



# the National Trust for Scotland

a place for everyone

## GOVERNANCE REGULATIONS

MADE UNDER s 21 (2)  
OF  
THE NATIONAL TRUST FOR SCOTLAND ORDER 1935

### STATUS AND EFFECTIVE DATE

These Regulations are made under s. 21(2) of the 1935 Order, and take effect from the close of the Annual General Meeting to be held on 28 September 2013. These Regulations supersede both the Second Schedule to the 1935 Order and any previous Regulations made under s 21(2) of the 1935 Order, save that any existing Standing Orders, Codes of Conduct or Governance or Committee Terms of Reference having effect immediately before the coming into effect of these Regulations shall continue in force until rescinded or replaced.

### DEFINITIONS AND INTERPRETATION

In these Regulations, the following expressions shall have the following meanings:

**“the Trust”** means The National Trust for Scotland for Places of Historic Interest or Natural Beauty originally incorporated by virtue of the 1935 Order;

**“the Board of Trustees”** means the Council of the Trust established under the 1935 Order;

**“Trustee”** means a member of the Board of Trustees;

**“the 1935 Order”** means the National Trust for Scotland Order 1935 ( as confirmed by the National Trust for Scotland Order Confirmation Act 1935);

**“the Trust Acts”** means the 1935 Order, the subsequent Provisional Orders and relative Order Confirmation Acts (to confer additional powers or amend the powers of the 1935 Order) of 1938, 1947, 1952, 1961 and 1973, and the National Trust for Scotland (Governance etc) Act 2013;

**“the Trust membership”** means such persons as the Board of Trustees sees fit to admit to the membership in accordance with s14 of the 1935 Order; and

**“year”** in the context of the term for which members of the Board of Trustees are elected or appointed shall (unless otherwise expressly stated in any Regulation) mean a period, whether greater or less than a calendar year, commencing at the end of one Annual General Meeting of the Trust and ending at the end of the next succeeding such Annual General Meeting, and in that same context **“years”** shall be construed accordingly.

## FUNCTIONS AND COMPOSITION OF THE BOARD OF TRUSTEES

1. The Board of Trustees (and each individual member) shall discharge the duties imposed on it and them respectively (i) by the Trust Acts and (ii) by any other applicable law or regulation including (without prejudice to the foregoing generality) those imposing legal duties on charity trustees. Without prejudice to the foregoing generality the following provisions shall apply to the Board of Trustees :-
  - (1) The Board of Trustees shall establish the Trust's strategic objectives and monitor compliance with such objectives. The Board of Trustees shall publish a 5 year strategic plan and ensure that the Trust adopts an integrated system of corporate planning.
  - (2) The Board of Trustees shall appoint a Chief Executive who shall, *inter alia*, produce and implement an annual plan to deliver the Trust's strategic objectives, and run the day to day operations of the Trust, and report to the Board appropriately.
  - (3) The Board of Trustees shall monitor, encourage, warn, and advise the Chief Executive to ensure the implementation of the Trust's strategic objectives and annual plans.
  - (4) The Board of Trustees shall adopt its own method of operation but shall normally meet at least 6 times per year.
  - (5) 10 members of the Board of Trustees shall be elected by the Trust membership with effect from the close of an Annual General Meeting.
  - (6) The Board of Trustees may co-opt up to 4 further persons to serve as members of the Board of Trustees for periods of up to 4 years to ensure an appropriate range of experience and skills among the members of the Board of Trustees. Any co-opted member may be co-opted for one or more further terms of up to 4 years but may not, in any event, serve for more than 8 years in total on the Board of Trustees (whether as co-opted or elected member).
  - (7) The minimum quorum of the Board of Trustees is half of the membership of the Board of Trustees plus one member (rounding the total up to the nearest whole number). Any member or members of the Board of Trustees shall be entitled to join any meeting by conference telephone call or similar means and in doing so shall be deemed to be included in the quorum. Any business of a meeting of the Board of Trustees may only be transacted while such meeting is quorate.
  - (8) Meetings of the Board of Trustees shall be chaired by the Chairman of the Trust, whom failing the Deputy-Chairman, whom both failing by such member of the Board of Trustees who shall be elected chair of the meeting by a majority of the members present of the Board of Trustees, and in the event of a tie by the oldest of such members present in person and willing to act.
  - (9) A member of the Board of Trustees shall not vote in respect of any contract in which they have an interest or any matter arising from such a contract, and if they do, the vote shall not be counted.
  - (10) Any member of staff of the Trust may be invited to attend the meetings of the Board of Trustees. The Chief Executive shall normally be invited to attend the meetings of the Board of Trustees, accompanied by colleagues, as appropriate, to speak to issues within their particular remit.

- (11) The Trust Secretary shall act as secretary to the Board of Trustees. The Trust Secretary shall be appointed by the Board of Trustees and shall not be a member of the senior executive management team. The Trust Secretary shall be accountable to the Board of Trustees in respect of his duties as Trust Secretary.
- (12) All new members of the Board of Trustees must undertake an induction process covering, *inter alia*, governance, finance, and conservation. The Chairman shall ensure that an annual review process is instituted in order to assess the general effectiveness of the Board of Trustees and that of individual members of the Board of Trustees.
- (13) The Board of Trustees shall maintain a register of Trustees, setting out full details of each member of the Board of Trustees, including the date on which any such person became a member, and also specifying the date on which any person ceased to be a member.
- (14) No employee of the Trust shall be eligible to be elected or co-opted as a member of the Board of Trustees.

### ELECTED MEMBERS OF THE BOARD OF TRUSTEES

2. Any person who is a member of the Trust of at least two years standing (consecutively and immediately prior to nomination) may be proposed to fill any vacancy as a member of the Board of Trustees. Such proposal must:
  - (1) Be received by the Trust Secretary by a closing date to be agreed by the Board of Trustees;
  - (2) Record the agreement of the member to serve if elected;
  - (3) State the names of and be signed by 2 members of the Trust who propose and second the member for election and confirm that they are not a member of the family of the member proposed; and
  - (4) Comply with such other requirements as the Board of Trustees have prescribed in any proposal process, including such as are required to establish the identity and membership of the person proposed and of the proposer and seconder.
3. Subject to the terms of Regulations 4 – 8 inclusive, elected members of the Board of Trustees shall serve on the Board of Trustees for a period of 4 years and shall retire at the end of the fourth Annual General Meeting of the Trust occurring after the Annual General Meeting of the Trust from the end of which they were elected. Elected members of Board of Trustees may be re-elected for a second and final 4 year term, whether immediately following their first term, or at a later date.
4. In relation to the initial term of service of the 10 members of the Board of Trustees who were elected as at 1<sup>st</sup> March 2011, 3 retire at the end of the Annual General Meeting in 2013, 3 retire at the end of the Annual General Meeting in 2014 and 4 retire at the end of the Annual General Meeting in 2015.
5. The initial terms of service of the 10 members of the Board of Trustees who were elected as at 1<sup>st</sup> March 2011 have been allocated amongst the members by agreement, which shall continue to apply under these Regulations. Such members shall be eligible for re-election for one further term of 4 years (whether immediately following their first term, or at a later date) regardless of the length of the term served under Regulation 4 or of any previous service on the Council or any other Regulation.
6. The Board of Trustees shall be entitled to prescribe at any particular future elections to the Board of Trustees that any or all of the terms to be served by persons elected shall be for a period of

years (which may be different periods) which is or are less than 4 years, if the Board of Trustees considers such a course of action to be in the best interest of the Trust, including without prejudice to the generality with a view to ensuring a regular pattern of elections, or because an elected Trustee has died in office or ceased to hold office before the end of the due term for any reason. If different terms of office are available in the same election, longer terms of office shall accrue to successful candidates receiving more votes.

7. Any person elected to the Board of Trustees on 2 or more occasions who has not (or at the end of a current term will not have) served for a total of 8 years shall be entitled to stand for election again, but if elected will only serve until they have completed a total of 8 years as an elected Trustee, at which point they will be deemed to have resigned. Any period of service as an elected Trustee ending 4 or more years prior to an Annual General Meeting at which trustees shall be elected shall be ignored for the purposes of this Regulation 7 in relation to an election with effect from such Annual General Meeting, so that, notwithstanding the first sentence of this Regulation 7, any person who has completed 8 years of service as a Trustee (whether elected, co-opted or both) shall be entitled to serve as a Trustee again after a period of 4 years has elapsed since the end of their last service as a Trustee. Such person shall be entitled to serve as a Trustee for a further and final period or periods not exceeding 8 years. No person shall be entitled to serve as a Trustee (whether elected, co-opted or both) for more than 16 years in total. Any Trustee who resigns office or is disqualified from holding office by virtue of Regulation 13 shall for the purposes only of this Regulation be deemed to have served until the end of the Annual General Meeting immediately following the actual date of loss of office.
8. Former employees of the Trust shall not be eligible for election to the Board of Trustees until a period of 18 months has elapsed between the date of cessation of their employment with the Trust and the date of the Annual General Meeting from the end of which the election would take effect.

## OFFICE BEARERS

### 9. THE PRESIDENT

- (1) The role of the President will be exclusively ambassadorial .
- (2) The President will not be a member of the Board of Trustees and need not be a member of the Patron's Club.
- (3) The President shall be subject to election annually by the Trust membership in general meeting, and shall hold office until the end of the succeeding Annual General Meeting.
- (4) An incumbent shall be eligible for re-election as President for a number of terms (whether consecutive or otherwise) but not normally exceeding 8 years.
- (5) The Chairman of the Board of Trustees, in consultation with the Board of Trustees, shall consider the appointment of the President in order to propose the most suitable candidate to the Nominations Committee for consideration and if thought fit, for proposal to the Trust membership at any Annual General Meeting.

## 10. VICE-PRESIDENTS

- (1) The role of the Vice-Presidents will be exclusively ambassadorial.
- (2) The Vice-Presidents will not be members of the Board of Trustees and need not be members of the Patron's Club.
- (3) The Vice-Presidents shall be subject to election annually by the Trust membership in general meeting, and shall hold office until the end of the succeeding Annual General Meeting.
- (4) Incumbents shall be eligible for re-election as Vice-Presidents for a number of terms (whether consecutive or otherwise) but not normally exceeding 8 years.

The President, in consultation with the Chairman of the Board of Trustees, shall consider the appointment of Vice-Presidents in order to propose the most suitable candidates to the Nominations Committee for consideration and if thought fit, for proposal to the Trust membership at any Annual General Meeting.

## 11. THE CHAIRMAN OF THE TRUST

- (1) The method of appointment and the role of the Chairman of the Trust shall be determined by the Board of Trustees from time to time.
- (2) The Chairman's performance shall be assessed jointly by both the Deputy Chairman and the Chairman of the Audit and Risk Management Committee.

## 12. THE DEPUTY CHAIRMAN OF THE TRUST

The method of appointment and the role of the Deputy Chairman of the Trust shall be determined by the Board of Trustees from time to time.

## **DISQUALIFICATION OF MEMBERS OF THE BOARD OF TRUSTEES AND OF ITS COMMITTEES**

13. (1) The office of member of the Board of Trustees and membership of any of its Committees shall be vacated if any person:
  - (a) ceases to be a member of the Trust;
  - (b) becomes an employee of the Trust;
  - (c) is disqualified from acting as a charity trustee, is removed from serving as a charity trustee, or has been stopped from acting in a management position within a charity;
  - (d) is disqualified from acting as a Director of a company incorporated in the UK;
  - (e) has been convicted of an offence involving deception or dishonesty (or any such conviction is legally regarded as spent);
  - (f) is or becomes regarded by HM Revenue & Customs as not being a fit and proper person to be involved in the governance or management of a charity;
  - (g) is an undischarged bankrupt;
  - (h) has made compositions or arrangements with creditors from which they have not been

discharged;

- (i) fails to attend three consecutive meetings without prior permission of the Board of Trustees or good cause shown, and the Board of Trustees resolve that such person should vacate office;
  - (j) becomes incapable for medical reasons (whether physical or mental) of fulfilling the duties of office or appointment and such incapacity is expected to continue for a period of more than six months;
  - (k) resigns office by notice in writing to the Trust; or
  - (l) has a material interest in any actual or proposed transaction or arrangement with the Trust and knowingly fails to declare it.
- (2) In the event of doubt as to whether any of the above circumstances have occurred, the decision of the Board of Trustees, acting with the advice of the Trust Secretary, recording that any such circumstances have occurred shall be conclusive.
14. For the avoidance of doubt notwithstanding Regulation 13 or any other Regulation the Board of Trustees may specifically authorise that remuneration be paid to the Chairman and/or Deputy Chairman.

#### BOARD OF TRUSTEES RESOLUTIONS

15. Any formal resolution which is competent for the Board of Trustees to pass may be proposed by the Chairman (or, in the absence of the Chairman, the Deputy Chairman) by means of a written resolution. The resolution shall be circulated by the Trust Secretary to all members of the Board of Trustees in writing by post or e-mail to the latest addresses provided to the Secretary by the members. The resolution shall be deemed to be passed only on the occurrence of the earlier of (i) the return to the Trust Secretary (by post or e-mail) of acceptance of the resolution by all of the members of the Board of Trustees or (ii) the return to the Secretary (by post or e-mail) of acceptance of the resolution by at least 75% of the members of the Board of Trustees, provided in the latter case that 7 clear days have passed since the issue of the proposed resolution by the Trust Secretary. Save in the case of manifest error of calculation, the Trust Secretary's decision on whether a written resolution has been passed shall be final and binding
16. A member of the Board of Trustees who wishes to put down a formal resolution on a substantive matter for consideration at a meeting of the Board of Trustees must lodge it in writing with the Trust Secretary not less than 5 days in advance of the meeting. Any late resolution may, at the discretion of the Chairman, be discussed and determined.

#### GENERAL MEETINGS

17. Two forms of general meetings may be held by the Trust:
- (1) Annual General Meetings, to be called by the Board of Trustees and to be held once in each calendar year; and
  - (2) Extraordinary General Meetings.
18. A notice of a general meeting shall state whether the meeting is an Annual General Meeting or an Extraordinary General Meeting, and shall specify the place, date and time of the meeting and include an agenda indicating the general nature of the business to be conducted and shall be given to the members not less than 35 days before the meeting in such form and

manner as the Board of Trustees may from time to time prescribe.

19. Any notice to a member in relation to a general meeting shall be :
  - (1) in writing; or
  - (2) in electronic form.
20. (1) The Trust may give notice of a general meeting to a member either:
  - (a) personally;
  - (b) by sending it in the post addressed to the last address notified by the member to the Trust;
  - (c) by leaving it at such address of the member;
  - (d) by giving it in electronic form to the last email address notified by the member to the Trust; or
  - (e) by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. Such a notification must state that it concerns a notice of a Trust general meeting, must specify the place, date and time of the meeting, and must be given in accordance with one of paragraphs (a) – (d) above.(2) A member who does not register an address whether actual or email with the Trust shall not be entitled to receive any notice from the Trust.
21. A member of the Trust may propose a resolution for a general meeting. Notice of any such resolution proposed must:
  - (1) be sent to the Trust Secretary at the Trust's registered office; and
  - (2) be signed by the proposer and not less than 49 seconders being members of the Trust.
22. A member proposing a resolution at the Annual General Meeting must deliver it to the Trust Secretary not less than 150 days before the meeting.
23. The Board of Trustees may refuse to accept a member's resolution where:
  - (1) in the opinion of the Board of Trustees it contains matter of a defamatory nature; or
  - (2) the issue has been the subject of a resolution proposed at any general meeting held during the 2 years preceding its submission; or
  - (3) if it is a motion combining 2 or more issues; or
  - (4) if it is not relevant to the charitable purposes of the Trust.
24. The proposer of a valid resolution to be considered at a general meeting may submit at the same time a statement not exceeding 500 words in support of it, and the Board of Trustees may, if they so wish, prepare a statement setting out its views on such resolution and any such supporting statement, any such statements to be distributed to members with the notice of the general meeting.
25. The proceedings of a general meeting will not be invalidated if any member has not received notice of it.
26. 50 members must be present in person to form a quorum for a general meeting. If within 30 minutes from the time appointed for a general meeting a quorum is not present then the meeting shall not take place.

## ANNUAL GENERAL MEETINGS

27. The Board of Trustees at each Annual General Meeting shall submit a report of the affairs of the Trust in the preceding period or year and of the financial position of the Trust.
28. (1) Every Annual General Meeting shall as ordinary business:
  - (a) elect a President of the Trust;
  - (b) elect Vice-Presidents of the Trust;
  - (c) elect members of the Board of Trustees in place of any retiring or to fill any vacancies otherwise arising since the previous Annual General Meeting;
  - (d) appoint auditors of the Trust;
  - (e) receive and consider any annual reports provided to the meeting by the Board of Trustees; and
  - (f) decide on any recommendation by the Board of Trustees put forward for decision of the Annual General Meeting.
- (2) No other substantive business shall be transacted unless specified in the notice convening the Annual General Meeting.
29. In any notice of an Annual General Meeting the Board of Trustees shall state the names of the elected members of the Board of Trustees who are to retire at the end of the Meeting (or who have otherwise ceased to hold office since the previous Annual General Meeting) and the names of those who have been proposed as candidates for election to the Board of Trustees.

## EXTRAORDINARY GENERAL MEETINGS

30. An Extraordinary General Meeting may be convened by either:
  - (1) the Board of Trustees; or
  - (2) a requisition in writing signed by 2,000 or more members of the Trust.
31. A members' requisition must:
  - (1) express a resolution;
  - (2) be delivered to the Trust Secretary;
  - (3) be sent to the members by the Trust Secretary within 60 days of its receipt; and
  - (4) be the subject of an Extraordinary General Meeting held within 6 months of its receipt, unless determined at an Annual General Meeting within that period, or unless the Board of Trustees refuse to accept the resolution in question pursuant to Regulation 23.

## CHAIRMAN AND CONDUCT OF GENERAL MEETINGS

32. The President of the Trust, whom failing a Vice-President (and if more than one Vice-President is present and willing to act, the oldest so willing shall be entitled to act), whom all failing the Chairman of the Board of Trustees, shall take the chair at a general meeting.
33. (1) If neither the President nor a Vice-President nor the Chairman of the Board of Trustees is present and willing to act as chairman within 10 minutes of the advertised start of a general meeting, the meeting shall elect a chairman.
  - (2) In the case of an equality of votes, by either a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
  - (3) The chairman of the meeting may with the consent of the meeting adjourn any general meeting from time to time and from place to place.
  - (4) No business shall be transacted at any adjourned general meeting other than the business



left unfinished at the meeting at which the adjournment took place unless members are otherwise advised by notice and agenda, to be given to members as hereinbefore prescribed.

#### VOTING AT GENERAL MEETINGS - GENERAL

34. Subject to the immediately following Regulation, every member of the Trust shall have one vote only at general meetings of the Trust, with the exception of the casting vote of the chairman of the meeting.
35. Memberships of the Trust described as double, joint or family (other than family single) shall have two votes at general meetings of the Trust, which two votes need not be cast in the same manner.
36. At every general meeting all matters which are to be decided at such meeting (other than elections to the Board of Trustees where the number of candidates exceeds the number of vacancies) shall be decided by a majority of votes of the members personally present and voting by show of hands, unless a poll be demanded.
37. Elections to the Board of Trustees shall be decided on the basis of election of the candidates with the most votes cast in their favour. All such voting shall be by members of the Trust eligible to vote and doing so either (a) personally at the meeting; or (b) by proxy using the postal voting form or the electronic voting facility made available for that purpose by the Trust.

#### VOTING AT GENERAL MEETINGS - POLL

38. If a poll is not demanded on a vote at a general meeting, the vote by a show of hands shall be final. The declaration by the chairman of the meeting of the result of the vote by a show of hands and its recording in the proceedings of the Trust shall be conclusive evidence of the fact without proof of the number or the proportion of the votes recorded in favour of or against that resolution.
39. A poll on a vote at a general meeting may be demanded by:
  - (1) the chairman of the meeting;
  - (2) 10 of the members of the Trust present at the meeting; or
  - (3) one-third (rounded up to the nearest whole number) of the members of the Board of Trustees present at the meeting.
40. On such demand being properly made, a poll of the general meeting shall be taken accordingly by voting papers in such manner as the chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the general meeting and an entry made to that effect in the record of the proceedings of the Trust.
41. A poll properly demanded shall be taken forthwith.
42. On a poll, votes may be given either personally or by proxy.

#### PROXY, POSTAL & ELECTRONIC VOTES

43. A member of the Trust may appoint a proxy to represent them at a general meeting and/or exercise a vote at a general meeting by either a postal or electronic return (where such a facility is made available by the Board of Trustees). Documents and systems for appointing a proxy and / or providing for postal and electronic voting shall be in such manner as the

Board of Trustees may from time to time approve. Any proxy must be a member of the Trust.

44. A paper document appointing a proxy shall be signed by the member or an attorney for that member duly authorised in writing or if the member is a corporation or body of persons signed by an officer or attorney so authorised. A proxy must be a member of the Trust.
45. Members of the Trust entitled to 2 votes must both appoint the same person to act as their joint proxy, but the proxy need not cast both votes in the same manner.
46. A paper document exercising a postal vote shall be signed by the member or an attorney duly authorised in writing or if the member is a corporation or body of persons signed by an officer or attorney so authorised. The paper document exercising the postal vote must arrive at the office of the Trust not less than 7 days before the time for holding the meeting or adjourned meeting at which the vote is to be cast or at which the election is to take place.
47. If the Board of Trustees permit, a member may choose to lodge a proxy or cast a vote electronically. The proxy must be lodged or vote cast electronically not less than 7 days before the time for holding the meeting or adjourned meeting.

#### COMMITTEES AND SUB-COMMITTEES

48. The Terms of Reference of any Committee or Sub-Committee not set out herein shall be determined by the Board of Trustees from time to time.
49. AUDIT & RISK MANAGEMENT COMMITTEE  
There shall be an Audit and Risk Management Committee, a Standing Committee of the Board of Trustees, to which it shall report. The Committee shall have 5 members appointed by the Board of Trustees. 3 of its members shall be members of the Board of Trustees and 2 members shall be otherwise independent of the Trust's governance. The Board of Trustees shall appoint one of the members of the Committee who is a member of the Board of Trustees to be the Chairman of the Committee. The Terms of Reference of the Committee shall be approved by the Board of Trustees.
50. INVESTMENT COMMITTEE  
There shall be an Investment Committee, a standing committee of the Board of Trustees, to which it shall report. The Committee shall have a maximum of 12 members and a minimum of 6 members, all appointed by the Board of Trustees, with at least one of the members being a member of the Board of Trustees. The other members shall have experience relevant to the work of the Committee. The Board of Trustees shall appoint one of the members of the Committee (who need not be a member of the Board of Trustees) to be the Chairman of the Committee. The Terms of Reference of the Committee shall be approved by the Board of Trustees.
51. NOMINATIONS COMMITTEE  
There shall be a Nominations Committee, a standing committee of the Board of Trustees, to which it shall report. The Committee shall have 5 members appointed by the Board of Trustees. 3 of its members shall be members of the Board of Trustees and 2 members shall be otherwise independent of the Trust's governance. The Board of Trustees shall appoint one of the independent members of the Committee to be the Chairman of the Committee. The Terms of Reference of the Committee shall be approved by the Board of Trustees.

52. LONDON COMMITTEE

There shall be a London Committee, a standing committee of Board of Trustees to, which it shall report. The Committee shall have a maximum of 12 members and a minimum of 4 members, all appointed by the Board of Trustees. The members of the Committee need not be members of the Board of Trustees. The Board of Trustees shall appoint one of the members of the Committee (who need not be a member of the Board of Trustees) to be the Chairman of the Committee. The Terms of Reference of the Committee shall be approved by the Board of Trustees.

53. REMUNERATION COMMITTEE

There shall be a Remuneration Committee, a standing Committee of the Board of Trustees, to which it shall report. The Committee shall have 4 members, being the Chairman (who shall chair the Committee) and 3 other members of the Board of Trustees appointed by the Board of Trustees. The Terms of Reference of the Committee shall be approved by the Board of Trustees.

54. EMERITUS AND OTHER APPOINTMENTS

No person appointed to any position by the Trust (including any emeritus appointment), other than as an elected or co-opted member of the Board of Trustees, shall be a trustee of the Trust.