

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION of
Strathnairn Community Benefit Fund
Limited

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Constitution of company

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

Defined terms

- 2 In these articles of association, unless the context requires otherwise:-
- (a) “Act” means the Companies Act 2006;
 - (b) “area of benefit” means the area defined by the boundary of Strathnairn Community Council as at September 2018 as defined by Highland Council or any successor local authority under its Schemes for the Establishment of Community Councils,
 - (c) “charity” means a body which is either a “Scottish charity” within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a “charity” within the meaning of section 1 of the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;
 - (d) “charitable purpose” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
 - (e) “community benefit agreements” means agreements entered into by the company with project owners which govern the receipt, administration and distribution of community benefit sums by the company linked to those assets;
 - (f) “community benefit sums” are defined in the agreements and are the sums paid to the company by the asset owner under the agreement;
 - (g) “community benefits” are defined in the community benefit agreement and include improvements in relation to community facilities, skills and employment, community and local events, sports and recreation, the environment, education and heritage;
 - (h) “electronic form” has the meaning given in section 1168 of the Act;
 - (i) “OSCR” means the Office of the Scottish Charity Regulator;
 - (j) “project owners” means the owner of an asset such as a wind farm or hydro scheme;
 - (k) “subsidiary” has the meaning given in section 1159 of the Act.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

Objects

4 The company's objects are:

(a) The promotion, for the benefit of the public, of urban or rural regeneration in areas of social and economic deprivation and in particular in the Strathnairn Community Council area by all or any of the following means:-

- (i) the relief of poverty in such ways as may be thought fit;
- (ii) the relief of unemployment in such ways as may be thought fit including assistance to find employment;
- (iii) the advancement of education, training or retraining particularly among unemployed people and providing unemployed people with work experience;
- (iv) the creation of training and unemployment opportunities by provision of work space, buildings and/or land for use on favourable terms;
- (v) the maintenance improvement or provision of public amenities;
- (vi) the preservation of buildings or sites of historical or architectural importance;
- (vii) the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reasons of their youth, age, infirmity or disablement, poverty or social economic circumstances have need of such facilities;
- (viii) the protection or conservation of the environment;
- (ix) the promotion of public safety and prevention of crime;
- (x) the promotion of renewable energy measures;
- (xi) the promotion of energy saving measures;
- (xii) the promotion of public participation in sport
- (xiii) such other means as may from time to time be determined subject to the prior written consent of OSCR.

(b) To promote the conservation, protection and improvement of the physical and natural environment in particular to conserve and manage for the public benefit community land and related assets in Strathnairn Community Council area as an important part of the protection of Scotland's natural environment.

(c) To carry out any other charitable purpose for the benefit of the public with the prior consent of OSCR

5 The company's objects are restricted to those set out in article 4 (but subject to article 6).

6 The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

Powers

- 7 In pursuance of the objects listed in article 4 (but not otherwise), the company shall have the following powers:-
- (a) To receive funds, in particular community benefit funds from wind farms and hydro schemes, in accordance with Agreements with owners;
 - (b) To allocate funds to project which are in accordance with the terms of Agreements with owners/donors and with the objects contained in Article 4.
 - (c) To carry on any other activities which further any of the above objects.
 - (d) To engage such consultants and advisers as are considered appropriate from time to time.
 - (e) To effect insurance of all kinds (which may include officers' liability insurance).
 - (f) To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments).
 - (g) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects.
 - (h) To establish and/or support any other charity that will benefit the area of benefit, and to make donations for any charitable purpose falling within the company's objects.
 - (i) To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities.
 - (j) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
 - (k) To oppose, or object to, any application or proceedings which may prejudice the company's interests.
 - (l) To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity.
 - (m) To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

Restrictions on use of the company's assets

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

Liability of members

- 9
- Each member undertakes that if the company is wound up while he/she is a member (or within one year after he/she ceases to be a member), he/she will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:
- (a) payment of the company's debts and liabilities contracted before he/she ceases to be a member;
 - (b) payment of the costs, charges and expenses of winding up; and
 - (c) adjustment of the rights of the contributories among themselves.

General structure

- 10
- The structure of the company consists of:-
- (a) the MEMBERS - who have the right to attend the annual general meeting (and any other general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as directors and take decisions in relation to changes to the articles themselves.
 - (b) the DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company and the determination of spend from community benefit funds held by the Company.

Qualifications for membership

- 11 The members of the company shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 14 to 15.
- 12 Membership shall be open to any permanent resident from the area of benefit aged 16 years or over.
- 13 Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

Application for membership

- 14 Any person who wishes to become a member must sign, and lodge with the company, a written application for membership.
- 15 Provided the individual qualifies for membership and is willing to become a member, is not serving a membership suspension and has not been expelled from the Company within the last 3 years, the Directors shall not refuse admission to membership.

Membership subscription

- 16 No membership subscription shall be payable.

Register of members

- 17 The directors shall maintain a register of members, setting out the full name and address of each member, the date on which he/she was admitted to membership, and the date on which any person ceased to be a member.

Withdrawal from membership

- 18 Any person who wishes to withdraw from membership shall sign, and lodge with the company, a written notice to that effect; on receipt of the notice by the company, he/she shall cease to be a member.

Expulsion from membership

- 19 Any person may be suspended or expelled from membership by special resolution (see article 32), providing the following procedures have been observed:-
 - (a) 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 suspension or expulsion

- (b) the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 20 Membership shall cease on death or departure as a permanent resident from the area of benefit.
- 21 A member may not transfer his/her membership to any other person.

General meetings (meetings of members)

- 22 The directors shall convene an annual general meeting in each year (but excluding the year in which the company is formed); the first annual general meeting shall be held not later than 18 months after the date of incorporation of the company.
- 23 Not more than 15 months shall elapse between one annual general meeting and the next.
- 24 The business of each annual general meeting shall include:-
 - (a) a report by the chair on the activities of the company
 - (b) consideration of the annual accounts of the company
 - (c) the election/re-election of directors, as referred to in articles 50 to 52.
- 25 Subject to articles 22, 23 and 26, the directors may convene a general meeting at any time.
- 26 The directors must convene a general meeting if there is a valid requisition by at least 5% of the members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

Notice of general meetings

- 27 At least 14 clear days' notice must be given of a general meeting.
- 28 The reference to "clear days" in article 27 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.
- 29 A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 32) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.
- 30 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.

- 31 Notice of every general meeting shall be given
- (a) in hard copy form
 - (b) in writing or (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
 - (c) by means of a website (subject to the company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act)

Special resolutions and ordinary resolutions

32 For the purposes of these articles, a “special resolution” means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 27 to 31; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or members absent from the meeting.

33 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution,

- (a) to alter its name
- (b) to alter any provision of these articles or adopt new articles of association.

34 For the purposes of these articles, an “ordinary resolution” means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at a general meeting, providing proper notice of the meeting has been given in accordance with articles 27 to 31.

Procedure at general meetings

35 No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 25% of individuals entitled to vote (each being a member or a proxy for a member) or 20 persons entitled vote (each being a member or a proxy for a member) – whichever is the lower.

36 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence - or if, during a meeting, a

quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.

- 37 The chair of the company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the members present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
- 38 The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine.
- 39 Every member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given either personally or by proxy.
- 40 Any member who wishes to appoint a proxy to vote on his/her behalf at any meeting (or adjourned meeting):
- (a) shall lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), signed by him/her; or
 - (b) shall send by electronic means to the company, at such electronic address as may have been notified to the members by the company for that purpose, an instrument of proxy (in such form as the directors require)

providing (in either case), the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting).

- 41 An instrument of proxy which does not conform with the provisions of article 40, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 42 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 43 A proxy appointed to attend and vote at any meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting and must be either a member of the company or be eligible for membership.
- 44 A vote given, or ballot demanded, by proxy shall be valid notwithstanding that the authority of the person voting or demanding a ballot had terminated prior to the giving of such vote or demanding of such ballot, unless notice of such termination was received by the company at the company's registered office (or, where sent by electronic means, was received by the company at the address notified by the company to the members for the purpose of electronic communications) before the commencement of the meeting or adjourned meeting at which the vote was given or the ballot demanded.

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

Maximum and minimum number of directors

- 48 The maximum number of directors shall be twelve and the minimum shall be six.

Eligibility

- 49 A person shall not be eligible for election/appointment as a director unless he/she is a member of the company.

Election, retiral, re-election

- 50 Prior to every fourth annual general meeting, the members may (subject to article 48) elect any member (providing he/she is willing to act) to be a director, using the postal ballot system outlined in the appendix to these Articles. The result of the ballot shall be announced at the annual general meeting.
- 51 The directors may at any time appoint any member (providing he/she is willing to act) to be a director (subject to article 48 and the appendix to these Articles).
- 52 The board shall stand for a term of 4 years in office. At every fourth annual general meeting, all of the directors shall retire from office - but shall then be eligible for re-election.

Termination of office

- 53 A director shall automatically vacate office if:-
- (a) he/she ceases to be a director through the operation of any provision of the Act or becomes prohibited by law from being a director
 - (b) he/she becomes debarred under any statutory provision from being a charity trustee

- (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months
 - (d) he/she ceases to be a member of the company
 - (e) he/she becomes an employee of the company
 - (f) he/she resigns office by notice to the company
 - (g) he/she is absent (without permission of the directors) from more than three consecutive meetings of the directors, and the directors resolve to remove him/her from office
 - (h) he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 80);
 - (i) he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under sub-sections 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
 - (j) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.
- 54 A resolution under paragraph (h) or (i) of article 53 shall be valid only if:-
- (a) the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
 - (b) the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
 - (c) at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

Register of directors

- 55 The directors shall maintain a register of directors, setting out full details of each director, including the date on which he/she became a director, and also specifying the date on which any person ceased to hold office as a director.

Office bearers

- 56 The directors shall elect from among themselves a chair and such other office bearers (if any) as they consider appropriate.

- 57 All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 58 A person elected to any office shall cease to hold that office if he/she ceases to be a director, or if he/she resigns from that office by written notice to that effect.

Powers of directors

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

Personal interests

- 61 A director who has a personal interest in any transaction or other arrangement which the company is proposing to enter into, must declare that interest at a meeting of the directors; he/she will be debarred (in terms of article 75) from voting on the question of whether or not the company should enter into that arrangement.
- 62 For the purposes of the preceding article, a director shall be deemed to have a personal interest in an arrangement if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director **or** any limited liability partnership of which he/she is a member **or** any Scottish charitable incorporated organisation of which he/she is a charity trustee **or** any registered society or unincorporated association of which he/she is a management committee member (or any other party who/which is deemed to be connected with him/her for the purposes of the Act) , has a personal interest in that arrangement.
- 63 Provided
- (a) he/she has declared his/her interest
 - (b) he/she has not voted on the question of whether or not the company should enter into the relevant arrangement and
 - (c) the requirements of article 67 are complied with,
- a director will not be debarred from entering into an arrangement with the company in which he/she has a personal interest (or is deemed to have a personal interest under article 62) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.
- 64 The directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as

defined for the purposes of that section of the Act) that may arise (such that the duty of the director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation; the directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.

- 65 For the avoidance of doubt, the provisions of section 175 of the Act and article 64 do not apply to a conflict of interest relating to a transaction or arrangement with the company; conflicts of that kind are regulated by the provisions of articles 61 to 63 and articles 75 to 78.
- 66 No director may serve as an employee (full time or part time) of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director.
- 67 Where a director provides services to the company or might benefit from any remuneration paid to a connected party for such services, then
- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable
 - (b) the directors must be satisfied that it would be in the interests of the company to enter into the arrangement (taking account of that maximum amount); and
 - (c) less than half of the directors must be receiving remuneration from the company (or benefit from remuneration of that nature).
- 68 The directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the directors, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

Procedure at directors' meetings

- 69 Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
- 70 Questions arising at a meeting of the directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 71 No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors shall be four, present in person or by telephone, Skype or other video conferencing software.
- 72 If at any time the number of directors in office falls below the number fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 73 Unless he/she is unwilling to do so, the chair of the company shall preside as chairperson at every directors' meeting at which he/she is present; if the chair is unwilling to act as chairperson or is not present

within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.

- 74 The directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the directors; for the avoidance of doubt, any such person who is invited to attend a directors' meeting shall not be entitled to vote.
- 75 A director shall not vote at a directors' meeting (or at a meeting of a committee) on any resolution concerning a matter in which he/she has a personal interest which conflicts (or may conflict) with the interests of the company; he/she must withdraw from the meeting while an item of that nature is being dealt with.
- 76 For the purposes of article 75, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director **or** any limited liability partnership of which he/she is a member **or** any Scottish charitable incorporated organisation of which he/she is a charity trustee **or** any registered society or unincorporated association of which he/she is a management committee member has a personal interest in that matter.
- 77 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 78 The company may, by ordinary resolution, suspend or relax to any extent, permissible by law— either generally or in relation to any particular matter – the provisions of articles 75 to 77.

Conduct of directors

- 79 Each of the directors shall, in exercising his/her functions as a director of the company, act in the interests of the company; and, in particular, must
- (a) seek, in good faith, to ensure that the company acts in a manner which is in accordance with its objects.
 - (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
 - (c) in circumstances giving rise to the possibility of a conflict of interest of interest between the company and any other party
 - (i) put the interests of the company before that of the other party, in taking decisions as a director; or
 - (ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any discussions or decisions involving the other directors with regard to the matter in question

- (d) ensure that the company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 80 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time.
- 81 For the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association and the Companies Act 2006; and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.

Delegation to sub-committees

- 82 The directors may delegate any of their powers to any sub-committee consisting of one or more directors and such other persons (if any) as the directors may determine; they may also delegate to the chair of the company (or the holder of any other post) such of their powers as they may consider appropriate.
- 83 Any delegation of powers under article 82 may be made subject to such conditions as the directors may impose and may be revoked or altered.
- 84 The rules of procedure for any sub-committee shall be as prescribed by the directors.

Operation of bank accounts

- 85 The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.

Secretary

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

Minutes

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

Accounting records and annual accounts

- 88 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 89 The directors shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
- 90 No member shall (unless he/she is a director) have any right of inspecting any accounting or other records, or any document of the company, except as conferred by statute or as authorised by the directors or as authorised by ordinary resolution of the company.

Notices

- 91 Any notice which requires to be given to a member under these articles shall be given either in writing or by electronic means; such a notice may be given personally to the member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the company *or* (in the case of a member who has notified the company of an address to be used for the purpose of electronic communications) may be given to the member by electronic means.
- 92 Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 93 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

Winding-up

- 94 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the members of the company at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.

Indemnity

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

Appendix

Election of Directors to the Strathnairn Community Benefit Fund Board

1. Eligibility to vote in an Election

- a. Only individuals who are 'Members' may vote in the election.

2. Eligibility to stand in an Election

- a. Only individuals who are 'Members' may stand for election.
- b. Individuals who are disqualified from or who have been removed from serving as a Charitable Trustee, Company Director or as an employee of such an organisation cannot apply. (Check Companies House and the Office of the Charities Regulator (OSCR) websites for further information)
- c. Individuals who have been convicted of or involved in any financial crime, fraud or an offence involving deception or dishonesty cannot apply.

3. Nominations

- a. Candidates eligible to stand for election should complete a Nomination Form.
- b. Nomination Forms must be submitted to the Secretary by the date and time set down in the election timetable. No Nomination Forms submitted after that date and time will be accepted.

4. Election Process

- a. At the close of the nomination period, should the number of candidates validly nominated equal or exceed the minimum but be less than or equal to the maximum number of Board vacancies the candidates will be declared elected from that date no ballot shall be held – subject to 4e below.
- b. At the close of the nomination period, should the number of candidates exceed the maximum number of Board vacancies arrangements for a ballot shall be implemented.
- c. At the close of the nomination period if the number of candidates are less than the quorum minimum required of the Board, then existing Directors not standing for re-election will be asked to make up the shortfall and remain in office whilst the nomination period is extended.
- d. In the event that an election is required, candidates will be given the opportunity to have a 250 word address placed on the SCBF web site.

- e. No more than three Directors can be serving Community Councillors.
 - (i) Where there is no need for an election but more than three Community Councillors have completed a Nomination Form, they will be asked if their intention to stand down from the Community Council or if they wish to withdraw their nomination. If no voluntary agreement can be reached, lots will be drawn to determine which three nominees will be appointed.
 - (ii) Where there is a need for an election and more than three Community Councillors have submitted a Nomination Form the election process will go ahead. Once the results are known if there are still more than three Community Councillors they will be asked if their intention to stand down from the Community Council or if they wish to withdraw their nomination. If no voluntary agreement can be reached the three Community Councillors with the most votes will be appointed. The resultant vacancy(s) will be filled by the candidate(s) in order of the most votes.

5. Method of Election

- a. Elections will be carried out by means of a postal ballot having first confirmed that all candidates are still willing to stand for election.
- b. The postal ballot form will list the candidates in alphabetical order by surname.
- c. Each 'Member' shall be entitled to vote for a number of candidates up to and equal to the total number of Board vacancies.
- d. Board members will be elected on a simple majority basis.

6. Ballot

- a. Distribution of ballot papers will be carried by the Secretary based on the information held on 'Members'.
- b. Counting of the Ballot papers and determination of the election results will be carried out by Foundation Scotland representative(s).

7. Length of Service

- a. Elections will be held every four years except where the number of Directors falls below the quorum.
- b. At the end of the four year term all Directors will stand down but may stand for re-election.
- c. Vacancies may be filled throughout the term of the Board:
 - (i) Where a vacancy occurs within six months of an election the candidate with the next highest number

of votes at the election will be invited to fill the vacancy subject to 4e.

- (ii) Where a vacancy occurs after six months of an election it will be advertised in the Strathnairn Newsletter and Nominations invited.
 - (iii) Where the number of Nominations exceed the number of Board vacancies a secret ballot of the existing Directors will be carried out and an appointment made on a majority basis.
- d. The Board may appoint 'Associate' members to carry out defined duties on behalf of the Board, these 'Associate' members may participate in the Board meetings but will have no voting rights. e.g. Treasurer, Secretary.