act 2005; and clause 7 does not exclude (or limit) any personal liabilities they might incur if they are in breach of those duties or in breach of other legal obligations or duties that apply to them personally.

### **General structure**

- 9 The structure of the SCIO consists of:-
  - 9.1 the MEMBERS - who have the right to attend members' meetings (including any annual general meeting) and have important powers under the constitution; in particular, the members take decisions on changes to the constitution itself;
  - 9.2 the BOARD - who hold regular meetings, and generally control the activities of the SCIO; for example, the board is responsible for monitoring and controlling the financial position of the SCIO.
- 10 The people serving on the board are referred to in this constitution as CHARITY TRUSTEES.

## **MEMBERS**

### **Qualifications for membership**

- 11 Membership is open to
  - 11.1 any individual who is appointed by the board as a charity trustee;
  - 11.2 Scottish Futures Trust Investments Limited (“SFTI”); and
  - 11.3 any Partner Trustee (as defined in clause 52).

### **Application for membership**

- 12 An individual who is appointed as a charity trustee will automatically become a member of the SCIO with effect from the time of appointment.
- 13 If SFTI wishes to become a member, it must give to the SCIO a written application for membership, signed by an appropriate officer; it will then automatically become a member of the SCIO with effect from the time when that application is received.

### **Membership subscription**

- 14 No membership subscription will be payable.

### **Register of members**

- 15 The board must keep a register of members, setting out
  - 15.1 for each current member:
    - 15.1.1 his/her/its full name and address; and
    - 15.1.2 the date on which he/she/it was registered as a member of the SCIO;
  - 15.2 for each former member - for at least six years from the date on he/she/it ceased to be a member:
    - 15.2.1 his/her/its name; and
    - 15.2.2 the date on which he/she/it ceased to be a member.
- 16 The board must ensure that the register of members is updated within 28 days of any change:

- 16.1 which arises from a resolution of the board or a resolution passed by the members of the SCIO; or
  - 16.2 which is notified to the SCIO.
- 17 If a member or charity trustee of the SCIO requests a copy of the register of members, the board must ensure that a copy is supplied to him/her/it within 28 days, providing the request is reasonable; if the request is made by a member (rather than a charity trustee), the board may provide a copy which has the addresses blanked out.

### **Withdrawal from membership**

- 18 Any individual or body who/which wants to withdraw from membership must give a written notice of withdrawal to the SCIO, signed by him/her (or in the case of a corporate body, signed on its behalf by an appropriate officer); he/she/it will cease to be a member as from the time when the notice is received by the SCIO.

### **Termination of membership**

- 19 An individual shall automatically cease to be a member if he/she ceases (for any reason) to be a charity trustee.

### **Transfer of membership**

- 20 Membership of the SCIO may not be transferred by a member.

### **Expulsion from membership**

- 21 Any individual may be expelled from membership by way of a resolution passed by not less than two thirds of those present and voting at a members' meeting, providing the following procedures have been observed:-
- 21.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion;
  - 21.2 the member concerned will be entitled to be heard on the resolution at the members' meeting at which the resolution is proposed.

## **DECISION-MAKING BY THE MEMBERS**

### **Members' meetings**

- 22 The board must arrange a meeting of members (an annual general meeting or "AGM") in each calendar year.
- 23 The gap between one AGM and the next must not be longer than 15 months.
- 24 Notwithstanding clause 22, an AGM does not need to be held during the calendar year in which the SCIO is formed; but the first AGM must still be held within 15 months of the date on which the SCIO is formed.
- 25 The business of each AGM must include:-
- 25.1 a report by the chair on the activities of the SCIO;
  - 25.2 consideration of the annual accounts of the SCIO.
- 26 The board may arrange a special members' meeting at any time.

### **Notice of members' meetings**

- 27 At least 14 clear days' notice must be given of any AGM or any special members' meeting.
- 28 The notice calling a members' meeting must specify in general terms what business is to be dealt with at the meeting; and
- 28.1 in the case of a resolution to alter the constitution, must set out the exact terms of the proposed alteration(s); or
  - 28.2 in the case of any other resolution falling within clause 40 (requirement for two-thirds majority) must set out the exact terms of the resolution.
- 29 The reference to "clear days" in clause 28 shall be taken to mean that, in calculating the period of notice,
- 29.1 the day after the notices are posted (or sent by e-mail) should be excluded; and
  - 29.2 the day of the meeting itself should also be excluded.
- 30 Notice of every members' meeting must be given to all the members of the SCIO, and to all the charity trustees; but the accidental omission to give notice to one or more members will not invalidate the proceedings at the meeting.

- 31 Any notice which requires to be given to a member under this constitution must be:
- 31.1 sent by post to the member, at the address last notified by him/her/it to the SCIO; *or*
- 31.2 sent by e-mail to the member, at the e-mail address last notified by him/her/it to the SCIO.

### **Procedure at members' meetings**

- 32 No valid decisions can be taken at any members' meeting unless a quorum is present.
- 33 Subject to clause 34, the quorum for a members' meeting is 2 members, present in person (in the case of a member which is a corporate body, present via its authorised representative) or represented by proxy.
- 34 A quorum will not be deemed to be constituted at any meeting at which a resolution of the nature referred to in clause 40 is to be proposed unless SFTI is present (through its authorised representative), or represented by proxy, at the meeting.
- 35 If a quorum is not present within 15 minutes after the time at which a members' meeting was due to start - or if a quorum ceases to be present during a members' meeting - the meeting cannot proceed; and fresh notices of meeting will require to be sent out, to deal with the business (or remaining business) which was intended to be conducted.
- 36 The chair of the SCIO should act as chairperson of each members' meeting.
- 37 If the chair of the SCIO is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the charity trustees present at the meeting must elect (from among themselves) the person who will act as chairperson of that meeting.

### **Voting at members' meetings**

- 38 Every member has one vote, which may be given (whether on a show of hands or on a secret ballot) either personally (in the case of a member which is a corporate body, via its authorised representative present at the meeting) or by proxy.
- 39 All decisions at members' meetings will be made by majority vote - with the exception of the types of resolution listed in clause 40.
- 40 The following resolutions will be valid only if passed by not less than two thirds of those voting on the resolution at a members' meeting (or if passed by way of a written resolution under clause 49):



- 40.1 a resolution amending the constitution;
  - 40.2 a resolution expelling a person from membership under clause 21;
  - 40.3 a resolution expelling a person from office as a charity trustee under clause 68.9;
  - 40.4 a resolution directing the board to take any particular step (or directing the board not to take any particular step);
  - 40.5 a resolution approving the amalgamation of the SCIO with another SCIO (or approving the constitution of the new SCIO to be constituted as the successor pursuant to that amalgamation);
  - 40.6 a resolution to the effect that all of the SCIO's property, rights and liabilities should be transferred to another SCIO (or agreeing to the transfer from another SCIO of all of its property, rights and liabilities);
  - 40.7 a resolution for the winding up or dissolution of the SCIO.
- 41 A member which is a corporate body shall be entitled to authorise an individual to attend and vote at members' meetings; he/she will then be entitled to exercise the same powers on behalf of the body which he/she represents as that body could have exercised if it had been an individual member of the SCIO.
- 42 A member who/which wishes to appoint a proxy to vote on his/her/its behalf at any meeting must lodge with the SCIO, prior to the time when the meeting commences, a written proxy form, signed by him/her (or, in the case of a corporate body, signed on its behalf by an appropriate officer).
- 43 A proxy need not be a member of the SCIO.
- 44 A member shall not be entitled to appoint more than one proxy to attend the same meeting.
- 45 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who/which appointed him/her to speak at the meeting
- 46 If there is an equal number of votes for and against any resolution, the chairperson of the meeting will be entitled to a second (casting) vote.
- 47 A resolution put to the vote at a members' meeting will be decided on a show of hands - unless the chairperson (or at least two other individuals present at the meeting and entitled to vote - whether as members, as proxies for members, or as the representative of a member which is a corporate body) ask for a secret ballot.

- 48 The chairperson will decide how any secret ballot is to be conducted, and he/she will declare the result of the ballot at the meeting.

**Written resolutions by members**

- 49 A resolution agreed to in writing (or by e-mail) by all the members will be as valid as if it had been passed at a members' meeting; the date of the resolution will be taken to be the date on which the last member agreed to it.

**Minutes**

- 50 The board must ensure that proper minutes are kept in relation to all members' meetings.
- 51 Minutes of members' meetings must include the names of those present; and (so far as possible) should be signed by the chairperson of the meeting.

## **BOARD**

### **Categories of trustee**

52 For the purposes of this constitution:

“**Partner Trustee**” means a trustee appointed under clauses 58 and 59;

“**Independent Trustee**” means a trustee appointed under clauses 60 to 65;

“**Executive Trustee**” means a trustee appointed under clause 66.

### **Number of charity trustees**

53 The maximum number of charity trustees is 8.

54 At any given time

54.1 no more than 1 charity trustee may be a Partner Trustee;

54.2 no more than 6 charity trustees may be Independent Trustees; and

54.3 no more than 1 charity trustee may be an Executive Trustee.

55 The minimum number of charity trustees is 3; and at any given time the Independent Trustees in office must outnumber the Partner Trustees in office.

### **Eligibility**

56 A person will not be eligible for appointment to the board:

56.1 if he/she is disqualified from being a charity trustee under the Charities and Trustee Investment (Scotland) Act 2005; or

56.2 (except in the case of the Executive Trustee) if he/she is an employee of the SCIO.

### **Initial charity trustees**

57 The individuals who signed the charity trustee declaration forms which accompanied the application for incorporation of the SCIO shall be deemed to have been appointed by the members as charity trustees with effect from the date of incorporation of the SCIO.

**Appointment, removal – Partner Trustees**

- 58 SFTI, for so long as it remains a member of the SCIO, may (subject to clause 54), by written notice to the SCIO, signed on its behalf by an appropriate officer:
- 58.1 appoint any individual (unless he/she is debarred from membership under clause 56) to be a charity trustee; or
  - 58.2 remove any individual previously appointed by it from office as a charity trustee.
- 59 Any appointment or removal of a charity trustee under clause 58 shall have effect from
- 59.1 the date on which the relevant notice is given to the SCIO; or
  - 59.2 any later date stated in the notice.

**Appointment, retirement, re-appointment – Independent Trustees**

- 60 Subject to clause 54, the board may at any time appoint any individual (unless he/she is debarred from membership under clause 56) to be a charity trustee, provided that
- 60.1 he/she is not an officer or employee of SFTI; and
  - 60.2 he/she has, in the opinion of the board, the requisite skills and experience to make a substantial contribution to the work of the board.
- 61 The charity trustees appointed in pursuance of clause 60 shall include one individual appointed on the basis that the board considers that he/she has the requisite skills to act as Chair of the SCIO.
- 62 At the conclusion of each AGM, any Independent Trustee who has served for a term of four years since he/she was last appointed/re-appointed will vacate office - but will then be eligible for re-appointment under clause 60 at the next board meeting.
- 63 For the purposes of clause 62:
- 63.1 the period between the date of appointment/re-appointment of an Independent Trustee and the AGM which next follows shall be deemed to be a period of one year (unless it is of less than six months' duration, in which case it shall be disregarded);

- 63.2 the period between one AGM and the next shall be deemed to be a period of one year;
- 63.3 if a person ceases to be an Independent Trustee and is then re-appointed as an Independent Trustee within a period of six months, he/she shall be deemed to have held office as an Independent Trustee continuously.
- 64 The board shall be guided by the Nominations Committee (as defined in clause 111) in relation to the selection of appropriate individuals for appointment or re-appointment as charity trustees under clause 60.
- 65 The board shall endeavour to establish the Nominations Committee within a reasonable period after the incorporation of the SCIO; until such time as it is established, the reference in clause 64 to the board being guided by the Nominations Committee shall be disregarded.

### **Executive Trustee**

- 66 The board shall, at the first board meeting which follows the appointment of any individual to the post of chief executive of the SCIO, appoint that individual as a charity trustee.
- 67 An individual holding office as Executive Trustee shall (subject to clause 68) continue in office as a charity trustee unless and until his/her appointment as chief executive of the SCIO terminates for any reason.

### **Termination of office**

- 68 A charity trustee will automatically cease to hold office if: -
- 68.1 he/she becomes disqualified from being a charity trustee under the Charities and Trustee Investment (Scotland) Act 2005;
- 68.2 he/she becomes incapable for medical reasons of carrying out his/her duties as a charity trustee - but only if that has continued (or is expected to continue) for a period of more than six months;
- 68.3 (except in the case of the Executive Trustee) he/she ceases to be a member of the SCIO;
- 68.4 (except in the case of the Executive Trustee) he/she becomes an employee of the SCIO;
- 68.5 he/she gives the SCIO a notice of resignation, signed by him/her;

- 68.6 he/she is absent (without good reason, in the opinion of the board) from more than three consecutive meetings of the board - but only if the board resolves to remove him/her from office;
  - 68.7 he/she is removed from office by resolution of the board on the grounds that he/she is considered to have committed a material breach of the code of conduct for charity trustees (as referred to in clause 87);
  - 68.8 he/she is removed from office by resolution of the board on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
  - 68.9 he/she is removed from office by a resolution of the members passed at a members' meeting.
- 69 A resolution under paragraph 68.7, 68.8 or 68.9 shall be valid only if: -
- 69.1 the charity trustee who is the subject of the resolution is given reasonable prior written notice of the grounds upon which the resolution for his/her removal is to be proposed;
  - 69.2 the charity trustee concerned is given the opportunity to address the meeting at which the resolution is proposed, prior to the resolution being put to the vote; and
  - 69.3 (in the case of a resolution under paragraph 68.7 or 68.8) at least two thirds (to the nearest round number) of the charity trustees then in office vote in favour of the resolution.

### **Register of charity trustees**

- 70 The board must keep a register of charity trustees, setting out
- 70.1 for each current charity trustee:
    - 70.1.1 his/her full name and address;
    - 70.1.2 the date on which he/she was appointed as a charity trustee; and
    - 70.1.3 any office held by him/her in the SCIO;
  - 70.2 for each former charity trustee - for at least 6 years from the date on which he/she ceased to be a charity trustee:
    - 70.2.1 the name of the charity trustee;

70.2.2 any office held by him/her in the SCIO; and

70.2.3 the date on which he/she ceased to be a charity trustee.

71 The board must ensure that the register of charity trustees is updated within 28 days of any change:

71.1 which arises from a resolution of the board or a resolution passed by the members of the SCIO; or

71.2 which is notified to the SCIO.

72 If any person requests a copy of the register of charity trustees, the board must ensure that a copy is supplied to him/her within 28 days, providing the request is reasonable; if the request is made by a person who is not a charity trustee of the SCIO, the board may provide a copy which has the addresses blanked out - if the SCIO is satisfied that including that information is likely to jeopardise the safety or security of any person or premises.

### **Office-bearers**

73 The Independent Trustee appointed under clause 61 shall automatically hold office as Chair.

74 The charity trustees may elect (from among themselves) further office-bearers if they consider that appropriate.

75 All of the office-bearers (or than the Chair) will cease to hold office at the conclusion of each AGM, but may then be re-elected under clause 74.

76 A person elected to any office will automatically cease to hold that office: -

76.1 if he/she ceases to be a charity trustee; *or*

76.2 if he/she gives to the SCIO a notice of resignation from that office, signed by him/her.

### **Powers of board**

77 Except where this constitution states otherwise, the SCIO (and its assets and operations) will be managed by the board; and the board may exercise all the powers of the SCIO.

78 A meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

- 79 The members may, by way of a resolution passed in compliance with clause 40 (requirement for two-thirds majority), direct the board to take any particular step or direct the board not to take any particular step; and the board shall give effect to any such direction accordingly.

**Charity trustees - general duties**

- 80 Each of the charity trustees has a duty, in exercising functions as a charity trustee, to act in the interests of the SCIO; and, in particular, must:-

80.1 seek, in good faith, to ensure that the SCIO acts in a manner which is in accordance with its purposes;

80.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

80.3 in circumstances giving rise to the possibility of a conflict of interest between the SCIO and any other party:

80.3.1 put the interests of the SCIO before that of the other party;

80.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the SCIO and refrain from participating in any deliberation or decision of the other charity trustees with regard to the matter in question;

80.4 ensure that the SCIO complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.

- 81 In addition to the duties outlined in clause 80, all of the charity trustees must take such steps as are reasonably practicable for the purpose of ensuring: -

81.1 that any breach of any of those duties by a charity trustee is corrected by the charity trustee concerned and not repeated; and

81.2 that any trustee who has been in serious and persistent breach of those duties is removed as a trustee.

- 82 Provided he/she has declared his/her interest - and has not voted on the question of whether or not the SCIO should enter into the arrangement - a charity trustee will not be debarred from entering into an arrangement with the SCIO in which he/she has a personal interest; and (subject to clause 83 and to the provisions relating to remuneration for services contained in the Charities and Trustee Investment (Scotland) Act 2005), he/she may retain any personal benefit which arises from that arrangement.



- 83 Subject to clauses 84 and 85, no charity trustee may serve as an employee (full time or part time) of the SCIO; and (subject to clauses 84 and 85) no charity trustee may be given any remuneration by the SCIO for carrying out his/her duties as a charity trustee.
- 84 A charity trustee holding office as the Executive Trustee of the SCIO may (notwithstanding that he/she is a charity trustee) be paid such reasonable remuneration (and may be provided with such reasonable pension and/or other benefits) as the board may determine in respect of services provided by him/her (whether in the capacity of employee of the SCIO or on a self-employed basis) to the SCIO.
- 85 During the period prior to (a) the date on which the first chief executive of the SCIO is appointed or (b) 30 September 2015 (if the first chief executive of the SCIO has not been appointed by then), the Chair may (notwithstanding that he/she is a charity trustee) be paid such reasonable remuneration as the board may determine in respect of services (over and above the normal workload associated with serving as the chair of a charitable organisation) provided by him/her (whether in the capacity of employee of the SCIO or on a self-employed basis) to the SCIO.
- 86 The charity trustees may be paid all travelling and other expenses reasonably incurred by them in connection with carrying out their duties; this may include expenses relating to their attendance at meetings.

**Code of conduct for charity trustees**

- 87 Each of the charity trustees shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board from time to time.
- 88 The code of conduct referred to in clause 87 shall be supplemental to the provisions relating to the conduct of charity trustees contained in this constitution and the duties imposed on charity trustees under the Charities and Trustee Investment (Scotland) Act 2005; and all relevant provisions of this constitution shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time

## **DECISION-MAKING BY THE CHARITY TRUSTEES**

### **Notice of board meetings**

- 89 Any charity trustee may call a meeting of the board *or* ask the secretary to call a meeting of the board.
- 90 At least 7 days' notice must be given of each board meeting, unless (in the opinion of the person calling the meeting) there is a degree of urgency which makes that inappropriate.

### **Procedure at board meetings**

- 91 No valid decisions can be taken at a board meeting unless a quorum is present; the quorum for board meetings is three charity trustees, present in person.
- 92 If at any time the number of charity trustees in office falls below the number stated as the quorum in clause 91, the remaining charity trustee(s) will have power to fill the vacancies or call a members' meeting - but will not be able to take any other valid decisions.
- 93 The Chair of the SCIO should act as chairperson of each board meeting.
- 94 If the Chair is not present within 15 minutes after the time at which the meeting was due to start (or is not willing to act as chairperson), the charity trustees present at the meeting must elect (from among themselves) the person who will act as chairperson of that meeting.
- 95 Every charity trustee has one vote, which must be given personally.
- 96 All decisions at board meetings will be made by majority vote.
- 97 If there is an equal number of votes for and against any resolution, the chairperson of the meeting will be entitled to a second (casting) vote.
- 98 A charity trustee may participate in a meeting of the board by means of a conference telephone, video conferencing facility or similar communications equipment whereby all the charity trustees participating in the meeting can hear each other; a charity trustee participating in a meeting in this manner shall be deemed to be present in person at the meeting
- 99 The board may, at its discretion, allow any person to attend and speak at a board meeting notwithstanding that he/she is not a charity trustee - but on the basis that he/she must not participate in decision-making.

- 100 A charity trustee must not vote at a board meeting (or at a meeting of a sub-committee) on any resolution which relates to a matter in which he/she has a personal interest or duty which conflicts (or may conflict) with the interests of the SCIO; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 101 For the purposes of clause 100: -
- 101.1 an interest held by an individual who is “connected” with the charity trustee under section 68(2) of the Charities and Trustee Investment (Scotland) Act 2005 (husband/wife, partner, child, parent, brother/sister etc) shall be deemed to be held by that charity trustee;
- 101.2 a charity trustee will (subject to clause 103103) be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected representative has an interest in that matter.
- 102 For the avoidance of doubt, the Executive Trustee shall not be entitled to vote in relation to any matter connected with the remuneration and/or other benefits provided to him/her in respect of services provided by him/her to the SCIO, nor in relation to any matter connected with the other terms and conditions (whether terms and conditions of employment or terms and conditions of a services contract) attaching to the provision of such services.
- 103 With reference to paragraph 101.2, a Partner Trustee will not be taken to have a personal interest in a particular matter solely on the grounds that SFTI has an interest in that matter and he/she is an officer or employee of SFTI – but he/she must give priority to the interests of the SCIO in taking decisions as a charity trustee in relation to that matter.

## **Minutes**

- 104 The board must ensure that proper minutes are kept in relation to all board meetings and meetings of sub-committees.
- 105 The minutes to be kept under clause 104104 must include the names of those present; and (so far as possible) should be signed by the chairperson of the meeting.

## **ADMINISTRATION**

### **Delegation to sub-committees**

- 106 The board may delegate any of their powers to sub-committees; a sub-committee must include at least one charity trustee, but other members of a sub-committee need not be charity trustees.
- 107 The board may also delegate to the chair of the SCIO (or the holder of any other post) such of their powers as they may consider appropriate.
- 108 When delegating powers under clause 106 or 107, the board must set out appropriate conditions (which must include an obligation to report regularly to the board).
- 109 Any delegation of powers under clause 106 or 107 may be revoked or altered by the board at any time.
- 110 The rules of procedure for each sub-committee, and the provisions relating to membership of each sub-committee, shall be set by the board.

### **Nominations committee**

- 111 The board shall establish a committee (referred to in this constitution as “the Nominations Committee”) to make recommendations to the board in relation to the selection of appropriate individuals for appointment as charity trustees under clause 60 (Independent Trustees).
- 112 The members of the Nominations Committee shall comprise:
- 112.1 at least three Charity Trustee; and
- 112.2 such further individuals (if any) as the board may determine.
- 113 Subject to clause 112, the composition and proceedings of the Nominations Committee shall be governed by such standing orders as may be issued by the board from time to time.
- 114 In carrying out its functions, the Nominations Committee shall give effect to the following principles:
- 114.1 the Nominations Committee should set an appropriate skills matrix to guide it in selecting and evaluating appropriate candidates, and should review and adjust that skills matrix from time to time;
- 114.2 nominations for charity trustees falling within the remit of the Nominations Committee should be sought from a range of appropriate sources;

114.3 all expressions of interest should be considered by the Nominations Committee; and

114.4 the Nominations Committee should maintain a register of suitable candidates for future reference.

### **Operation of accounts**

115 Subject to clause 116, the signatures of two out of three signatories appointed by the board will be required in relation to all operations (other than the lodging of funds) on the bank and building society accounts held by the SCIO; at least one out of the two signatures must be the signature of a charity trustee.

116 Where the SCIO uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in clause 115.

### **Accounting records and annual accounts**

117 The board must ensure that proper accounting records are kept, in accordance with all applicable statutory requirements.

118 The board must prepare annual accounts, complying with all relevant statutory requirements; the board should ensure (subject to clause 119) that an audit of the accounts is carried out by a qualified auditor.

119 The board need not arrange for an audit to be carried out in respect of the financial period ending 31 March 2015; if the board determines that no audit should be carried out in respect of that period, the reference in paragraph 120.1 shall, in its application to the accounts for that financial period, be deemed to be to unaudited accounts.

### **Public access to annual accounts etc**

120 The board shall publish on its website:

120.1 a copy of the most recent audited annual accounts of the SCIO;

120.2 a copy of the SCIO's constitution in its current form; and

120.3 a list of the names of the current charity trustees of the SCIO.

## **MISCELLANEOUS**

### **Winding-up**

- 121 If the SCIO is to be wound up or dissolved, the winding-up or dissolution process will be carried out in accordance with the procedures set out under the Charities and Trustee Investment (Scotland) Act 2005.
- 122 Any surplus assets available to the SCIO immediately preceding its winding up or dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the SCIO as set out in this constitution.

### **Alterations to the constitution**

- 123 This constitution may (subject to clause 124) be altered by resolution of the members passed at a members' meeting (subject to achieving the two thirds majority referred to in clause 40) or by way of a written resolution of the members.
- 124 The Charities and Trustee Investment (Scotland) Act 2005 prohibits taking certain steps (eg change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of the Office of the Scottish Charity Regulator (OSCR).

### **Interpretation**

- 125 References in this constitution to the Charities and Trustee Investment (Scotland) Act 2005 should be taken to include: -
- 125.1 any statutory provision which adds to, modifies or replaces that Act; and
- 125.2 any statutory instrument issued in pursuance of that Act or in pursuance of any statutory provision falling under paragraph 125.1 above.
- 126 In this constitution:
- 126.1 "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;
- 126.2 "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.