Charity Law Association Model Rules

Society number:

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014

A CHARITABLE COMMUNITY BENEFIT SOCIETY

RULES OF

STAVELEY COMMUNITY TRUST

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A Charitable Community Benefit Society

RULES OF STAVELEY COMMUNITY TRUST

1. NAME

1.1 The name of the Charity shall be Staveley Community Trust.

2. LIMITED LIABILITY

2.1 The liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.

3. OBJECTS

3.1 The Objects of the Charity are to carry on for the benefit of the community in the parishes of Staveley with Ings and Kentmere and the surrounding area (the "area of benefit"):

3.1.1 activities that relieve those in need because of age or ill health, in particular (but not exclusively) by all or any of the following means:

3.1.1.1 the provision and management of housing or other accommodation; and

3.1.1.2 the provision or facilitating the provision of amenities, facilities, services and information; and

3.1.2 such other exclusively charitable objects for the benefit of the community in the area of benefit as may from time to time be determined by the Trustees.

3.2 The Objects of the Charity may be amended in accordance with these Rules. The amendment takes effect when accepted for registration by the Authority.

4. POWERS

4.1 The Charity shall have the power to do all things necessary or expedient for the fulfilment of its Objects.

4.2 Without limitation of Rule 4.1 the Charity shall have power:-

4.2.1 subject to Rule 27 (Conflicts of Interest) to employ people, agents and advisers;

4.2.2 to borrow money (without limitation on the amount) from any person and to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act);

4.2.3 to lend, deposit or advance money and give credit or guarantees in accordance with the Act and the Charities Act;

4.2.4 to act as agent or trustee;

4.2.5 to co-operate with other bodies;

4.2.6 to support by donation or otherwise, administer and/or set up charities or social enterprises;

4.2.7 to accept gifts and to raise funds;

4.2.8 to issue shares, bonds and other financial instruments and to repay such instruments;

4.2.9 to acquire or hire property of any kind;

4.2.10 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act);

4.2.11 to take mortgages, charges, liens and other security obligations;

4.2.12 to set aside funds for special purposes or as reserves against future expenditure;

4.2.13 to pay or suspend interest on share capital including the suspension of interest indefinitely;

4.2.14 to invest its funds in any manner with the powers of a natural person in addition to the powers given by the Act;

4.2.15 to obtain advice from a financial expert on investments and to have regard to the suitability of investments and the need for diversification where appropriate;

4.2.16 to delegate the management of investments to a financial expert, but only on terms that:

(a) the investment policy is set down in writing for the financial expert by the Trustees;

(b) timely reports of all transactions are provided to the Trustees;

(c) the performance of the investments is reviewed regularly with the Trustees;

(d) the trustees are entitled to cancel the delegation arrangement at any time;

(e) the investment policy and the delegation arrangement are reviewed at least once a year;

(f) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and

(g) the financial expert must not do anything outside the powers of the Charity.

4.2.17 to arrange for investments or other property of the Charity to be held in the name of a nominee company acting under the direction of the Trustees or controlled by a financial expert acting under their instructions, and to pay any reasonable fee required;

4.2.18 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as custodian and to pay any reasonable fee required;

4.2.19 to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required;

4.2.20 to enter into contracts to provide services to or on behalf of other bodies;

4.2.21 to establish or acquire subsidiary companies and other business organisations; and

4.2.22 to transfer or accept the transfer of engagements from or to amalgamate with any other society which is a charity in law registered under the Act or accept the transfer of the undertaking to or from any charity or convert the Charity into a charitable company.

4.3 The Charity may only accept deposits in accordance with the strict limitations of the Act and shall not carry on the business of banking or any other regulated activity except in accordance with the Act and the Financial Services and Markets Act 2000.

5. SHARES

5.1 The purpose of issuing Shares in the Charity is solely to advance the charitable purposes of the Charity set out in Rule 3 (Objects) under terms which are beneficial to the Charity.

5.2 The Trustees will issue Shares with a nominal value of £1 but may, at their discretion, issue at another nominal value. Unless otherwise specified by the

Trustees, the Trustees will issue withdrawable shares. Shares shall be non-transferable except on death or bankruptcy.

5.3 The Trustees may issue different classes of Shares, with such rights, restrictions and obligations as may be determined by them and may set the amounts of any subscriptions.

5.4 Rule 10 (No Transferable Share Capital), Rule 11 (Withdrawal of Shares), Rule 13 (Reduction in Share Value), Rule 29 (Payment of Interest on Shares) and Rule 33 (Dissolution) must always apply to any issue of Shares.

5.5 Unless otherwise specified by the Trustees on issue and subject to Rule 13 (Reduction in Share Value), Shares shall be withdrawable at the same nominal value as at the date of issue.

5.6 Shares may be withdrawn and transferred only in accordance with the provisions of these Rules.

5.7 The total number of Shares issued to any one Member shall not exceed the maximum permitted by law or any maximum shareholding specified by the Trustees.

5.8 Shares shall normally be paid for in full on allotment, but the Trustees may at their discretion permit a Member to defer some or all of such payment.

6. MEMBERSHIP

6.1 The Charity must maintain a register of Members.

6.2 The Subscribers to the Rules are the first Members.

6.3 Membership of the Charity is open to any individual aged at least sixteen or person interested in promoting the Objects who:

6.3.1 subscribes for at least the Minimum Shareholding; and

6.3.2 is approved by the Trustees.

6.4 The form and the procedure for applying for Membership is to be prescribed by the Trustees.

6.5 If the Charity issues only one Share to each Member it may also request an annual subscription from Members. The annual subscription shall be such reasonable amount sufficient to cover the administration costs of Membership and may include a charitable donation to the Charity as may be specified by the Trustees from time to time. If such a subscription is not paid the Trustees may agree that the Membership of that Member ceases and the one Share of that Member is cancelled without reimbursement to the Member.

6.6 A Member which is a body corporate or unincorporate may appoint a representative to act on its behalf and remove such representative by notice to the Charity.

6.7 The Trustees may establish different classes of Members and set out their respective rights and obligations.

7. TERMINATION OF MEMBERSHIP

7.1 Membership is terminated automatically when a Member ceases to hold any Shares in the Charity.

8. MEMBERS' MEETINGS

Calling Members' Meetings

8.1 Members are entitled to attend general meetings in person or by proxy. The appointment of a proxy must be in writing and notified to the Charity at least 24 hours before the commencement of the meeting. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final.

8.2 General meetings are called on at least 14 clear days' written notice indicating the business to be discussed and the date, time and place of the meeting.

8.3 Seventy five per cent of Members may agree, by consent in writing, to a general meeting being held with less notice than required by rule 8.2.

8.4 The Secretary shall also call a meeting of the Members at the written request of ten per cent or more of the membership.

8.5 An AGM shall be held within seven months of the close of each financial year of the Charity to deal with the following:

8.5.1 the receipt of the accounts and balance sheet and of the reports of the Trustees and, if relevant, the auditor;

8.5.2 the appointment of an auditor (if required);

8.5.3 the election of any Trustee to the Board;

8.5.4 the application of surplus funds; and

8.5.5 any other issues which the Trustees think appropriate.

Quorum at General Meetings

8.6 There must be a quorum present before a meeting starts to do business and throughout the meeting.

8.7 There is a quorum at a general meeting if the number of Members present in person (or by their authorised representative) or by proxy is at least three members entitled to vote on the business.

8.8 If a quorum is not present at the time set for the general meeting, the meeting shall be reconvened one week later at the same time and place, unless agreed otherwise by the Trustees. If fewer than the number of Members required for a general meeting under Rule 8.7 are present within half an hour of the time the adjourned meeting is scheduled to have started, those Members present shall carry out the business of the meeting.

One Member One Vote

8.9 Every Member present in person, by proxy or by authorised representative shall have one vote on each issue regardless of the number of Shares held by a Member.

8.10 The Chair of the Charity shall preside at a general meeting and shall not be entitled to a second or casting vote. If the Chair is not present within 10 minutes of the start of the meeting the Members present shall elect a Chair of the general meeting.

Decisions at General Meetings

8.11 Questions arising at a meeting of the Members shall be resolved by a simple majority of votes, unless a higher majority is required by these Rules or by any law or enactment.

Decision by Ballot

8.12 At any meeting of the Members a resolution put to the vote of the Members shall be decided by a show of hands unless the Trustees resolve, or unless at least 10% of the Members present at the meeting request, that the matter should be put to a secret ballot. The Trustees may make any reasonable rules to regulate the running of a secret ballot.

Decision by postal vote

8.13 The Trustees may permit decisions to be taken at general meetings by a combination of postal voting and voting in person or by proxy provided that each Member has only one vote.

Written Resolutions of Members

8.14 Except where a statutory provision seeks to protect creditors or future members by way of decision-making at a general meeting or a decision seeking the removal of a Trustee, a written resolution signed by a majority of those entitled to vote at a meeting (or, where required by law, a greater majority) is as valid as a resolution actually passed at that meeting.

8.15 A written resolution may be set out in more than one document and will be treated as passed on the date of the last signature required to reach the relevant majority.

8.16 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Meetings held by electronic means

8.17 A general meeting may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants.

9. ATTENDANCE AND SPEAKING BY TRUSTEES AND NON-MEMBERS

Trustees may attend and speak at general meetings. The Chair of the meeting may permit other persons who are not:

9.1 Members; or

9.2 otherwise entitled to exercise the rights of Members in relation to general meetings,

9.3 to attend and speak at a general meeting.

10. NO TRANSFERABLE SHARE CAPITAL

The Charity shall not issue transferable shares.

11. WITHDRAWAL OF SHARE CAPITAL

Withdrawal on Notice

11.1 With the Trustees' approval, Shares may be withdrawn on three months' notice provided that:

11.1.1 the notice to withdraw Shares must (a) be sent to the Charity; (b) give details of the Shares to be withdrawn; and (c) be signed by the withdrawing Member or authorised by the withdrawing Member through a secure electronic transaction procedure approved by the Trustees;

11.1.2 unless a Member is withdrawing all of his/her Shares, the withdrawal must not leave the Member with fewer Shares than the Minimum Shareholding;

11.1.3 no withdrawal of Shares issued on the same date shall be permitted during the first five years from the date of the issue of Shares or from the date it carries on a qualifying trade whichever is the later; and

11.1.4 the Trustees are satisfied that, at the date of withdrawal, the Charity is able to continue as a going concern for the 12 months following the withdrawal.

Waiver and Suspension of Withdrawal of Shares

11.2 The Trustees may waive the notice period required for a withdrawal of Shares.

11.3 The Trustees may suspend the right to withdraw Shares either wholly or partially and either indefinitely or for a fixed period.

11.4 The Trustees may apply the suspension to any notices of withdrawal, which have been received and remain unpaid, or only to specified classes or issues of Shares. Where the suspension is for a fixed period, such period may be extended from time to time by the Trustees.

11.5 Should the Trustees choose to suspend the right to withdraw shares, all Members must be notified of such a change within ten days of it having come into force.

11.6 During any period of suspension, the Shares of a deceased or bankrupt Member may, if the Trustees so determine, be withdrawn in accordance with this Rule 11.

Amount Payable on Withdrawal of Shares

11.7 The amount to be paid to a Member on a withdrawal shall be the amount credited as paid on the Shares to be withdrawn except where the Shares have been reduced in value under Rule 13 (Reduction in Share Value).

11.8 The Trustees may deduct a reasonable administration fee in respect of the withdrawal of Shares.

11.9 Interest up to the date of repayment may, at the discretion of the Trustees, be payable on any Share in respect of which a notice of withdrawal has been given.

12. SURRENDER OF SHARES

12.1 If the right to withdraw has been suspended, Members may terminate their Membership by surrendering their entire Shareholding to the Charity at which point the Shares will be cancelled. The surrender must be made in such form as the Trustees require.

12.2 Trustees have the right to refuse a surrender of shareholding and may at their discretion pay to the Member who is surrendering Shares any amount not exceeding the nominal value of the Shares.

13. REDUCTION IN SHARE VALUE

13.1 If at any time the Charity's auditors (or, if the Charity does not have auditors, another qualified independent accountant) certify that the Charity's liabilities plus its share capital exceed its assets, the Trustees may resolve to redenominate the nominal value of all issued Shares to 10 pence or to any multiple of 10 pence.

13.2 The Trustees may then further resolve that a Member's shareholding will be redenominated so that the member's total shareholding reflects the Charity's value using the nominal value of the new Shares. Where such calculation will lead to a Member's Shareholding comprising a fractional balance of a 10 pence Share the Member's Shareholding shall be rounded down to the nearest 10 pence Share.

13.3 Following the resolution pursuant to Rule 13.2 the original balance of the nominal value of the Shares shall be cancelled and no right to interest or dividend or the balance of nominal value following cancellation shall exist.

14. SHARE TRANSFERS ON DEATH OR BANKRUPTCY OF A MEMBER

14.1 Members may nominate a person to whom any property which that Member holds in the Charity may be transferred on death in accordance with section 37 of the Act, up to the limits imposed by the Act.

14.2 Any property held by a Member who dies or becomes bankrupt which is not dealt with by a nomination under Rule 14.1 shall be dealt with in accordance with the instructions of the Member's duly appointed personal representative or trustee in bankruptcy.

14.3 The Trustees may request any evidence (including without limitation evidence of death or due appointment or lack of revocation) which they deem appropriate prior to making a transfer, shall request a receipt from the transferee, shall approve a transfer and shall register it in the Register of Members.

15. UNTRACED MEMBERS

15.1 Where a Member holds more than one Share in the Charity, the Charity shall be entitled to cancel Shares of a Member if and provided that:

15.1.1 during the period of twelve years prior to the date of the publication of the advertisement referred to in Rule 15.1.2 below (or, if published on different dates, the later date) all cheques in respect of the Shares

in question sent in the manner authorised by these regulations have remained uncashed; and

15.1.2 the Charity shall on expiry of the twelve years have inserted advertisements, both in a leading London newspaper or on the Official Gazette website and in a newspaper circulating or on a newspaper website in the area of the address at which service of notices upon such Member or other person may be effected in accordance with these Rules, giving notice of its intention to cancel the Shares; and

15.1.3 during the period of twelve years before and the period of three months following the publication of the advertisement the Charity shall have received indication neither of the whereabouts nor of the existence of such Member or person.

15.2 The Charity shall be entitled to cancel the Share of a Member if a Member, who has been issued only one Share in the Charity has not responded, for a period of three years, to the Charity to a request for verification of address for communication with the Member.

15.3 To give effect to any such cancellation the Charity may appoint any person to execute as transferor an instrument of cancellation of the Shares.

15.4 Such instrument shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such Shares and the title of the transferee shall not be affected by any irregularity or invalidity in such actions.

15.5 Subject to Rule 15.6 the net proceeds of any cancellation of Shares in accordance with this Rule 15 shall belong to the Charity.

15.6 The Charity shall be obliged to account to the former Member or other person previously entitled for an amount equal to the nominal amount of any shareholding if the Shares are cancelled for amounts greater than £25.

15.7 The Charity shall enter the name of such former Member or other person in the books of the Charity as a creditor for the amount calculated pursuant to Rule 15.6.

15.8 No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Charity shall not be required to account for any money earned.

15.9 The monies may be employed in the business of the Charity or invested in such investments (other than Shares of the Charity) as the Trustees may from time to time think fit.

POWERS AND RESPONSIBILITIES OF TRUSTEES

16. The Trustees as charity trustees have control of the Charity and its property and funds.

17. The Trustees may exercise in their capacity as Trustees responsible for the management of the Charity's business all the powers of the Charity set out in these Rules which are not reserved for the general meeting including the following powers in the administration of the Charity:

17.1 to spend the funds of the Charity in such a manner as they shall consider most beneficial for the achievement of the Objects;

17.2 to invest in the name of the Charity such part of the Charity's funds as they see fit;

17.3 to enter into contracts on behalf of the Charity;

17.4 to borrow or raise money and to mortgage or charge the Charity's undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Charity or of any third party;

17.5 to make rules which govern the taking of decisions by Trustees;

17.6 to establish procedures to assist the resolution of disputes or differences within the Charity;

Trustees may delegate to committees

17.7 to delegate any of their functions to committees consisting of two or more individuals appointed by them. At least one member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees; and

17.8 to make rules of procedure for all or any committees.

Residuary powers of members

17.9 The Members may, by special resolution, direct the Trustees to take or refrain from taking specified action provided that such direction is in accordance with the Act and the Charities Act. No such special resolution invalidates anything which the Trustees have done before the passing of the resolution.

18. NUMBER OF TRUSTEES

18.1 There shall be at least three and not more than nine Trustees all of whom must support the Objects. Only Members (or persons who will become

Members on their appointment as a Trustee) who are at least 18 years old shall be eligible to be appointed as Trustees.

18.2 A person may not act as a Trustee unless he/she has signed a written declaration of willingness to act as a charity trustee of the Charity.

19. APPOINTMENT AND RETIREMENT OF TRUSTEES

Methods of appointing Trustees

19.1 The first Trustees will be the subscribing members of the Charity. Subsequent Trustees are elected by the Members or co-opted by the Trustees.

19.2 Any person who is willing to act as a Trustee, and is permitted by law to do so, may be appointed to be a Trustee: –

19.2.1 by ordinary resolution of the Members; or

19.2.2 by a decision of the Trustees, but such person shall only hold office until the general meeting following her/his appointment.

Rotation of Trustees

19.3 One third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring Trustee shall be eligible for re-election.

Termination of Trustees' appointment by Members' Resolution

19.4 Trustees may be appointed or removed at any time by ordinary resolution of the Members (but only if at least two Trustees will remain in office). If a Trustee is to be removed, the resolution must be passed not less than 14 days after the views of the Trustee concerned have been invited.

19.5 Where the Trustee has made representations to the Members within 14 days of having been invited to do so, the Members shall give consideration to those representations prior to any resolution being made.

Automatic Termination of Trustee's Appointment

19.6 A Trustee's term of office automatically terminates if he or she:

19.6.1 retires or is removed from office pursuant to Rules 19.3 or 19.4;

19.6.2 is prohibited by law from being a director of a company;

19.6.3 is prohibited by the Relevant Authority from undertaking a controlled function (as defined in the Financial Services and Markets Act 2000);

19.6.4 ceases to be a Member of the Charity;

19.6.5 is absent from three consecutive meetings of the Trustees and is asked by a majority of the other Trustees to resign;

19.6.6 is removed by a resolution passed by two-thirds of the Trustees, excluding the Trustee subject to the proposed removal.

Alternate Trustees and technical defect

19.7 Trustees shall not be entitled to appoint alternate Trustees.

19.8 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

20. NUMBER AND DECISION MAKING AT TRUSTEES' MEETINGS

20.1 The Trustees must hold at least three meetings or such other minimum as the Trustees may decide and report to the Members each year.

20.2 Any issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by a majority of the Trustees is as valid as a resolution passed at a meeting.

20.3 A written resolution may be contained in more than one document and will be treated as passed on the date of the last signature required to reach a majority.

20.4 Every Trustee has one vote on each issue but, in case of an equality of votes, the Chair shall be entitled to a second or casting vote.

20.5 A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

21. CALLING A TRUSTEES' MEETING

21.1 Any Trustee may call a Trustees' meeting by giving 7 days' notice of the meeting to the Trustees or by authorising the Secretary (if any) to give such notice. Trustees may unanimously agree to shorter notice.

21.2 Notice of any Trustees' meeting must indicate:

(a) its proposed date and time;

(b) where it is to take place;

(c) if it is anticipated that Trustees participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting, including by suitable electronic means;

(d) the proposed business of the meeting.

21.3 Notice of a Trustees' meeting must be given to each Trustee, but need not be in writing.

22. PARTICIPATION IN TRUSTEES' MEETINGS

22.1 Subject to the Rules, Trustees participate in a Trustees' meeting, or part of a Trustees' meeting, when:

22.1.1 the meeting has been called and takes place in accordance with the Rules; and

22.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

22.2 In determining whether Trustees are participating in a Trustees' meeting, it is irrelevant where any Trustee is or how they communicate with each other.

22.3 If all the Trustees participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is located.

23. QUORUM FOR TRUSTEES' MEETINGS

23.1 At a Trustees' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

23.2 The quorum for a Trustees' meetings is three.

23.3 If the total number of Trustees for the time being is less than the quorum required, the Trustees must not take any decision other than a decision to co-opt an additional Trustee under rule 19.2.2 or to call a general meeting so as to enable the Members to appoint further Trustees.

24. CHAIRING OF TRUSTEES' MEETINGS

24.1 The Trustees may appoint any Trustee to preside at meetings.

24.2 The person so appointed for the time being is known as the Chair.

24.3 The Trustees may terminate the Chair's appointment at any time.

24.4 If the Chair is not participating in a Trustees' meeting within ten minutes of the time at which it was to start, the participating Trustees must appoint one of themselves to preside at it.

25. TRUSTEES' DISCRETION TO MAKE FURTHER RULES

25.1 The Trustees may make and revoke from time to time, in accordance with these Rules and the Act, regulations which are binding on the Charity relating to proceedings of general meetings of the Charity and on their own decision making processes.

26. PERMITTED BENEFITS TO TRUSTEES AND MEMBERS

26.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the Members but:

26.1.1 Members who are not Trustees or Connected Persons may be employed by or enter into contracts with the Charity and receive reasonable and proper payment or expenses for goods or services supplied.

Subject to compliance with Rule 27.1:

26.1.2 Members, Trustees and Connected Persons may be paid interest at a reasonable rate on money lent to the Charity and be paid interest on Shares, subject to Rule 29;

26.1.3 Members, Trustees and Connected Persons may be paid a reasonable rent or hiring fee for property or equipment let or hired to the Charity; and

26.1.4 Members, Trustees and Connected Persons may receive charitable benefits on the same terms as any other Beneficiaries.

26.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:

26.2.1 as mentioned in Rule 26.1 or 26.3;

26.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity;

26.2.3 the benefit of indemnity insurance as permitted by the Charities Act;

26.2.4 an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings); and

26.2.5 where authorised by the Court or the Act.

26.3 Any Trustee or Connected Person may enter into a written contract with the Charity, as permitted by the Charities Act, to supply goods and/or services in return for a payment or other material benefit but only if:

26.3.1 the goods and/or services are actually required by the Charity, and the Trustees decide that it is in the best interests of the Charity to enter into such a contract;

26.3.2 the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods and/or services and is set in accordance with the procedure in Rule 27.1; and

26.3.3 no more than half of the Trustees are parties to a contract in respect of goods and/or services in any financial year.

27. CONFLICTS OF INTEREST

27.1 Subject to Rules 27.2, 27.3and 27.4, any Trustee who becomes a Conflicted Trustee in relation to any matter must:

27.1.1 declare the nature and extent of her or his interest before discussion begins on the matter;

27.1.2 withdraw from the meeting for that item after providing any information requested by the Trustees;

27.1.3 not be counted in the quorum for that part of the meeting; and

27.1.4 be absent during the vote and have no vote on the matter.

27.2 When any Trustee is a Conflicted Trustee, the Trustees who are not Conflicted Trustees, if they form a quorum without counting the Conflicted Trustee and are satisfied that it is in the best interests of the Charity to do so, may, by resolution passed in the absence of the Conflicted Trustee, authorise the Conflicted Trustee, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Trustee, to:

27.2.1 continue to participate in discussions leading to the making of a decision and/or to vote; or

27.2.2 disclose to a third party information confidential to the Charity; or

27.2.3 take any other action not otherwise authorised which does not involve the receipt by the Conflicted Trustee or a Connected Person of any payment or material benefit from the Charity; or

27.2.4 refrain from taking any step required to remove the conflict.

27.3 A Trustee who is a Member of the Charity or will become a Member on subscribing for Shares is permitted to be part of the quorum, speak and vote

at a Trustees' meeting on any matter to do with interest on Shares provided they declare their interest on that agenda item. Rules 27.1 and 27.2 do not apply.

27.4 A Trustee shall always declare at the start of a Trustees' meeting any actual or potential conflict of interest arising from the agenda of the meeting.

28. APPLICATION OF PROFITS

28.1 The profits of the Charity shall be applied solely towards the promotion of the Objects and do not belong to the Members.

29. PAYMENT OF INTEREST ON SHARES

29.1 The payment of interest on Shares shall only be permitted if the rate shall have been declared in advance of the period for which interest will become payable.

29.2 Interest to be paid on Shares shall be no more than is necessary in the opinion of the Trustees to obtain and retain the capital required to carry on the charitable purposes of the Charity.

29.3 The Trustees must be able to justify the rate of interest payable on Shares by reference to available commercial rates for borrowing.

29.4 The rate of interest shall not be such that it is the motivation for a person to buy Shares.

29.5 The Trustees may suspend payments of interest temporarily or indefinitely by informing members of the suspension.

29.6 In the accounts of the Charity the payment of interest is an expense of the Charity before its surplus is calculated.

30. INDEMNITY AND INSURANCE

Indemnity

30.1 Subject to Rule 26.2(Permitted Benefits) a Trustee and a retired Trustee of the Charity may be indemnified out of the Charity's assets against: –

30.1.1 any liability incurred by that Trustee in connection with any negligence, default, breach of duty or breach of trust in relation to the Charity;

30.1.2 any liability incurred by that Trustee in connection with the activities of the Charity; or

30.1.3 any other liability incurred by that Trustee as an officer of the Charity in defending themselves successfully against any criminal or civil proceedings for breach of duty.

30.2 This Rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.

Insurance

30.3 The Trustees may purchase and maintain indemnity insurance, at the expense of the Charity, for the benefit of any Trustee or retired Trustee in respect of any relevant loss to the extent permitted by the Charities Act.

31. AMENDMENT OF RULES

31.1 Any of these Rules may be rescinded or amended, or a new Rule made, by a vote of a three-quarters majority of those Members of the Charity voting at a general meeting or by written resolution.

31.2 No amendment of these Rules is valid until it is registered by the Authority in accordance with the Act.

31.3 No amendment may be made which causes the Charity to cease to be a Charity in law.

32. RECORDS, AUDIT AND SECRETARY

Records

32.1 The Trustees must comply with the requirements of the Acts as to keeping financial records, the appointment of auditors, audit of accounts and the preparation and transmission to the Authority of:-

32.1.1 annual returns;

32.1.2 annual reports; and

32.1.3 annual statements of account.

32.2 The Trustees must keep proper records of:-

32.2.1 all proceedings at Members' meetings;

32.2.2 all proceedings at meetings of the Trustees;

32.2.3 all reports of committees; and

32.2.4 all professional advice obtained.

32.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours and may

be made available for inspection by Members who are not Trustees if the Trustees so decide.

32.4 A copy of the Charity's latest available balance sheet and statement of account must be supplied on request to any Trustee or Member. A copy must also be supplied, within two months, to any other person who makes a written request and pays the Charity's reasonable costs.

32.5 A copy of the Charity's latest available balance sheet will be displayed at all times in a prominent position at the Registered Office of the Charity

Audit

32.6 The Members shall vote annually at the AGM (or at a general meeting before the AGM in the first period following incorporation) whether to have an audit carried out by a registered auditor or to have unaudited accounts.

32.7 If the Charity has an audit by a qualified auditor the auditor shall be appointed by the Trustees where there is a vacancy.

Secretary

32.8 The Trustees may appoint a secretary for such term, upon such remuneration and upon such conditions as they think fit and any secretary appointed may be removed by them.

33. DISSOLUTION

If the Charity is dissolved, after provision for the satisfaction of all its debts and liabilities and the repayment of the share capital at the nominal value of the Shares, the value of the remaining property of the Charity shall be transferred to such other charity in law or charities in law having objects similar to or compatible with the Objects as shall be decided by the Trustees and recommended and approved by the Members at a general meeting.

34. NOTICES

34.1 Notices under the Rules may be sent by hand, by post or by suitable electronic means including website notification where the Member has agreed to this.

34.2 The only address at which a Member is entitled to receive notices sent by post or email is an address in the UK shown in the register of Members.

34.3 Notices sent to the Charity by post or by hand must be sent to its Registered Office.

34.4 Any notice in writing given in accordance with these Rules is to be treated for all purposes as having been received:

34.4.1 24 hours after being sent by electronic means or delivered by hand to the relevant address;

34.4.2 two clear days after being sent by first class post to that address;

34.4.3 three clear days after being sent by second class or overseas post to that address;

34.4.4 on the date of publication of a newspaper containing the notice;

34.4.5 on being handed to the Member personally; or

34.4.6 if earlier, as soon as the Member acknowledges actual receipt.

34.5 A technical defect in the giving of notice or receipt of email notice of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

A member shall notify the Charity immediately of any change in address including email address.

35. REGISTERED OFFICE, SEAL AND SIGNING

Registered Office

35.1 The Registered Office of the Charity shall be **Hanley Accountants Ltd, 25 Main Street, Staveley, Kendal LA8 9LU** or such other address as may be determined by the Trustees and notified to the Authority.

Seal and signing

35.2 The Charity may have a seal which shall only be used by the authority of Trustees and shall be kept at the registered office of the Society.

35.3 Sealed documents shall be witnessed by the signature of two Trustees or a Trustee and the secretary.

35.4 The Charity may also execute documents without a seal with the authority of the Trustees in the same manner as with a seal or otherwise as permitted by law.

36. INTERPRETATION

36.1 The meaning of certain words used in the Rules:

Words	Definition
"the Act"	Co-operative and Community Benefit Societies Act 2014;

"Acts"	the Act and any amendments thereto;
"AGM"	Annual General Meeting of the Charity
"Authority"	the Financial Conduct Authority (or its successor or replacement body acting as the registering authority for societies under the Acts);
"Board"	all the persons for the time being appointed as Trustees of the Charity;
"Chair"	the person who presides at meetings of the Trustees as appointed in Rule 24 (Chairing of Trustees' Meetings);
"Charities Act"	Charities Act 2011;
"the Charity"	means the Society governed by the Rules;
"clear day"	means a complete day excluding the day on which the meeting is to take place and the day on which (as appropriate) notice is given, the request received or the sum deposited or tendered;
"Conflict of Interest"	includes a conflict of interest and duty and a conflict of duties;
"Connected Person"	means, in relation to a Trustee, a person with whom the Trustee shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the Trustee's family or household or a person or body who is a business associate of the Trustee, and (for the avoidance of doubt) does not include a company with which the Trustee's only connection is an interest consisting of no more than 1% of the voting rights;
"electronic means"	has the meaning given in Section 148 of the Act;

"indemnity insurance"	has the meaning set out in Schedule 11 of the Charities Act 2011;
"Member" or "Membership"	refer to membership of the Charity. A Member is a Member of the Charity;
"Minimum Shareholding"	means one Share or such other number of Shares as may be determined by the Trustees for the relevant class or issue of Shares or by the terms of any Share issue;
"month"	means a calendar month;
"Objects"	the Objects of the Charity as defined in Rule 3;
"person"	includes a natural, corporate and statutory person;
"qualifying trade"	means a trade which satisfies the requirements of HM Revenue and Customs' Venture Capital Schemes Manual;
"relevant loss"	means any loss or liability which has been or may be incurred by a Trustee in connection with that Trustee's duties or powers in relation to the Charity including a successful defence of the Trustee or retired Trustee in criminal or civil proceedings for breach of duty;
"Relevant Authority"	the relevant regulator of financial services;
"Registered Office"	has the meaning set out in Rule 35;
"Rules"	the Charity's Rules;
"Shares"	means shares in the share capital of the Charity;
"services"	has the meaning in Section 187 of the Charities Act but does not include services under a contract of employment;
"society"	A society under the Co-operative and Community Benefit Societies Act 2014;

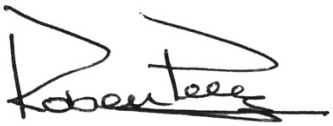
"Trustee"	a director of the Charity, which includes any person occupying the position of director, by whatever name called;
"written" or "in writing"	refers to a legible document on paper including a fax message or in electronic form;
"year"	means a calendar year.

36.2 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

36.3 The singular shall include the plural where the context requires.

36.4 The masculine and feminine genders shall include the neuter gender.

We wish to form a Society under the above Rules

Signed by the Subscribing Members	Full Name in Block Capitals (no initials)
1 	DEBORAH JANE MICHEL
2 	FRANCES HARRIET ANNE RICHARDSON
3 	ROBERT CLIVE PERKINS

Signed by the Secretary	Full Name in Block Capitals (no initials)
	DEBORAH JANE MICHEL

Dated 31/03/2022