

ARTICLES OF ASSOCIATION

OF

THE SHETLAND PONY STUD-BOOK SOCIETY

Company Number SC135563

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THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
& NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
OF
THE SHETLAND PONY STUD-BOOK SOCIETY

I. DEFINITIONS AND INTERPRETATION

1.1 In these Articles, unless the context requires otherwise, the following words and expressions shall bear the following meanings:

"2005 Act"	the Charities and Trustee Investment (Scotland) Act 2005 including any statutory modification or re-enactment of it for the time being in force;
"Act"	the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in force;
"address"	in relation to any document or information sent or supplied by electronic means, includes any number or address used for the purposes of such communications;
"Articles"	these articles of association;
"charitable"	means charitable for the purposes of the 2005 Act and also the Taxes Acts;
"Council"	the Council in which the management of the Society is vested as provided for in Article 11;
"Directors"	the directors of the Society consisting of those members of the Council from time to time;
"electronic signature"	anything in electronic form which the Directors require to be incorporated into or otherwise associated with any document or information sent or supplied in electronic form for the purpose of establishing the authenticity or integrity of the document or information (and references in these Articles to a document being "signed" or to a "signature" include references to it being executed under hand or under seal or by any other method and, in the case of a document in electronic form, are to its bearing an electronic signature. References to a document being "executed" include references to it being executed under hand or under seal or by any other method except by means of an electronic signature);

“Hybrid Meeting”	a meeting of members of the charity or a meeting of the Council at which some participants are attending the meeting in person and others are attending virtually.
"Immediate Past President"	is as defined in Article 14.5;
“Meeting(s)”	includes in person, hybrid and virtual meetings as the circumstances dictate
"Member”	a member of the Society or the Council from time to time (as the context requires) (and "Membership" shall be construed accordingly) and the Members of the Council shall, for the purposes of the Act, be the Directors of the Society;
“Ordinary Council Member”	is as defined in Article 11.1;
"President"	the president of the Society as provided for in Article 14;
"Seal"	the common seal of the Society;
"Society"	the company limited by guarantee and not having a share capital known, at the date of adoption of these Articles, as "The Shetland Pony Stud-Book Society";
"Statutes"	all statutes for the time being in force concerning companies and affecting the Society (and any regulations subordinate to such statutes);
"Stud- Book"	the publication called "The Shetland Pony Stud-Book";
"Vice-President"	the vice-president of the Society as provided for in Article 14;
“Virtual Meeting”	a meeting of members of the charity or a meeting of the Council where arrangements have been made in advance to allow participants to attend the meeting by means of a conference telephone, video link or similar means of electronic communication at which all participants can be heard and can hear each other without the need for them to be physically present at the same location. A person participating in a meeting by such means shall be deemed to be attending virtually.
"writing" or "written"	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in hard copy, in electronic form or being made available on a website.

- 1.2 In these Articles, unless the context otherwise requires:
- 1.2.1 words or expressions shall bear the same meaning as in the Act;
 - 1.2.2 words or expressions importing the singular number only shall include the plural number and vice versa;
 - 1.2.3 words or expressions importing the masculine gender only shall include the feminine gender and vice versa;
 - 1.2.4 words or expressions importing persons shall include partnerships, companies and unincorporated associations; and
 - 1.2.5 the provisions of the Interpretation Act 1978 with respect to interpretation and construction shall apply *mutatis mutandis*.

1.3 The Society is established for the purposes stated in Article 2.

1.4 No regulations or articles prescribed by regulations under the Statutes shall form part of these Articles and all such regulations and articles are excluded.

2. **PURPOSES**

2.1 The Society is the Mother Stud-Book for the registration and regulation of Shetland ponies nationally and internationally. This responsibility derives from the Society's introduction of the original Stud-Book for the Breed and this was confirmed in 1994 by recognition of the Society under the terms of Commission Decision 92/353/EEC.

2.2 The charitable purposes of the Society are:

- 2.2.1 the advancement of heritage;
- 2.2.2 the advancement of citizenship or community development; and
- 2.2.3 the advancement of science.

2.3 In furtherance of the foregoing charitable purposes the Society is:

- 2.3.1 to receive the property of the unincorporated charitable association known as The Shetland Pony Stud-Book Society (being, for the avoidance of doubt, a different and separate organisation from the Society);
- 2.3.2 to maintain unimpaired the purity of the breed of Shetland ponies and to promote and protect the breeding of these ponies throughout the world;
- 2.3.3 to maintain and encourage the breeding of registered Shetland ponies in the Shetland Islands;

2.3.4 to collect, verify, preserve and publish the pedigrees of registered Shetland ponies and other useful information relating to them;

2.3.5 to further the purposes by continuing to issue the Stud-Book;

2.3.6 to maintain the following breed standard of the Shetland pony:

(a) **HEIGHT**

Registered stock must not exceed 42 inches (107 cms). Ponies are measured from the withers to the ground, by measuring stick, and a level stance, preferably concrete, should be used.

(b) **COLOUR**

Shetland ponies may be any colour known in horses except spotted.

(c) **COAT**

The coat changes according to the seasons: a double coat in winter with guard hairs which shed the rain and keep the pony's skin completely dry in the worst of the weather and, by contrast, a short summer coat which should carry a beautiful silky sheen. At all times the mane and tail hair should be long, straight and profuse and the feathering of the fetlocks straight and silky.

(d) **HEAD**

The head should be small, carried well and in proportion. Ears should be small and erect, wide-set but pointing well forward. Forehead should be broad with bold, dark, intelligent eyes. Muzzle must be broad with nostrils wide and open. Teeth and jaw must be correct.

(e) **BODY**

The neck should be properly set onto the shoulder which, in turn, should be sloping, not upright, and end in a well defined wither. The body should be strong, with plenty of heart room, well sprung ribs, the loin strong and muscular. The quarters should be broad and long with the tail set well upon them.

(f) **FORELEGS**

Should be well-placed with sufficient good, flat bone. Strong forearm. Short balanced cannon bone. Springy pasterns.

(g) **HIND LEGS**

The thighs should be strong and muscular with well-shaped strong hocks, neither hooky nor too straight. When viewed from behind, the hind legs should not be set too widely apart nor should the hocks be turned in.

(h) **FEET**

Tough, round and well-shaped- not too short, narrow, contracted or thin.

(i) **ACTION**

Straight, free action using every joint. Tracking up well.

(j) **GENERAL**

A most salient and essential feature of the Shetland pony is its general air of vitality (presence), stamina and robustness;

2.3.7 to receive subscriptions and other payments in return for the issue of copies of the publications of the Society and to enter in any such publication the names and pedigrees of Shetland ponies; and

2.3.8 to make bye-laws for conducting the business and regulating the proceedings of the Society and to enforce the same by fines or otherwise.

3. **POWERS**

To promote its purposes but not for any other purpose the Society may:

3.1 accept subscriptions (and set the level of such subscriptions), grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally or in trust for any of the purposes of this Society and take such steps (by way of personal or written appeals, public meetings or otherwise, including for the avoidance of doubt the appointment of professional fundraisers) as may be deemed expedient for the purpose of procuring contributions to the funds of the Society, whether by way of subscriptions, grants, loans, donations or otherwise;

3.2 undertake and organise schemes for the raising of money, other financial support and assistance in kind, and appeals both private and public, including the selling of goods and other products produced or acquired in connection with or ancillary to the purposes of the Society;

- 3.3 establish, subsidise, promote, co-operate or federate with, affiliate or become affiliated to, act as trustees or agents for or manage or lend money or other assistance to any person, company, association, society, institution or other body, corporate or unincorporated, established for charitable purposes only and having primary purposes wholly or partly similar to those of the Society, and for the purpose of promoting the primary purposes of the Society to co-operate with manufacturers, dealers, and other traders and organisations, and with the press and other sources of publicity;
- 3.4 undertake, execute, establish, promote, or assist any charitable trusts or companies with charitable purposes all or any of which are similar to the purposes of the Society for the purpose of acquiring all or any of the property, rights and liabilities of the Society or for the purpose of carrying on any activity which the Society is authorised to carry on or for any other charitable purpose directly or indirectly calculated to benefit the Society in the furtherance of its purposes;
- 3.5 establish, subsidise, promote, co-operate or federate with, affiliate or become affiliated to any company, with charitable purposes or otherwise, whose activities may further one or more of the above purposes or may generate income to support the activities of the Society, acquire and hold shares, stocks, debentures and other interests in such a company and carry out, in relation to any such company which is a subsidiary of the Society, all such functions as may be associated with a parent company;
- 3.6 print, publish and distribute or procure to be printed, published or distributed (whether gratuitously or not) any newspaper, newsletter, periodical, magazine, book, pamphlet, circular, leaflet or other publication including audio and visual recordings which the Society may consider desirable for the promotion of its purposes;
- 3.7 hold, sponsor, arrange or organise meetings, conferences, lectures, seminars, film shows, appeals and educational classes and talks in furtherance of the purposes of the Society;
- 3.8 organise, manage, present, produce and support exhibitions, workshops, press conferences, trade fairs, festivals, advertising campaigns, promotions, displays and assist and advise any person, corporation or organisation in relation to them;
- 3.9 advertise the Society, its purposes and activities whether through radio, television or other similar media or through printed advertisement, poster, periodical, article, feature or otherwise in writing;
- 3.10 purchase, take on lease or in exchange, hire or otherwise acquire and hold, sell, lease or otherwise dispose of any real or personal property and any rights or privileges which may be necessary or convenient for the promotion of the purposes of the Society and construct, maintain and alter any buildings or erections necessary or convenient for the work of the Society;

- 3.11 purchase or otherwise acquire plant, machinery, furniture, fixtures, fittings, equipment and all other effects of every description necessary or convenient or usually or normally used in connection with or for the purpose of all or any of the purposes of the Society;
- 3.12 take any gift of property, whether subject to any trust or not, for any one or more of the purposes of the Society;
- 3.13 subject to such consents as may be required by law sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Society as may be expedient in the promotion of its purposes;
- 3.14 insure the Society, its property and assets against such risks as the Directors shall consider it prudent and necessary to insure against;
- 3.15 retain or employ staff, professional or technical advisers in connection with the purposes of the Society and pay reasonable and proper salaries, wages and fees for their services;
- 3.16 establish and support pension and superannuation schemes for the benefit of persons employed by the Society, and make reasonable and necessary provision for payment of pensions, life assurances and/or superannuation and grant pensions or retiring allowances to persons who have been employed by the Society or to their dependants;
- 3.17 enter into any arrangement with any governments or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons that may seem conducive to the attainment of the Society's purposes or any of them;
- 3.18 purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees, independent examiners or auditors of the Society or who are or were at any time trustee of any pension or retirement benefit scheme for the benefit of any employees or ex-employees of the Society including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise of their powers or otherwise in connection with their duties, powers or offices in relation to the Society or pension or retirement benefit scheme;
- 3.19 act as agents in the channeling of funds, grants and any other monies available from any source;
- 3.20 subject to such consents as may be required by law, borrow or raise money for the purposes of the Society on such terms and on such security as may be thought fit, and whether by the creation and issue of debentures or debenture stock or otherwise;

- 3.21 guarantee and/or give security (either by way of mortgage or charge on all or any part of the property of the Society or otherwise) for the payment of money by or in the performance of obligations of any company being a charitable company;
- 3.22 advance money on loan with or without security and upon such terms as the Society may deem expedient;
- 3.23 draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate banking accounts;
- 3.24 make any charitable donation either in cash or assets in furtherance of the purposes of the Society;
- 3.25 invest the monies of the Society not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, and lend any such monies to any other charitable companies, institutions, societies, foundations or associations formed for the said purposes having purposes altogether or in part similar to those of the Society or to any individuals or firms for any purpose similar to such purposes and that on such terms as to security or otherwise as the Society thinks fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- 3.26 purchase or otherwise acquire and undertake all or any of the property, assets, liabilities and engagements of any one or more of the charitable associations, foundations, institutions, companies, societies or bodies with which the Society is authorised to co-operate or federate;
- 3.27 sell or otherwise dispose of the whole or any part of the property, undertaking and assets of the Society to any such person or company with charitable purposes;
- 3.28 pay out of the funds of the Society the costs, charges and expenses of and incidental to the formation and registration of the Society;
- 3.29 do all such other things as are necessary or incidental to the attainment of the purposes of the Society or any of them, provided that the Society's purposes shall not extend to the regulation of relations between workers and employers and organisations of workers and organisations of employers; and
- 3.30 undertake any charitable activity which directly or indirectly promotes any of the purposes of the Society.

4. LIMITATION ON PRIVATE BENEFITS

- 4.1 The income and property of the Society shall be applied solely towards the promotion of its purposes as set forth in these Articles.

4.2 No part of the income and property of the Society shall be paid or transferred, directly or indirectly, by way of benefit to its Members and no Director may receive any remuneration, or other benefit in money or money's worth, from the Society (in respect of acting in the capacity as Director).

4.3 Subject to Article 7 nothing herein shall prevent any payment in good faith by the Society

4.3.1 of a reasonable and proper remuneration to any Member, officer or servant of the Society including any Director in his capacity as a servant of the Society for any services rendered to the Society in accordance with sections 67 and 68 of the 2005 Act and any amendment or alteration to such sections;

4.3.2 of interest on money lent by any Member of the Society or its Directors at a reasonable and proper rate per annum and not exceeding the base lending rate for the time being of the Society's bankers; or reasonable and proper rent for premises let by any Member of the Society or Director to the Society; and

4.3.3 to any Member of the Council of out-of-pocket expenses.

5. **LIMITED LIABILITY**

The liability of the Members of the Society is limited to the amount payable (if any) by each Member pursuant to Article 6.

6. **MEMBERS' OBLIGATIONS**

Each Member of the Society undertakes to contribute such amount as may be required, not exceeding £1 per Member, to the Society's assets if it is wound up while he/she is, or within one year of the date on which he/she ceases to be, a Member of the Society for:

6.1 payment of the Society's debts and liabilities contracted before he/she ceased to be a Member;

6.2 the payment of the costs, charges and expenses of winding-up; and

6.3 the adjustment of rights, between themselves, of persons who have contributed to the Society's assets.

7. **CHARITABLE DECLARATION**

7.1 It is declared that the assets of the Society shall only be applied for charitable purposes and the Directors shall:

- 7.1.1 act in accordance with the 2005 Act; and
- 7.1.2 do nothing to prevent the Society qualifying and continuing to qualify as charitable.

7.2 Without prejudice to the foregoing, each of the Directors shall, in exercising his/her powers and duties as a Director, act in the interests of the Society. In doing so:

7.2.1 the Directors must seek, in good faith, to ensure that the Directors act in a manner which is in accordance with the purposes of the Society and act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person; and

7.2.2 in circumstances giving rise to the possibility of a conflict of interest between the Society and any other party, each Director:

- (a) must put the interests of the Society before those of the other party;
or
- (b) where any other duty or interest prevents him/her from doing so, he/she must disclose the conflicting duty or interest to his/her fellow Directors and refrain from participating in any discussions or decisions with regard to the matter in question.

7.3 Each of the Directors must ensure that:

7.3.1 he or she complies; and

7.3.2 the Society complies,

with any direction, requirement or notice imposed in terms of the 2005 Act.

8. **MEMBERS/MEMBERSHIP**

8.1 The Society shall consist of the following categories of Members:

- 8.1.1 Life Members;
- 8.1.2 Life Crofter Members;
- 8.1.3 Annual Members;
- 8.1.4 Junior Members;
- 8.1.5 Annual Crofter Members;
- 8.1.6 Family Members;
- 8.1.7 Associate Members,
and

8.1.8 Joint Members,

and the Council shall have sole discretion as to the level of subscriptions which must be paid annually by Members within each category and the criteria which must be satisfied for entry into a particular category from time to time.

- 8.2 The Council may appoint one or more patrons and/or honorary members as it thinks fit but such patrons or honorary members shall have no voting rights nor shall they be entitled to hold office in the Society or be eligible for election to the Council and these restrictions shall apply irrespective of whether any such patron and/or honorary member is a Member of the Society as set out in Article 8.1.
- 8.3 The appointment of any patron and/or honorary member pursuant to Article 8.2 shall be at the sole discretion of the Council and any such appointment may be revoked by a simple majority of the Council in full meeting.
- 8.4 Any person who wishes to become a Member of the Society, other than those who are already Members at the date of adoption of these Articles, must complete an application for Membership which shall be in such written form as the Council, subject to Article 8.5, may from time to time require.
- 8.5 The application for Membership of the Society must contain an undertaking by the applicant that if admitted he/she shall be bound by these Articles and any further rules and bye-laws of the Society.
- 8.6 No person shall be admitted to Membership of the Society unless he/she is approved by the Council at its sole discretion.
- 8.7 Any Member of the Society may retire from Membership on giving written notice to the Society before 31 December of the calendar year in question if liability for the subscription payable on the following 1 January is to be avoided.
- 8.8 Persons not resident in the United Kingdom may be Members of the Society but shall have no voting rights nor shall they be entitled to hold office in the Society or become Members of the Council.
- 8.9 Junior Members and Associate Members shall have no voting rights nor shall they be entitled to hold office in the Society or become Members of the Council.
- 8.10 An alphabetical register of Members shall be kept by the Society, stating each Member's number and Membership status, date of election and address.
- 8.11 Every Member shall give notice in writing to the Society of any change in his address and, if any Member shall fail to do so, all communications posted to the address recorded in the register of Members shall be deemed to have been duly delivered.

9. **REMOVAL OR SUSPENSION OF MEMBERS**

- 9.1 Any Member of the Society who fails to observe the provisions of these Articles or any lawful rule, regulation or bye-law made by the Council or whose conduct, in the sole opinion of the Council, is considered to be prejudicial to, or materially inconsistent with, the orderly functioning, or operation, or character, or best interests of the Society or is otherwise considered to have brought, or to be at risk of bringing, either the Society or the Council into disrepute, may be suspended from Membership (in all or any categories) for whatever period the Council deems appropriate, and/or may otherwise be subject to such disciplinary sanction as the Council deems appropriate, and/or may be removed from Membership of the Society.
- 9.2 Such decision to suspend, discipline or remove a Member of the Society shall be passed by a simple majority of the Members of the Council at a Meeting, either convened specifically for that purpose or at an ordinary Council Meeting.
- 9.3 Before taking any such decision to suspend, discipline or remove a Member of the Society, the Council shall be required to give no less than five days' written notice to the Member of the general nature of the allegations against the Member and of the date and time assigned for a Meeting of Council to consider the allegations (and any evidence that may be relevant to such allegations) in order to afford the Member the opportunity (if he or she so wishes) to respond to such allegations (either in person or in writing). If the Member chooses to respond in person, by attendance at the Council Meeting assigned to consider the allegations against the Member (and any evidence that may be relevant to such allegations), the Member shall be entitled to be accompanied by a representative (who may be legally qualified). The procedure to be followed at that Meeting shall be determined at the sole discretion of the President (whom failing the Vice- President, or other Ordinary Council Member nominated by the Council for that purpose only). For the avoidance of doubt, the Council shall be entitled to reach a decision in the absence of the Member in question. Further, the Member, if he or she also happens to be an Ordinary Council Member, shall not be entitled to vote at that Meeting in relation to such a decision.
- 9.4 Notwithstanding Article 9.1, the Council has the power to decide to immediately remove any Member of the Society who is deemed to have committed an offence or has been disqualified from keeping animals under the Animal Welfare Act 2006, the Animal Health and Welfare (Scotland) Act 2006, (together with any replacement legislation or any other similar piece of legislation enacted from time to time in any other jurisdiction). This power may be exercised by the passing of a decision by a simple majority of the Members of the Council at a Meeting, either convened specifically for that purpose or at an ordinary Council Meeting.

10. **SUBSCRIPTIONS**

- 10.1 The subscriptions (set having regard to section 8(2)(b) of the 2005 Act) of Members of the Society shall be payable on 1 January of each year in advance.
- 10.2 When a Member is admitted to Membership of the Society in November or December, the first subscription payable by the Member shall be for the calendar year commencing on 1 January following the year of his/her admission.
- 10.3 If subscriptions are not paid by the following 1 March they shall be held to be in arrears.
- 10.4 A Member who is in arrears with his/her subscription or any monies due to the Society shall not be admitted to any Meeting of the Society and shall not be entitled to any privileges of Membership.
- 10.5 A Member who has not paid the subscription due for any calendar year within the following calendar year shall be treated as having forfeited his/her Membership and may only become a Member again upon being re-admitted in accordance with Article 8 and upon payment of the subscriptions for the two full calendar years up to the date of forfeiture of original Membership and any other monies levied by the Council at that date.

11. **THE COUNCIL**

- 11.1 The management of the Society shall be vested in a council (the "**Council**") which shall consist of not more than seventeen persons being:
- 11.1.1 a President;
- 11.1.2 a Vice-President;
- 11.1.3 the Immediate Past President; and
- 11.1.4 fourteen Members comprised from those Members of the Society detailed in Article 8.1 (but excluding Junior Members and Associate Members) (each an "**Ordinary Council Member**").
- 11.2 No Person shall be nominated for or hold office as an Ordinary Council Member until he/she has
- 11.2.1 attained the age of twenty-one; and
- 11.2.2 been a Member of the Society for at least the five consecutive full calendar years preceding (and not including) the year of nomination

- 11.3 An Ordinary Council Member shall:
- 11.3.1 be elected in accordance with Articles 12 and 13:
 - 11.3.2 subject as otherwise provided in these Articles or by law, hold office for three full calendar years from 1 January following the annual general Meeting of the Society at which he/she was elected; and
 - 11.3.3 there shall be no limit to the number of terms he/she may hold office, provided that immediately prior to each such term of office, he/she has been out of office for one full calendar year in accordance with Article 11.4.
- 11.4 An Ordinary Council Member shall not be eligible for re-election to the Council until he/she has been out of office for one full calendar year but may be elected President or Vice-President.
- 11.5 If an Ordinary Council Member resigns from the Council then he/she shall not be eligible for re-election to the Council until a period of four full calendar years has elapsed since 1 January following the annual general Meeting of the Society at which he/she was elected to the Council.
- 11.6 A Member of the Council shall cease to hold office if he/she:
- 11.6.1 ceases to be a Member of the Council by virtue of any provision of the Act;
 - 11.6.2 ceases to reside in the area which they have been elected to represent in accordance with Article 12.2;
 - 11.6.3 becomes bankrupt or incapable by reason of mental disorder, illness or injury of managing and administrating his/her own affairs;
 - 11.6.4 resigns his/her office by notice in writing to the Society;
 - 11.6.5 fails to attend three consecutive Council Meetings without good reason and the Council resolves that his/her office be vacated; or
 - 11.6.6 ceases, for whatever reason, to be a Member of the Society.
- 11.7 If and whenever an Ordinary Council Member dies, resigns or is removed from the Council or from Membership of the Society before the expiration of his/her term of office, notwithstanding Article 11.3, the resulting vacancy may be filled by the remaining Council Members co-opting a Member of the Society, from the geographic area the vacant seat is for, on to the Council by a majority vote to act as an Ordinary Council Member, providing they are willing to act, for the period from appointment until the end of the vacant term only and providing he/she has been out of office for one full calendar year. All Ordinary Council Members appointed under this article shall retire at the end of the term co-opted for and shall not be eligible for co-optation or re-election to the Council until he/she has

been out of office for one full calendar year but may be elected President or Vice-President. Any such Ordinary Council Member co-opted in accordance with this article shall for the duration of the co-opted appointment:

11.7.1 be entitled to vote upon any matter which comes before the Council; and

11.7.2 be entitled to speak to any matter which comes before the Council.

11.8 The Council shall be deemed to be duly constituted and shall continue to possess all the powers conferred by these Articles notwithstanding any vacancies in its body.

11.9 The quorum for Meetings of the Council shall be six Ordinary Council Members (one of which may be the immediate Past President) together with one of either the President or the Vice-President.

11.10 A Meeting of the Council shall be called at the request of any Member of the Council and with the prior consent of both the President and the Vice-President, which consent shall not be unreasonably withheld.

11.11 At Meetings of the Council the President, whom failing the Vice-President, shall be Chairman.

11.12 The Council may regulate its proceedings as it sees fit. The Council shall meet at least three times a year to deal with and discharge any relevant business of the Society and a minute book of such proceedings shall be maintained by the Society.

11.13 Notwithstanding the provisions of Article 11.3 or any other provision of these Articles, a majority of the Members of the Council may co-opt one or more Members of the Society onto the Council for a period of up to a year (and such additional periods of up to a year as it may subsequently decide) to undertake such tasks for such specified periods of time as it sees fit. Such co-opted Members shall not during such period(s):

11.13.1 be entitled to vote upon any matter which comes before the Council; or

11.13.2 be entitled to speak to any matter which comes before the Council other than to the subject matter of the specific task which he/she has been co-opted onto the Council to undertake.

12. **NOMINATIONS FOR THE ELECTION OF COUNCIL MEMBERS**

12.1 On 31 December of each year those Ordinary Council Members due to retire in terms of Articles 11.3.2 and 11.6 shall do so automatically.

12.2 The vacancies for elected Ordinary Council Members shall be filled by vote in accordance with Article 13 by representatives of Members resident in the areas of:

12.2.1 Scotland, which area shall be entitled to have three representatives;

12.2.2 Northern Ireland, which area shall be entitled to have one representative;

- 12.2.3 Shetland and Orkney, which areas shall be entitled to have three representatives;
 - 12.2.4 England, which area shall be entitled to have five representatives; and
 - 12.2.5 Wales, which area shall be entitled to have two representatives.
- 12.3 For these vacancies, nominations must be received by the Society by 1 May in the relevant calendar year in such written form as the Council may require but such nomination form must be signed by the proposed nominee (acknowledging their willingness to accept office if elected) and an adult (at least 18 years old) proposer and an adult (at least 18 years old) seconder who have both been Members of the Society for at least the five consecutive full calendar years preceding the date of the submission of the nomination form.
- 12.4 Nominations may only be made in respect of the area in which the proposer and seconder are entitled to vote.
- 12.5 Proposers and/or seconders may only nominate one candidate for the position of Ordinary Council Member who has at least five consecutive full calendar years of Membership of the Society as detailed in Article 11.2.2.
- 12.6 Notwithstanding any other provision of these Articles, no individual shall be entitled to stand or be nominated for the position of Ordinary Council Member as representative of any of the areas detailed in Article 12.2 after the date of adoption of these Articles unless and until the number of Ordinary Council Members for the area in question shall fall to a figure below the relevant figure in Article 12.2 on the 31 December preceding the 1 January on which that individual's office would commence
13. **VOTING FOR THE ELECTION OF COUNCIL MEMBERS**
- 13.1 Members shall be invited to vote in accordance with this Article 13 for the election of Ordinary Council Members in the year preceding the calendar year in which the appointment is to take effect.
- 13.2 Subject to Article 12.6, a Member shall only be entitled to vote for the election of Ordinary Council Members within the area of that Member's main or permanent residence.
- 13.3 Voting papers shall be sent out with the notice calling the annual general Meeting of the Society and must be signed and returned so as to reach the scrutineer not later than seven days prior to such annual general Meeting. The scrutineer shall be appointed by the Council.
- 13.4 Voting papers received after the date detailed in Article 13.3 shall be void.

13.5 In the event of equality of votes a further postal vote shall be held. Voting papers shall be sent out to Members of the Society, the candidates being only those who have attained equal votes, and must be signed and returned so as to reach the scrutineer not later than twenty-one days after the date of the annual general Meeting of the Society. The entitlement to vote for this further postal vote shall be as detailed in Article 13.1.

14. **PRESIDENT AND VICE-PRESIDENT**

14.1 There shall be a President and Vice-President of the Society who shall be appointed on the terms set out in this Article.

14.2 Subject to Articles 14.8 and 14.9, the President and the Vice-President shall each:

14.2.1 hold office for two full calendar years; and

14.2.2 serve a maximum of three terms of office.

14.3 No Member of the Society shall hold office as President or Vice-President until he/she has served at least one complete three year term of office as an Ordinary Council Member.

14.4 Subject to Articles 14.8 and 14.9, the President shall have served as Vice-President succeeding to the former office on completion of two full calendar years as Vice-President.

14.5 On completion of his/her term(s) of office, the President shall become the immediate past president of the Society for a further two full calendar years (the "**Immediate Past President**").

14.6 Subject to Article 14.3, the Vice-President shall be appointed by the Council from any Member of the Society. Candidates must be proposed and seconded by Ordinary Council Members. In the event of more than one candidate being proposed for the office of Vice-President, the appointment shall, by majority decision, be determined by the Council in full Meeting.

14.7 No past President shall be elected as Vice-President for three full calendar years after completing his/her term(s) of office as President nor shall he stand for election to the Council as an Ordinary Council Member for two full calendar years after completion of the said term(s) of office.

14.8 If the office of either Vice-President or President falls vacant during the course of a year:

14.8.1 in the case of the President, the Vice-President will automatically assume the vacated office; and

14.8.2 in the case of the Vice-President, the Member succeeding to the vacated office shall be appointed pursuant to the terms of Article 14.6,

and the Member succeeding to or appointed to either office, as the case may be, shall hold office for the additional period from the date of appointment or deemed appointment (as is the case) up to the end of the term of occupation which would have applied to his/her predecessor had he/she not prematurely vacated office. Any such period of office shall be excluded in the calculation of any time periods under the terms of Article 14.2.

14.9 If for any reason the office of President is not filled by succession pursuant to Article 14.4 or Article 14.8 then the Council shall, by majority decision, appoint an Ordinary Council Member to the vacant office.

14.10 Where an ordinary council member is appointed to the office of President or Vice President, they shall vacate their seat on Council and the vacated seat shall be available for re-election for a full 3 year term, subject to article 12.3, at the next AGM.

15. **POWERS AND DUTIES OF THE COUNCIL**

15.1 Save for any action which may prejudice the charitable status of the Society, the Council shall, as detailed in Article 3.29, have the power to exercise all the powers and perform all the duties of the Society and to do all such things as may be necessary or incidental to the attainment of the purposes of the Society or any of them, and no regulation made by the Society in general Meeting shall invalidate any prior act of the Council validly made in terms of the foregoing powers.

15.2 It is, however, expressly declared (by way of amplification and not in limitation of the general powers and duties conferred or implied by Articles 3 or 15.1) that the Council shall have and may exercise and perform the following powers and duties save where such exercise of performance may prejudice the charitable status of the Society:

15.2.1 to convene and hold general Meetings, including annual general Meetings, of the Society;

15.2.2 to make, alter and rescind rules, regulations and bye-laws for registering the names and addresses of Members of the Society, for conducting the business of the Council, and to impose fines or other penalties for breach of any such rules, regulations or bye-laws;

15.2.3 to delegate any of its powers or duties (except the appointment and removal of Members) to committees of not less than three Members of the Council and from time to time to make, alter and rescind regulations and bye-laws for conducting the business delegated to such committees provided that:

- (a) no decision reached by such committees shall be implemented without prior approval of the Council in full Meeting; and
 - (b) no member of Council may sit on more than three such committees at any one time;
- 15.2.4 to acquire for the Society any publications, with the copyright therein (if any), the possession of which they may deem likely to be in any way advantageous to the Society and to establish any new publications devoted to or having a bearing upon any object of the Society, provided that the copyright of every publication acquired or established by or on behalf of the Society shall be vested in the Society;
- 15.2.5 to enter into and make any contracts or arrangements with printers or publishers for printing, publication, distribution, sale or management of any acquired publication, or of any publication of the Society;
- 15.2.6 to regulate the nature, form and contents of, and also the terms and conditions as to entries in and also the time and mode and terms of issue of the Stud-Book and any other publication of the Society and all arrangements and details connected therewith and in particular it shall have power (so far as it may not be fettered by any subsisting contract or engagement) from time to time to fix and alter the price of any publication of the Society and the charges to be levied for the insertion therein of entries relating to stallions, mares, produce of the mares, or others;
- 15.2.7 to accept annual or other subscriptions or money from Members of the Society and it may make arrangements for supplying any such publication to any Member or any other during his/her life, or for any other period, on such terms, as it may think fit. It may (subject to section 8(2)(b) of the 2005 Act), in addition to the subscriptions mentioned in Article 8, levy from Members, for the purposes or any purpose of the Society, such money as it may deem necessary in the Society's interests;
- 15.2.8 to purchase, hire, or take on lease, for the purposes of the Society, any property, lands, goods, chattels, or effects and it may sell, let or otherwise dispose of the property of the Society when and as it thinks fit;
- 15.2.9 at its discretion, and upon such terms as it thinks fit:
- (a) to institute, conduct, compromise, refer to arbitration and/or abandon any legal, civil or criminal proceedings against any person or persons whomsoever;

- (b) to defend, compromise, refer to arbitration and abandon any legal, civil or criminal proceedings brought against the Council or the Society, or any member, officer, printer or publisher of, or other person employed by or connected in any way with the property or affairs of the Society, or may be deemed by the Council calculated to further the purposes of the Society;
- (c) to compound, refer to arbitration and settle all claims and demands upon the Society, the Council, or any person employed by or connected with the Society;
- (d) to pay out of the funds of the Society all claims and demands against the Society and also all claims and demands, damages and expenses which may arise out of or be incidental to any such proceedings as aforesaid, whether or not the Council or the Society shall be primarily or directly liable for the same;

15.2.10 to appoint, employ and/or remove:

- (a) an editor or editors of any publications of the Society; and
- (b) other employees or staff of the Society,

at such salaries and wages respectively and with such respective duties and spheres of employment and generally upon such terms as it may think fit and any of the foregoing offices may be combined in one;

15.2.11 to borrow money for the purposes of the Society at such rate of interest as it considers appropriate and to give security for any such monies over any property of the Society;

15.2.12 to place monies of the Society not required for immediate use upon deposit at interest with an appropriate financial institution and to invest any such monies and generally deal with the property of the Society in such manner as it may think fit; and

15.2.13 to deal with the Society's funds as seems best to it in the interests of the Society.

16. **DIRECTORS' INTERESTS**

16.1 Subject to the Act and these Articles, and provided that the matter has been disclosed to and authorised by the Council in accordance with section 175 of the Act or by resolution of the Members of the Society, a Director may be in any situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Society and which he/she would otherwise be under a duty to avoid

pursuant to section 175 of the Act and he/she shall not be accountable to the Society for any profit, remuneration or benefit realised by or accruing to him/her on consequence of any such situation, and no transaction or arrangement shall be liable to be avoided, by reason of his/her office or of the fiduciary relationship thereby established.

16.2 Any authorisation pursuant to Article 16.1 shall be for such duration and subject to such terms and conditions as the Directors or Members of the Society (as the case may be) shall determine and may be varied or terminated at any time. In particular, but without limitation, any such authorisation may (but need not) provide that:

16.2.1 if the Director has obtained any information, otherwise than as a Director of the Society, in respect of which he/she owes a duty of confidentiality to another person, the Director is under no obligation to disclose such information to the Society or to use or apply such information in performing his/her duties as a Director where to do so would be a breach of that duty of confidentiality; and/or

16.2.2 the Director shall not be given any information relating to the matter which has been authorised; and/or

16.2.3 the Director shall not be counted in the quorum present nor shall he/she be entitled to deliberate and vote at any Meeting of the Directors in respect of any resolution relating to that matter.

16.3 A Director shall not be counted in the quorum present nor shall he/she be entitled to deliberate and vote at any Meeting of the Council:

16.3.1 in respect of any resolution to authorise a matter pursuant to Article 16.1; or

16.3.2 in respect of any resolution relating to a matter which has been authorised pursuant to Article 16.1 where the terms of that authorisation do not permit this; or

16.3.3 in respect of any other resolution in which he/she has an interest unless:

(a) his/her interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or

(b) he/she has disclosed the nature and extent of his interest to the other Directors (to the extent that they are not already aware of it).

16.4 For the avoidance of doubt, Article 16.1 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the Society.

- 16.5 The Society may (subject to the 2005 Act) by ordinary resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of Article 16.3.
- 16.6 If a question arises at a Meeting of the Council or at a Meeting of a committee of Directors to the right of a Director to vote, the question may, before the conclusion of the Meeting, be referred to the chairman of the Meeting. The chairman's ruling in relation to any Director other than himself/herself shall be final and conclusive.
- 16.7 Any reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

17. CONDUCT OF DIRECTORS

- 17.1 It is the duty of each Director to take decisions (and exercise his/her powers and responsibilities as a Director) in such a way as he/she considers, in good faith, shall be most likely to promote the success of the Society in achieving its purposes (as set out in Article 2) and be in the interests of the Society, and irrespective of any office, post, engagement or other connection which he/she may have with any other body which may have an interest in the matter in question.
- 17.2 Without prejudice to the principle set out in Article 17.1 and subject to the provisions of Article 16, each of the Directors shall have a duty, in exercising his/her functions as a charity trustee, to act in the interests of the Society and, in particular, must:
- 17.2.1 seek, in good faith, to ensure that the Society acts in a manner which is in accordance with its purposes;
 - 17.2.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
 - 17.2.3 in circumstances capable of giving rise to a conflict of interest between the Society and any party responsible for the appointment of a Director:
 - (a) put the interests of the Society before that of the other party; or
 - (b) where any other duty prevents him/her from doing so, disclose the conflicting interest to the Society and refrain from participating in any deliberation or decision of the other Directors with respect to the matter in question; and
 - 17.2.4 ensure that the Society complies with any direction, requirement, notice or duty imposed on it by virtue of the 2005 Act.

18. MEETINGS

- 18.1 The Society shall hold a meeting of members, at such a place as the Council may determine, or virtually, once a year at such a time the Council may determine, in each calendar year, to be called an 'annual general meeting' or 'AGM'. The Council may call other meetings of the members as they think fit. Such meetings may be entirely in person meetings, entirely virtual meetings or hybrid meetings as the circumstances allow. If the meeting is to be in person, the Council shall have regard inter alia to how convenient travelling to a proposed location would be for the majority of the Society's Members. Where arrangements have been made for a meeting to be held as a Virtual Meeting or as a Hybrid Meeting, the notice calling the meeting shall state that fact and include details of the means by which a person may attend the meeting virtually.
- 18.2 The business at an annual general meeting of the Society shall include:
- 18.2.1 a full report of the progress of the Society during the previous financial year;
 - 18.2.2 the submission of a statement of the financial affairs of the Society during the previous financial year which has been audited or independently examined complying with all relevant statutory requirements;
 - 18.2.3 the appointment or re-appointment of the Society's auditors or independent examiners; and
 - 18.2.4 confirmation of the Members of Council for the ensuing calendar year.
- 18.3 The quorum for an annual general meeting of the Society shall be forty Members of the Society, present in person or by proxy or virtually where arrangements for a Virtual Meeting or Hybrid Meeting have been made.
- 18.4 The Council may, whenever it thinks fit, and it shall upon the requisition made in writing by at least one hundred Members of the Society (a "**requisition**"), convene a general Meeting of the Society.
- 18.5 Any requisition made by Members of the Society shall express the object of the Meeting proposed to be called and shall be lodged at the registered office of the Society within 21 days of obtaining the required number of signatories. Signatories shall append their Membership numbers when signing such requisitions. Any agent or person acting or purporting to act or represent signatories to a requisition must be a Member of the Society. The initiator of any such requisition must notify the Society to that effect, failing which the requisition shall be deemed to be invalid and of no effect.
- 18.6 Upon the receipt of a valid requisition the Council shall forthwith proceed to convene a general Meeting at a time and place to be decided by the Council. If the Meeting is to be held in person, the Council shall have regard inter alia to how convenient travelling to a proposed location would be for the majority of the Society's Members.

Where arrangements have been made for a Meeting to be held as a Virtual Meeting or as a Hybrid Meeting, the notice calling the meeting shall state that fact and include details of the means by which a person may attend the meeting virtually. If it does not proceed to convene the same, to be held within forty days of the date of receiving the requisition, the requisitionists, or any other Members amounting to the required number, may themselves convene the general Meeting at a time or place to be decided by them either in person or as a Hybrid Meeting or as a Virtual Meeting. The quorum for any general Meeting is one hundred Members, present in person or by proxy or virtually.

18.7 At least twenty-one days' notice, specifying the place, the day, the hour and the purpose of the Meeting shall be given to Members of the Society. The non-receipt of such notice by any Member shall not invalidate the proceedings at any general Meeting.

18.8 The President, or in his absence, the Vice-President, or in the absence of both, then any Member elected for the purpose by those Members present, shall take the chair at any general Meeting of the Society.

18.9 Subject to the specific requirements of the Act all questions and matters brought before any Meeting of the Society shall be decided by a majority of votes of Members of the Society actually present (either in person or virtually and each Member having one vote) and in the case of equality of votes, the chairman of the Meeting shall have a second or casting vote in addition to his vote as a Member.

18.10 If within one hour from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon the requisition of Members shall be dissolved. In any other case it shall stand adjourned to another date to be arranged and notified to Members within one month of the original date.

18.11 The minute books of the Society shall be open to the inspection of the Members of the Society at the registered office of the Society by appointment. The minutes of a Meeting shall record the names of all persons present at the meeting without distinction between those who attended in person and those who attended virtually.

19. **VOTES OF MEMBERS**

19.1 The Society shall make arrangements to enable any Member of the Society attending a Meeting virtually to vote in accordance with these articles. For a meeting held in person, or those attending a Hybrid Meeting in person, on a show of hands every Member of the Society present in person or by proxy shall have one vote. Those attending a Virtual Meeting or virtually attending a Hybrid Meeting may vote virtually in accordance with the arrangements that have been made. Where a vote is to be taken by means of a secret ballot, any arrangements for a meeting to be held as a Virtual Meeting or as a Hybrid Meeting shall include a means for those attending virtually to cast their vote secretly.

- 19.2 On a poll every Member of the Society present in person or virtually or by proxy shall have one vote.
- 19.3 No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is tendered, and every vote not disallowed at the Meeting shall be valid. Any objection made in due time shall be referred to the chairman of the Meeting whose decision shall be final and conclusive.
- 19.4 The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near to the following form as circumstances allow or in any other form which is usual or which the Directors may approve):

"The Shetland Pony Stud-Book Society

I/We,, of, being a Member/Members of the above-named company, hereby appoint of, or failing him/her, of, as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the above-named company to be held on 20...., and at any adjournment of such general meeting.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *[Insert brief details of resolution]* *for *against

Resolution No. 2 *[Insert brief details of resolution]* *for *against

*Delete as appropriate

Signed on 20...."

Unless otherwise instructed, the proxy may vote as he/she thinks fit or abstain from voting.

- 19.5 A Member of the Society who wishes to appoint a proxy to vote on its behalf at any Meeting:
- 19.5.1 shall lodge with the Society, at the Society's registered office, a written instrument of proxy (in the form prescribed by Article 19.4) signed by or on behalf of the Member appointing the proxy; or
- 19.5.2 shall send by electronic means to the Society at such electronic address as may have been notified to the Members by the Society for that purpose, an instrument of proxy (in the form prescribed by Article 19.4),
- provided that (in either case) the instrument of proxy is received by the Society at the relevant address not less than forty-eight hours before the time for holding the Meeting (or, as the case may be, the adjourned meeting).

- 19.6 An instrument of proxy which does not conform to the provisions of Article 19.4, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 19.7 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Society at its registered office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic form, at the address at which such appointment was duly received before the commencement of the Meeting or adjourned Meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the Meeting or adjourned Meeting) the time appointed for taking the poll.
- 19.8 The proceedings at any general Meeting or on the taking of any poll shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present, or voting, or by reason of any business being considered which is not specified in the notice, unless such specification is a requirement of the Act.

20. **NOTICES, DOCUMENTS AND INFORMATION**

The following provisions shall apply in relation to the delivery and receipt of notices and information:

- 20.1 A notice may be served by or on behalf of the Society upon a Member or written information may otherwise be delivered to a Member either personally or by sending it through the post in a first class prepaid letter or, if the Council in its absolute discretion shall permit, by giving it by electronic means to an address for the time being notified to the Society by the Member (generally or specifically) for that purpose or, subject to Article 20.5, by publishing it on a website, except in cases of the removal of a Member, when the notice shall be sent to the Member concerned by recorded delivery letter, addressed to the Member at his address as appearing in the register of Members.
- 20.2 Any notice served on a Member personally shall be deemed to have been served when so delivered to the Member.
- 20.3 Any notice if served by post shall be deemed to have been served twenty-four hours after the letter containing the same was posted and in proving such service it shall be sufficient to prove that the letter containing the notice was addressed as aforesaid, duly stamped and delivered into the hands of the postal authorities.

20.4 Subject to Article 20.6, in relation to any notice sent to a Member by electronic means, service or delivery shall be deemed to be effected when it was sent and in proving such service or delivery it shall be sufficient to show that it was properly addressed when sent.

20.5 Without prejudice to the generality of Article 20.1 as regards the use of electronic means, the Society may, if the Council in its absolute discretion so permits, give any notice or deliver any document or send any information to any Member by publishing it on a website, where:

20.5.1 that Member has agreed to his/her having access to the notice, document, or information (generally or specifically) on such website and has not revoked that agreement; and

20.5.2 that Member is notified in accordance with Article 20.1, in a manner other than by publication on the website, of:

(a) the fact that the notice, document or information has been published on the website;

(b) the address of the website; and

(c) the place on the website where the notice or document may be accessed and how it may be accessed,

and in any such case the notice, document or information shall (subject to Article 20.6) be taken to be sent on the date on which the notification required by this Article 20.5 is sent or, if later, the date on which the notice, document or information first appears on the website after the said notification is sent.

20.6 Where information is published on a website in accordance with the provisions of this Article 20, it is deemed to have been served or delivered when the notice, document or information was first made available on the website or, if later, on the date on which the notification pursuant to Article 20.5.2 is delivered (or deemed to be delivered in accordance with the provisions of this Article 20) and only if the notice, document and/or information is published on the website throughout:

20.6.1 the period specified by any applicable provision of the Act; or

20.6.2 if no such period is specified, a period of not less than twenty-eight days from the date on which the notification in accordance with Article 20.5.2 is sent,

provided that if the notice, document or information is published on that website for a part but not all of such period, the notice, document or information shall be treated as published throughout that period if the failure to publish such notice, document or

information throughout the period is wholly unattributable to circumstances which it would not be reasonable to have expected the Society to prevent or avoid.

- 20.7 The provisions of Article 20.1 apply, subject to the provisions of the Act, in relation to any notice, document or information referred to in these Articles whether or not the provisions of the Article(s) in question use the word "**give**" or "**deliver**" or use other words (such as "**send**", "**supply**", "**provide**", or "**lodge**") to refer to the giving or delivering of a notice, document or information.

21. **COMMUNICATIONS**

All communications, whether written or oral, between Members and officers of the Society, relating to the business of the Society or Membership, or to any entry in the Stud-Book or at any show, shall be privileged and shall not be made the subject of any action or any claim for damages against the Society or its officers or against the Member making such communication.

22. **THE STUD-BOOK**

- 22.1 All entries when lodged become the property of the Council and are received subject to the decision of the Council, to whom is reserved full right to investigate, amend or alter and to publish in the original or in an amended or altered form, or not to publish, any or every pedigree presented for entry, or, after publication, the right of altering or cancelling any entry; and no name or pedigree lodged with the Council can thereafter be withdrawn or altered by the entrant or other person, except by the written authority of the Council.
- 22.2 Volumes of the Stud-Book may be purchased by Members at a cost to be decided by the Council but the Society is not bound to supply any volume which is out of print.
- 22.3 The Society shall from time to time draw up rules (the "**Rules**") embodying the qualifications which Shetland ponies must possess to entitle them to be entered in the Stud Book and the charges for the same. The Society's current Rules are as appended as Schedule I to these Articles. The Rules cannot be amended other than by special resolution of the Members of the Society passed at a lawfully convened General Meeting at which at least 40% of the Members of the Society are present in person, or except as specifically set out in paragraph 4 of the Rules. The provisions of this Article 22.3 cannot be amended other than by special resolution of the Members of the Society passed at a lawfully convened General Meeting at which at least 40% of the Members of the Society are present in person.

23. **ACCOUNTS**

23.1 The Council shall determine procedures to apply to the payment of sums due by the Society. The Council shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements and including reference to:

23.1.1 all sums of money received and expended by the Society and the matters in respect of which the receipt and expenditure takes place;

23.1.2 all sales and purchases of goods by the Society; and

23.1.3 the assets and liabilities of the Society.

23.2 The council 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.

23.3 Subject to Article 18.11, no Member of the Society (not being a Member of the Council) shall have any right to inspect any account or book or document of the Society except as conferred by the Act or authorised by the Council or by the Society in general Meeting.

24. **INDEMNITY**

Subject to the provisions of the Act, but without prejudice to any indemnity to which a Member of the Council may otherwise be entitled, every Member of the Council or other officer or auditor of the Society shall be indemnified out of the assets of the Society against 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 in connection with any application in which relief is granted to him/her by the court from liability from negligence, breach of duty or breach of trust in relation to the affairs of the Society. Pursuant to section 310(3) of the Act, the Society may purchase and maintain insurance to indemnify any Member of the Council, officer or auditor of the Society against any liability in respect of any negligence, default, breach of duty or breach of trust of which he/she may be found guilty in relation to the Society.

25. **CHANGES TO THE SOCIETY'S CONSTITUTION**

Subject to the requirements of Article 22.3, the Members of the Society shall be entitled to amend these Articles by a special resolution of the Members passed at a lawfully convened general Meeting of the Members.

26. **DISSOLUTION OR WINDING UP**

If the Society is to be wound up or dissolved or if at any time it appears to the Directors that the property of the Society is of such size that there is no reasonable prospect of the Society property or some part of it being required, either as a source of income or for payment or application as capital, in any future year or years for the purposes of the Society, or it appears to the Directors that the Society cannot continue to serve a useful purpose or that its property could be more suitably and effectively applied, the Directors may decide that the Society property or such part of it, shall cease to be held as, or as part of, the Society but shall from the date of such decision be held by them for, and shall accordingly be paid, applied and made over by them to, for, or among, or for the benefit of such charitable institutions, trusts, funds or other recipients (having purposes which are charitable only) as the Directors shall decide, subject to the satisfaction of debts and liabilities and to the provisions of Articles 2 and 7. For the avoidance of doubt, the Directors' decision is subject to any requirement to seek consent under the 2005 Act.

SCHEDULE 1

Rules of entry for Registration for Pedigree Shetland Ponies in the SPSBS Mother Stud-Book.

- I. All pedigree Shetland ponies, whose sire and dam are already registered in the SPSBS Mother stud-book, have a legal right of entry into the main body of the Mother stud-book.
2. All foals must be registered within twelve months of their birth. Any pedigree Shetland pony, who has missed the twelve month deadline for registration, may still be registered by the Breeder but will incur additional registration fees and will have to prove parentage with full DNA parentage testing, paid for in full by the breeder at the correct fee in place at that time. The Shetland pony over twelve months old will need to have its own DNA compared to that of its Sire and Dam. Only once DNA has been provided and parentage proven will the pony be accepted for entry into the studbook.
3. The Breeder is the only person who can register a pedigree foal.
4. The Breeder applies to the SPSBS and must complete a registration application form and lodge this form together with the correct fee at the office of the SPSBS. Any identification rules (the "**Identification Rules**") in force at the time of application must be met by the breeder of the foal/pony. The Identification Rules may be amended by a resolution of the Board of Directors (as constituted from time to time) of the Society (passed by simple majority by the Board of Directors).
5. The Sire and Dam **must** already be registered in the main body of the Shetland Pony Studbook.
6. No pony shall be accepted for registration whose sire and dam are not already entered in the Stud-book of an officially recognised Shetland pony stud-book, recognised as a Daughter stud-book either by the Mother stud-book who is the studbook of origin of the breed of Shetland ponies or as recognised by the legislation of the European Union.
7. All Shetland ponies that are registered in the main body of the SPSBS Mother stud-book will have full rights and privileges of a breeding animal and have no restrictions placed upon them.
8. The rules of registration for pedigree Shetland ponies cannot be changed, altered or added to, or amended other than by special resolution of the members of the Society passed at a lawfully convened General Meeting at which at least 40% of the members of the Society are present in person, or except as specifically set out in paragraph 4 of these Rules.
9. The SPSBS Mother studbook for the origin of the breed of Shetland ponies has had the same format of the Mother studbook since 1890 (eighteen hundred and ninety). The SPSBS Stud-book of origin for the breed of Shetland Ponies throughout the world is laid out in the following way:
 - 9.1 Main body, pedigree foal register for all foals, (one pedigree foal register only in the main body of the studbook, where ALL pedigree Shetland foals are recorded, no restrictions at all placed on any foal).
 - 9.2 Main body, pedigree mare register for all pedigree mares producing a first foal, (one pedigree mare register only in the main body of the studbook, where ALL pedigree mares

- producing first foal are recorded, no restrictions at all placed on any mare).
- 9.3 Main body, pedigree stallion register for all colts that have passed the voluntary veterinary examination in accordance with the International Shetland Pony Committee, International Veterinary Standards, (one pedigree Stallion register only in the main body of the stud-book, where all stallions passing the Voluntary Veterinary Examination, are recorded, no restrictions at all placed on any stallion).
- 9.4 Main body, pedigree gelding register for all colts gelded and the owner has forwarded an authentic castration certificate completed by a veterinary surgeon to the office of the SPSBS, (one pedigree gelding register only in the main body of the stud-book, where all geldings are recorded, no restrictions at all placed on any gelding).
10. The heritage and tradition in the format of the Mother studbook is of fundamental importance to the studbook of origin and its continued success. The purpose of this Schedule is to ensure the format of the Mother studbook remains in its current format and cannot be changed, altered or added to, or amended other than by special resolution of the Members of the Society passed at a lawfully convened General Meeting at which at least 40% of the Members of the Society are present in person, or except as specifically set out in paragraph 4 of these Rules.