



ALL PREVIOUS RULES RESCINDED

***Register No. 25164R***

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# **RULES**

**OF**

**The Shaw Foundation Limited**

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**Dated 24 July 2012**

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## **RULES**

### **NAME, OBJECTS AND REGISTERED OFFICE**

1. The name of the Society shall be The Shaw Foundation Limited (hereinafter called 'the Association').
2. The objects of the Association ("the Objects") shall be the advancement of health and the relief of those in need by reason of age, disability, ill health or other disadvantage for the benefit of the public, in particular but not limited to:
  - 2.1 The procurement or provision of care, welfare and accommodation services and associated support including relief and respite care; and improvements, adaptation and maintenance of accommodation; and
  - 2.2 The provision of support (including by means of collaboration or investment) for other charities and charitable projects associated with any of the objects.
3. The Association shall have the following powers to be exercised in furtherance of the Objects and for no other purpose:
  - 3.1 to provide or procure the provision of land, amenities or services or provide or procure the provision of, construct, repair or improve buildings, for the benefit of persons resident in accommodation provided by the Association or procured with the assistance of the Association;
  - 3.2 to manage buildings occupied by persons for whom the Association might provide or procure the provision of accommodation in accordance with its objects;
  - 3.3 To undertake research into and provide support for the stimulation of good practice in the delivery of care services and the improvement and development of the quality of the same;
  - 3.4 to subject to such consents as may be required by law, acquire, dispose of, build upon, lease, manage, mortgage or exchange any property or land, enter into any floating charge of the whole or part of the undertaking property and assets of the Association both present and future and enter into any contracts and settle the terms thereof;
  - 3.5 to subject to Rule 19 borrow money for the purposes of the Association on such terms and on such security as may be thought fit subject to such consent as may be required by law;
  - 3.6 to make grants or loans with or without security to any body, association, individual or company;
  - 3.7 to subject to Rule 55, invest the funds of the Association;
  - 3.8 to execute any charitable trusts which may lawfully be undertaken by the Association and to act as charity trustee thereof;
  - 3.9 to pay reasonable travel costs of such persons as the Committee considers appropriate; and

- 3.10 to give guarantees with or without security to any third party in respect of the liabilities of any body, association, individual, or company having objects similar to those of the Association or which is otherwise a subsidiary (within the meaning of Section 15 of the Friendly and Industrial and Provident Societies Act 1968) of the Association.
- 3.11 To promote or carry out research.
- 3.12 To set aside funds for special purposes or as reserves against future expenditure.
- 3.13 To insure the property of the Association against any foreseeable risk and take out other insurance policies to protect the Association when required.
- 3.14 To pay for indemnity insurance for the Committee Members.
- 3.15 To do all other things necessary or expedient for the fulfilment of the Objects.

4. The Association shall not trade for profit.

5. The registered office of the Association shall be at

1 Links Court, Links Business Park, St. Mellons, Cardiff, CF3 0LT

Notice in the form prescribed by Treasury Regulations of any change in the situation of the registered office shall be sent by the secretary to the Financial Services Authority ("FSA") or other the registering authority for Industrial & Provident Societies within fourteen days thereof.

- 6. The registered name of the Association shall be kept painted or affixed in a conspicuous position in letters easily legible on the outside of every office or place in which the business of the Association is carried on, and the registered name of the Association shall be engraved in legible characters on its seal, and shall be mentioned in legible characters in all business correspondence, notices, advertisements, other official publications, invoices, receipts, letters of credit, bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed or issued by or on behalf of the Association in whatever form (including digital and electronic).
- 7. The members of the Association shall be the persons whose names are entered in the register of members. The Committee may in their discretion admit to membership any individual persons (including the nominees of unincorporated bodies), Societies, Companies and Local Authorities (being bodies corporate).
- 8. Every member shall hold one share only in the Association.
- 9. An applicant for membership shall forward to the registered office together with their application (in such form as is required by the Committee) the sum of one pound (which shall be returned if the application is not approved) and every application shall be considered by the Committee at its next meeting after it is made, or so soon thereafter as is practicable. If the application is approved the name of the applicant and the other necessary particulars shall

be entered in the register of members and one share in the Association shall be issued to the applicant.

10. No person who is a minor shall be admitted to membership.
11. A member who is a nominee of an unincorporated body shall have entered against their name in the register of members the name of the unincorporated body by whom they were nominated.
12. A member shall cease to be a member if
  - 12.1 they die; or
  - 12.2 in the case of a body corporate ceases to be a body corporate; or
  - 12.3 is expelled; or
  - 12.4 withdraws from the Association; or
  - 12.5 in the case of the nominee of an unincorporated body, transfers their share to another nominee.
13. Any member may withdraw from the Association by giving the Secretary one month's notice in writing of their intention so to do.
14.
  - 14.1 A member may be expelled by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at an annual or special general meeting of the Association of which notice has been duly given, provided that a complaint in writing of conduct detrimental to the interests of the Association has been sent to such member by order of the Committee not less than one calendar month before the meeting. Such complaint shall contain particulars of the conduct complained of and shall call upon the member to answer the complaint and to attend the meeting called under this rule. At such meeting the members shall consider evidence in support of the complaint and such evidence as the member may wish to place before them. If on due notice having been served upon them the member fails to attend the meeting without due cause the meeting may proceed in their absence.
  - 14.2 A person expelled from membership shall cease to be a member at the expiration of 28 days from the date at which the resolution to expel them was carried under the preceding paragraph of this rule.
  - 14.3 Subject to there being sufficient funds for payment of all existing claims against the Association known to the Committee, a member so expelled shall at the date of the resolution for their expulsion be paid the value of any loan stock held by them.
  - 14.4 No person who has been expelled from membership shall be re-admitted except by a resolution carried by the votes of two-thirds of the members present in person or by proxy and voting on a poll at any general meeting of which notice has been duly given.

## **AUTHORISED REPRESENTATIVE OF BODIES CORPORATE**

15. A body corporate being a member, may by resolution of its governing body appoint and revoke the appointment of any person it thinks fit as an authorised representative who shall during the continuance of their appointment be entitled to exercise at any general meeting of the Association all such rights and powers as the body corporate could exercise if it were an individual person. A copy of any such resolution signed by two members of the governing body and in the case of a local authority by the clerk of the Council shall be sent to the Secretary of the Association.

## **SHARE CAPITAL**

16. The share capital of the Association shall be raised by the issue of shares of the nominal value of one pound each.
- 17.
- 17.1 Except as provided in this rule shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend or bonus, and shall not be held jointly.
- 17.2 Shares held by nominees of unincorporated bodies shall be transferable in such a manner as the Committee may from time to time determine and may be held jointly by any two persons, being nominees of any one unincorporated body.
18. On the death, expulsion or withdrawal from the Association of a member, their share, not being a share held jointly, shall be cancelled and the amount paid up thereon shall become the property of the Association. Upon the cessation of membership of an unincorporated body, the share held by the nominee or nominees of such body shall be cancelled in like manner.

## **BORROWING POWERS**

- 19.
- 19.1 The Association shall have power to borrow money for the purposes of the Association provided that the amount for the time being remaining undischarged of moneys borrowed shall not exceed £200m.
- 19.2 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the Committee, represents the market rate of interest for borrowings of similar amount and on similar terms prevailing at that time, except that in the case of a Mortgage loan the Committee may delegate the determination of the said interest rate within certain specified limits to an officer, Committee Member or subcommittee.
- 19.3 The Association shall not receive money on deposit.
- 19.4 Subject to the preceding clauses of this rule the Committee shall have the power to determine from time to time the terms and conditions upon which money is borrowed or loan stock is issued and to vary such terms and conditions.

- 19.5 The Association shall have power to enter into any interest rate swap, any option to enter into an interest rate swap, or any cap, collar, ceiling or floor, in relation thereto, any forward rate agreement or any other hedging agreement similar in form or effect to the foregoing (each such agreement referred in this rule to as a "Hedging Agreement").
- 19.6 The Committee shall have the power to determine from time to time the terms and conditions upon which a Hedging Agreement be entered into and to vary such terms and conditions.

**PROVIDED ALWAYS** that

- (a) the entry by the Association into a Hedging Agreement is a term or condition upon which money is borrowed, or loan stock issued or subscribed for, and the sum of the notional principle amount of the Hedging Agreement shall not from time to time exceed the amount of monies required to repay such borrowing or to redeem or purchase such loan stock; or
- (b) the entry by the Association into a Hedging Agreement is for the purposes of prudent management of the Association's debt portfolio and the Committee in their opinion consider it appropriate for the Association to enter into a Hedging Agreement in respect of borrowings which now or hereafter exist where there was/is no term or condition of borrowing that the Association enter into a Hedging Agreement provided further that the notional principal amount of that Hedging Agreement shall not from time to time exceed the amount of monies required to repay such borrowing; or
- (c) the purpose of entering into a Hedging Agreement is to hedge, vary or otherwise modify the effect of any Hedging Agreement previously entered into, or the rights and obligations of the Association under any such Hedging Agreement and the sum of the notional principal amount of the Hedging Agreement entered into pursuant to this Rule 19.6(c) shall not exceed the notional principle amount of the Hedging Agreement originally entered into;

**AND PROVIDED FURTHER** that, at the time the terms of a Hedging Agreement are agreed, the effective rate of interest when the borrowing or issue of or subscription for loan stock and such Hedging Agreement are considered together will not exceed, in the opinion of the Committee, the market rate of interest for borrowings of similar amount and on similar terms prevailing at that time.

- 19.7 Any person acting in good faith and without prior notice shall be entitled to rely upon a certificate from the Secretary stating that the powers of the Committee under Rule 19.5 and 19.6 have not been exceeded.
20. The Association may receive from any person, whether member or not, donations towards the work of the Association.

## **GENERAL MEETINGS**

21. The Association shall within three calendar months after the close of each financial year of the Association hold a general meeting which shall be called the annual general meeting.
22. The functions of the annual general meeting shall be:-
  - 22.1 To receive the account and balance sheet referred to in Rule 59;
  - 22.2 To appoint the auditor;
  - 22.3 To elect Committee Members and to fix the remuneration (if any) of the Committee.
  - 22.4 To transact any other general business of the Association included in the notice convening the meeting.
23. All general meetings other than annual general meetings shall be called special general meetings and shall be convened either upon an order of the Committee or upon a written requisition signed by or on behalf of (in the case of a member which is a body corporate or an unincorporated body) not less than two members or one-tenth of the membership if greater stating the purpose for which the meeting is to be convened. If within fourteen days after delivery of a requisition to the Association a meeting is not convened, the members who have signed the requisition may convene a meeting in the manner provided for in Rule 24. A special general meeting shall not transact any business other than that mentioned in the notice convening the meeting.
24.
  - 24.1 A general meeting shall be convened by fourteen clear days' notice in writing at the least posted or delivered to every member at their registered address, specifying whether the meeting is an annual or special general meeting, stating the time, date and place thereof, and the general nature of the business for which it is convened. The accidental omission to send any notice to, or the non receipt of any notice by, any member shall not invalidate the proceedings at that general meeting.
  - 24.2 A notice or communication sent by post to a member at their registered address shall be deemed to have been duly served 48 hours after being posted.

## **PROCEEDINGS AT GENERAL MEETINGS**

25.
  - 25.1 No business shall be transacted at any general meeting of the Association unless a quorum of members is present at the time the meeting proceeds to business. Five members or, if the number of members at any time exceeds fifty members, one-tenth thereof shall form a quorum.



- 25.2 If no quorum is present within half an hour of the time appointed for the meeting, the meeting, if convened on a requisition of the members shall be dissolved, but in any other case shall stand adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the members present shall be a quorum.
- 26.
- 26.1 The person chairing the meeting may with the consent of a majority of the members present adjourn any meeting, but no business shall be transacted at any adjourned meeting other than the business not reached or left unfinished at the meeting from which the adjournment took place.
- 26.2 Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
27. At all general meetings of the Association the Chair shall preside, or if there is no such Chair or if the Chair is not present or is unwilling to act, the members present shall elect a member (who shall be a member of the Committee if any such person is present and willing to act) to chair the meeting.
28. Subject to the provisions of these rules or of any Act of Parliament, a resolution put to the vote at a general meeting shall, except where a poll is demanded or directed, be decided upon a show of hands.
29. On a show of hands every member present in person, and on a poll every member present in person or by proxy shall have one vote. In the case of an equality of votes the person chairing the meeting shall have a second or casting vote.
30. Unless a poll be demanded, a declaration by the person chairing the meeting that a resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry made to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
- 31.
- 31.1 A poll may be demanded either before or immediately after a vote by show of hands, by not less than two persons or one-tenth of the members present at the meeting (in person or by proxy) if greater or may be directed by the person chairing the meeting. A demand for a poll may be withdrawn.
- 31.2 If a poll be demanded or directed it shall be taken at such time and in such manner as the person chairing the meeting shall direct. The result of such a poll shall be deemed to be the resolution of the Association in general meeting.

32. The instrument appointing a proxy shall be in writing under the hand of the appointer or of their attorney duly authorised in writing and shall be deposited at the registered office of the Association not less than two clear days before the day fixed for holding the meeting at which the person named in such instrument is authorised to vote, and in default the instrument of proxy shall not be treated as valid. Any question as to the validity of a proxy shall be determined by the person chairing the meeting whose decision shall be final. A proxy need not be a member of the Association.
33. Any question as to the acceptability of any vote whether tendered personally or by proxy shall be determined by the person chairing the meeting, whose decision shall be final.

### **COMMITTEE OF MANAGEMENT**

- 34.
- 34.1 The Association shall have a Committee of Management (in these rules called "the Committee") which shall manage the business of the Association.
- 34.2 The Committee shall consist of at least six and no more than fifteen Committee Members.
- 34.3 The First Committee Members shall be the seven members who signed the application for registration of the Association.
- 35.
- 35.1 The Committee may from time to time co-opt for any period any suitable persons to serve on the Committee (to fill a vacancy in the number of Committee Members or as an additional Committee Member), or on a sub-committee and may remove such persons, and such persons may take part in the deliberations of the Committee or sub-committee as the case may be and vote at any meetings thereof, on all matters.
- 35.2 Committee Members and members of a sub-committee shall receive no remuneration for serving on the Committee, any sub-committee or as Secretary or other officer of the Association other than:
- (a) the payment of reasonable and proper expenses incurred in carrying out their duties; and/or
  - (b) payment for special work undertaken for the Association as authorised by the Committee. The Committee shall not authorise payment for such work unless they are satisfied and can show that:-
    - (i) the work is exceptional and not part of the Committee Members' or members of a sub-committee's normal duties; and
    - (ii) the work is necessary; and
    - (iii) the payment is bona fide (for instance, the Committee Member is not being employed at a greater cost than would be charged elsewhere); and

- (iv) the payment is commensurate with the work done.

- 35.3 Only members shall be eligible to become Committee Members.

### **ELECTION OF COMMITTEE MEMBERS**

36.

- 36.1 At the first annual meeting of the Association all the Committee Members for the time being shall retire from office and at every subsequent annual general meeting one-third or the nearest number thereto of Committee Members retire from office. The Committee Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Committee Members, but as between persons who became Committee Members on the same day those to retire shall be chosen by lot. In reckoning the aforesaid one-third, any person appointed under Rule 38.2 shall not be taken into account.

- 36.2 A retiring Committee Member shall be eligible for re-election without nomination.

37.

- 37.1 If at any annual general meeting the Committee Members offering themselves for re-election together with any other members of the Association duly nominated for election to the Committee do not exceed the number of Committee Members to be elected, having regard to any determination made under rule 34.2, the Committee Members and members nominated shall be declared by the person chairing the meeting to have been duly elected or re-elected. But if the said Committee Members and members nominated together exceed the number of Committee Members to be elected the meeting shall elect from amongst them the members to serve on the Committee by ballot at the general meeting in the manner directed by the person chairing the meeting. Each member present in person or by proxy shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate.

- 37.2 Nominations for the Committee shall be in writing, state the full name, address and occupation of the member nominated, be signed by the member making the nomination, contain a signed statement by the member nominated of willingness to be elected and be left at the registered office not later than 3 days before the date appointed for the general meeting at which vacancies in the Committee are to be filled.

38.

- 38.1 If a vacancy caused by the retirement or removal of any Committee Member is not filled at the meeting at which such Committee Member retires or is removed, the vacancy may be filled by the Committee under rule 35.1.

- 38.2 A casual vacancy on the Committee occurring by death or resignation or under Rule 40 may be filled by the Committee under rule 35.1 but the member appointed to fill the vacancy shall retire at the next annual general meeting.

39. A Committee Member may be removed from office by a resolution carried by two-thirds of the votes given thereon at a special general meeting which may proceed to fill the vacancy.

40.

40.1 A Committee Member shall be deemed to have vacated their office if they:

- (a) are disqualified under the Charities Act 1993 from acting as a charity trustee; or
- (b) become bankrupt; or
- (c) compound with their creditors; or
- (d) are convicted of an indictable offence; or
- (e) cease to be a member; or
- (f) are absent from four consecutive meetings of the Committee without special leave of absence.

40.2

- (a) No Committee Member or member of a sub-committee shall have any financial interest personally or as a member of a firm, or as a director or other officer of a business trading for profit or in any other way whatsoever, in any contract arrangement or other transaction with the Association except by way of a payment of interest on capital borrowed by the Association in accordance with Rule 19, or by way or payment of remuneration in accordance with Rule 35.2.
- (b) The Association shall not make any payment, or grant any benefit to a Committee Member or sub-Committee Members except either under Rule 46.5 or by way of a payment of interest on capital borrowed by the Association in accordance with Rule 19, or by way or payment of remuneration in accordance with Rule 35.2.

40.3

- (a) Subject to Rule 40.3(b), any Committee Member or sub-committee members who becomes a Conflicted Person in relation to any matter must:
  - (i) declare the nature and extent of their interest at or before discussions begin on the matter;
  - (ii) withdraw from the meeting for that item unless expressly invited to remain in order to provide information;
  - (iii) not be counted in the quorum for that part of the meeting;
  - (iv) withdraw during the vote and have no vote on the matter.

- (b) When any Committee Member or sub-committee member is a Conflicted Person, the Committee Members or sub-committee members who are not Conflicted Persons, if they form a quorum without counting the Conflicted Person and are satisfied that it is in the best interests of the Association to do so, may by resolution passed in the absence of the Conflicted Person authorise the Conflicted Person, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Person, to:
    - (i) continue to participate in discussions leading to the making of a decision and/or to vote; or
    - (ii) disclose to a third party information confidential to the Association; or
    - (iii) take any other action not otherwise authorised which does not involve the receipt by the Conflicted Person or a connected person of any payment or material benefit; or
    - (iv) refrain from taking any step required to remove the conflict.
- 40.4 Any Committee Member or sub-committee member who fails to disclose any interest required to be disclosed Rule 40.3 shall vacate their office either for a period or permanently if requested so to do by a majority of the remaining Committee Members or sub-committee members present at a meeting specially convened for that purpose.
- 40.5 Any act done in good faith by a Committee Member or sub-committee member whose office is vacated as aforesaid shall be valid unless prior to the doing of such act written notice has been served upon that person by the relevant Committee or sub-committee and an entry has been made in the Committee's or sub-committee's minute book stating that such person has ceased to be a member of the Committee or sub-committee.

#### **PROCEEDINGS OF COMMITTEE**

41. The Committee shall meet at least three times in every calendar year at such times and places as they deem fit and seven clear days' notice of the date and place of such meetings shall be given in writing by the Secretary to all Committee Members. Three Committee Members or such higher number as the Committee may determine shall form a quorum.
42. Notwithstanding any vacancies on the Committee, the remaining Committee Members may continue to act. If at any time the number of Committee Members falls below the number necessary for a quorum the remaining Committee Members may act as the Committee for a maximum period of six months, but, if at the end of that period the Committee has not appointed Committee Members to make the number up to that necessary for a quorum, the only power which the Committee may thereafter exercise shall be the convening of a general meeting of the Association which may appoint such number of Committee Members as is required to bring the number of members of the Committee to the number required to comply with Rule 34.2.

43. The Committee shall, at their first meeting after the registration of the Association and subsequently after each annual general meeting elect a Chair from their own number to hold office until the next annual general meeting. Such person shall chair the Association, and shall be removable from the office of Chair only by a vote of two-thirds of the Committee Members present at a special meeting called for that purpose. In case of an equality of votes the person chairing the meeting shall have a casting vote. If at any meeting of the Committee the Chair is absent the members of the Committee present shall elect one of their number to chair the meeting, and such person shall be entitled to use the casting vote.
- 44.
- 44.1 Meetings of the Committee may be called either by the Secretary, or by a notice in writing given to the Secretary by the Chair, or by two Committee Members, specifying the business to be transacted thereat. The Secretary shall communicate every such notice to all Committee Members and persons co-opted to the Committee as soon as possible after the receipt thereof, and the meeting shall be held at the ordinary place for meetings of the Committee not earlier than seven clear days and not later than fourteen clear days after the receipt by the Secretary of such notice. Should the Secretary fail to convene the special meeting as provided above, the Chair or the two Committee Members who have given the notice in writing may call the meeting. No business shall be done at the meeting other than business named in the said notice.
- 44.2 Meetings of the Committee may be held in person or by any suitable electronic means agreed by the Committee in which all persons attending may communicate appropriately with each other. A meeting held using electronic means will be deemed to take place at the location of the majority of the Committee Members or in the absence of such a location, the location of the person chairing the meeting.

#### **POWERS OF COMMITTEE**

45. The business of the Association shall be conducted by the Committee which may exercise all such powers as may be exercised by the Association, and are not by these rules or by statute required to be exercised by the Association in general meeting, subject nevertheless to the provisions of these rules and any regulations not inconsistent with these rules made from time to time by the Association in general meeting. Any person acting in good faith and without prior notice shall not be concerned to see or inquire whether the powers of the Committee have been restricted by any regulations so made. The Committee shall in all things act for and in the name of the Association.
46. Without prejudice to the general powers conferred on the Committee by these rules it is hereby expressly declared that the Committee may exercise the following powers:-
- 46.1 to acquire, dispose of, build upon, lease, mortgage or exchange any property or land, to borrow funds in accordance with Rule 19, and to enter into any contracts and settle the terms thereof;



- 46.2 to compromise, settle, conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Association;
- 46.3 to determine from time to time the terms and conditions upon which the property of the Association is to be let, leased or sold, and to make, revoke, and alter and at all times enforce as it thinks fit such terms and conditions;
- 46.4 to appoint and remove all solicitors, architects, surveyors, consultants and employees of every description;
- 46.5 to pay all such expenses, including travelling expenses, as are properly incurred by any Committee Members or person co-opted to the Committee or a sub-committee in the execution of their duties;
- 46.6 to affiliate the Association to any appropriate umbrella or governing body and pay an appropriate fee thereto;
- 46.7 to approve from time to time the list of authorised signatories for the purpose of attesting the seal of the Association pursuant to Rule 62 hereof.
- 47. A receiver appointed by a mortgagee may assume such powers of the committee as they deem to be necessary to carry out their duties.
- 48. The Committee may delegate any of its powers to sub-committees consisting of such Committee Members and other persons as it thinks fit, which shall in the functions entrusted to them conform to the instructions given to them by the Committee, and any such sub-committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Committee so far as they are applicable and by any regulations which may be imposed on it by the Committee. Not more than two persons other than Committee Members shall serve on any sub-committee.
- 49. All acts done in good faith by any meetings of the Committee or of any sub-committee shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment of any Committee Members or member of a sub-committee or that any one or more of them were disqualified be as valid as if every Committee Members or member of the sub-committee had been duly appointed and was duly qualified to serve.
- 50. A resolution in writing signed, or approved in writing or by any electronic or digital means previously agreed by the Committee, by a majority of Committee Members or by a majority of the members of a subcommittee shall be as valid and effectual as if it had been passed at a meeting of the Committee or sub-committee duly called and constituted.

## **SECRETARY AND OTHER OFFICERS**

- 51.
- 51.1 The Association shall have a Secretary and such other officers as the Committee may from time to time determine who shall be appointed and may be removed by the Committee and who shall receive such remuneration (if any) as the Committee shall determine.

51.2 The Secretary and the other officers, if any, aforementioned shall act under the superintendence, control and direction of the Committee, and without prejudice thereto the Secretary shall in particular:-

- (a) summon and attend all meetings of the Association and of the Committee and keep the minutes referred to in Rule 61;
- (b) keep the register of members and other registers required to be kept by these rules; give notice to the Registrar within 14 days of any change in the situation of the registered office in the form prescribed by Treasury Regulations; prepare and send all returns required to be made to the Registrar; have charge of the seal of the Association;
- (c) unless the Committee otherwise direct, keep all the books of accounts and receive all contributions and other payments due from the members and other persons to the Association and pay over the amount so received as the Committee direct;
- (d) produce or give up all books, documents and property of the Association in their possession whenever required so to do by a resolution of the Committee or of a general meeting.

#### **SECURITY BY OFFICERS AND INDEMNITY**

- 52. The Committee shall require every officer having receipt or charge of money to become bound either with or without a surety as the Committee determine in a bond according to one of the forms set out in Schedule 4 of the Industrial and Provident Societies Act 1965, or to give the security of a guarantee society in such sum and on such terms as the Committee direct.
- 53. Every officer shall be indemnified by the Association against all costs, losses and expenses which such person may reasonably incur in discharge of their duties, including travelling expenses and the amount for which such indemnity is provided shall immediately attach as a charge on the property of the Association.
- 54. No officer shall be liable for any loss happening to the Association through the execution of the duties of their office, unless the loss be the consequence of their own dishonesty or gross negligence.

#### **INVESTMENT**

- 55. The Committee shall have the power to deposit to invest funds; employ a professional fund-manager; and arrange for the investments or other property of the Association to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000.



## **APPLICATION OF PROFITS**

56.

- 56.1 No portion of the income or property of the Association shall be paid or transferred either directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to members of the Association except as allowed for under Rule 35.2.
- 56.2 Subject to paragraph 56.3 of this rule an annual general meeting may out of the profit set aside to reserve such sum (not exceeding the amount recommended by the Committee) as it may direct, which may be applied in or towards carrying out the objects of the Association.
- 56.3 Any of the profits not so applied shall be carried forward.

## **AUDIT**

57.

- 57.1 There shall be appointed in each year of account a qualified auditor to audit the Association's accounts and balance sheet for that year. In this rule "qualified auditor" means a person who is a qualified auditor under section 7 of the Friendly and Industrial and Provident Societies Act 1968.
- 57.2 None of the following persons shall be appointed as auditor of the Association:-
  - (a) an officer or servant of the Association; or
  - (b) a person who is a partner of or in the employment of or who employs an officer or servant of the Association.
- 57.3 Save as provided in paragraph 57.4 of this rule every appointment of an auditor shall be made by resolution of a general meeting of the Association.
- 57.4 The first appointment of an auditor shall be made within three months of the registration of the Association and shall be made by the Committee if no general meeting of the Association is held within that time. The Committee may appoint an auditor to fill any casual vacancy occurring between general meetings of the Association.
- 57.5 An auditor appointed to audit the accounts and balance sheet of the Association for the preceding year of account (whether by a general meeting or by the Committee) shall be re-appointed as auditor of the Association for the current year of account (whether or not any resolution expressly re-appointing them has been passed) unless:
  - (a) a resolution has been passed at a general meeting of the Association appointing somebody instead of them or providing expressly that such auditor shall not be re-appointed; or
  - (b) such auditor has given to the Association notice in writing of their unwillingness to be re-appointed; or

- (c) such auditor is not a qualified auditor or is a person mentioned in paragraph 57.2 of this rule; or
- (d) such auditor has ceased to act as auditor of the Association by reason of incapacity.

Provided that a retiring auditor shall not be automatically re-appointed if notice of an intended resolution to appoint another person in their place has been given in accordance with paragraph 57.6 of this rule and the resolution cannot be proceeded with because of the death or incapacity of that other person or because that other person is not a qualified auditor or is a person mentioned in paragraph 57.2 of this rule.

**57.6 A resolution at a general meeting of the Association**

- (a) appointing another person as auditor in place of a retiring auditor; or
- (b) providing expressly that a retiring auditor shall not be re-appointed shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty-eight days before the meeting at which it is to be moved. On receipt by the Association of notice of such an intended resolution the Association shall forthwith send a copy of the notice to the retiring auditor. If it is practicable to do so the Association shall give notice to its members of the intended resolution at the same time and in the same manner as it gives notice in accordance with these rules of the meeting at which the resolution is to be moved or, if that is not practicable, by advertisement not less than fourteen days before the said meeting in a newspaper circulating in the area in which the Association conducts its business. Where the retiring auditor makes any representations in writing to the Association with respect to the intended resolution or notifies the Association that they intend to make such representations, the Association shall notify the members accordingly as required by section 6 of the Friendly and Industrial and Provident Societies Act 1968.

58. The auditor shall in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968 make a report to the Association on the accounts examined by them and on the revenue account or accounts and the balance sheet of the Association for the year of account to which their appointment relates.

59. The Committee shall lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon before each annual general meeting, accompanied by a report by the Committee on the position of the affairs of the Association signed by the person chairing the Committee meeting at which the report is adopted. The account shall be made up to such date within the period 1st September to 31st January inclusive as the Committee shall determine to be the end of the financial year, or such other date as may be allowed by the Registrar.

## **DISPUTES**

60. The Committee shall have the power to establish procedures for the resolution of disputes or differences within the Association or between a member or former member and the Association.

## **MINUTES, SEAL, REGISTERS AND BOOKS**

61. Minutes of every general meeting and of every meeting of the Committee shall be kept and such minutes shall be read at the next of such meetings respectively and signed by the person chairing the meeting at which they are so read. All minutes so signed shall be conclusive evidence of any fact stated therein.
62. The Association shall have a seal which shall be kept in the custody of the Secretary and shall be used only under the authority of a resolution of the Committee, and the affixing of the seal shall be attested by the signatures of two Committee Members and the countersignature of the Secretary for the time being or any two persons authorised from time to time by the Committee pursuant to Rule 46.7 to attest the seal of the Association.
63. The Association shall keep at its registered office:
  - 63.1 a register of members in which the Secretary shall enter the following particulars:
    - (a) the names and addresses of the members;
    - (b) a statement of the share held by each member and the amount paid for such share;
    - (c) a statement of other property in the Association whether in loans or loan stock, held by each member;
    - (d) the date at which each person was entered in the register as a member, and the date at which any person ceased to be a member;
    - (e) the names and addresses of the officers of the Association with the offices held by them respectively and the dates on which they assumed office.
  - 63.2 A duplicate register of members in which the Secretary shall enter all the particulars in the original register of members other than those mentioned in paragraph 63.1(b) and (c) of this rule. The inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive that such person is or is not a member of the Association.
  - 63.3 a register of the holders of loan stock in which the Secretary shall enter such particulars as the Committee direct and register all transfers of loan stock;
  - 63.4 a register in which the Secretary shall enter such particulars of all mortgages and charges on land of the Association as the Committee direct.
64. The Association shall keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
65. The Association shall establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipt and remittances.

## **ANNUAL RETURNS AND BALANCE SHEETS**

66. Every year not later than the date provided by the Act or where the return is made up to the date allowed by the Registrar, not later than three months after such date, the Secretary shall send to the Registrar the annual return in the form prescribed by the FSA relating to its affairs for the period required by the Act to be included in the return together with:
- 66.1 a copy of the report of the auditor on the Association's accounts for the period included in the return; and
- 66.2 a copy of each balance sheet made during that period and of the report of the auditor on that balance sheet.
67. The Association shall supply gratuitously to every member or person interested in the funds of the Association on application a copy of the last annual return of the Association for the time being together with a copy of the report of the auditor on the accounts and balance sheet contained in the return.
68. The Association shall keep a copy of the last balance sheet for the time being together with the report made thereon by the auditor, always hung up in a conspicuous place at its registered office.

## **INSPECTION OF BOOKS**

69. Any member or person having an interest in the funds of the Association shall be allowed to inspect their own account and the books containing the names of the members, including all particulars in the duplicate register of members, at all reasonable hours at the registered office of the Association or at any place where the same are kept, subject to such conditions as to the time and manner of such inspection as may be made from time to time by the general meetings of the Association.

## **STATUTORY APPLICATIONS TO THE REGISTRAR**

- 70.
- 70.1 Any ten members each of whom has been a member of the Association for not less than twelve months immediately preceding the date of the application may apply to the Registrar in the form prescribed by Treasury Regulations to appoint an accountant or actuary to inspect the books of the Association and to report thereon.
- 70.2 One-tenth of the whole number of members (but not less than two persons) or if the number shall at any time exceed 1,000, 100 members, may apply to the Chief Registrar in the form prescribed by Treasury Regulations
- (a) for the appointment of an Inspector or Inspectors to examine into the affairs of the Association and to report thereon, or
- (b) for the calling of a special general meeting of the Association.

## **COPIES OF RULES TO BE SUPPLIED**

71. The Secretary shall deliver a copy of the rules of the Association to every person on demand on payment of such reasonable sum not exceeding £10 (ten pounds) as the Committee shall set from time to time.

## **PROCEEDINGS ON DEATH OF A MEMBER**

72. Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property (other than a share) in the Association belonging to the deceased or bankrupt member the Association shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them.

## **NOMINATIONS**

- 73.
- 73.1 A member may in accordance with the Act nominate any person or persons to whom any of their property (other than a share) in the Association at the time of their death shall be transferred but such nomination shall only be valid to the extent of the amount for the time being provided in the Act.
- 73.2 On receiving satisfactory proof of death of a member who has made a nomination the Committee shall, in accordance with the Act, either transfer or pay the full value of the property (not being a share) comprised in the nomination to the person entitled thereunder.

## **AMENDMENT TO RULES**

74. Any rule of the Association may be rescinded or amended or a new rule may be made in the manner provided in the following rule but no rule shall be amended or rescinded or a new rule made so as to cause the Association to cease to be a charity.
- 75.
- 75.1 Rules 2, 3, 4, 16, 17, 41, 56, 74, 78 and this rule are hereby declared to be fundamental and shall not be amended or rescinded except by a resolution carried by three-fourths of the votes given thereon at a special general meeting of which notice has been given specifying the intention to propose such amendment or rescission.
- 75.2 Any rule not declared to be fundamental may be rescinded or amended, or a new rule may be made, by a resolution carried by two-thirds of the votes given thereon at any special meeting of which notice has been given specifying the intention to propose such rescission, amendment or new rule.
76. Application for the registration of every amendment of rules shall be made to the Registrar in manner and form required by Treasury Regulations as soon as practicable after the same has been made and a copy shall be issued to every member and supplied with every copy of the rules issued after the registration thereof. No amendment of rules is valid until registered.

## **DISSOLUTION**

77. The Association may be dissolved by the consent of three-fourths of the members testified by their signatures to an instrument of dissolution in the form provided by Treasury Regulations or by winding-up in the manner provided by the Act.
78. If on the winding up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Association but shall be given or transferred to some other charitable institution having objects similar to the objects of the Association determined by the members of the Association at or before the time of dissolution, or if there is no such charitable institution, as the Charity Commission for England & Wales shall direct.

## **INTERPRETATION OF TERMS**

79. In these rules, including this rule, unless the subject matter or context are inconsistent therewith:-
- 79.1 words importing the singular or plural shall include the plural and singular respectively;
- 79.2 words importing one gender shall include all others;
- 79.3 "Amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;
- 79.4 "Chair" means the chairman of the Committee from time to time;
- 79.5 "Committee" shall mean the Committee appointed in accordance with Rule 34 and "Committee Member" shall mean a member of the Committee for the time being;
- 79.6 "Conflicted Person" means a Committee Member or sub-committee member in respect of whom a conflict of interest arises or may reasonably arise because such person or a connected person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Association, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Association;
- 79.7 "connected person" means in relation to a Committee Member or sub-committee member (the "individual"), any spouse, civil partner, partner, parent, child, brother, sister, grandparent or grandchild of that individual, any firm of which that individual is a member or employee, and any company of which that individual is a director, employee or shareholder having a beneficial interest in more than 1% of the share capital;
- 79.8 "fundamental rules" means those rules listed in Rule 75.1 which may not be amended except in accordance with Rule 75.1;



- 79.9 "indemnity insurance" means insurance against personal liability incurred by any Committee Member for an act or omission which is or alleged to be a breach of trust or breach of duty, unless the Committee Member concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;
- 79.10 "material benefit" means a benefit which may not be financial but has a monetary value;
- 79.11 "member" shall mean one of the persons referred to in Rule 7;
- 79.12 "Officer" shall include the Chair and Secretary of the Association and any Committee Members for the time being and such other officers as the Committee may appoint under Rule 51;
- 79.13 "Persons claiming through a member" shall include a person's personal representatives and nominees where a nomination has been made;
- 79.14 "Property" shall include all real and personal estate (including loan stock certificates; books and papers);
- 79.15 "Register of members" means the register kept in accordance with Rule 63.1;
- 79.16 "Secretary" means the officer appointed by the Committee to be the secretary of the Association or other person authorised by the Committee to act as deputy secretary;
- 79.17 "The Act" shall mean the Industrial and Provident Societies Acts 1965 to 2002 or any Act or Acts amending or in substitution for the same and for the time being in force;
- 79.18 "The Association" shall mean the Association whereof these are the registered rules;
- 79.19 "The Registrar" and the "Chief Registrar" shall have the meanings given by the Act;
- 79.20 "These rules" shall mean the registered rules of the Association for the time being;
- 79.21 References to any provision in any statute shall include reference to such provision as from time to time amended, varied, replaced or re-enacted and to any orders or negotiations under such provisions.

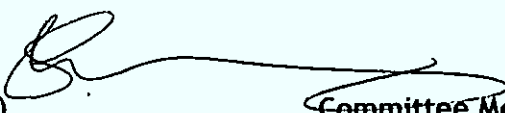
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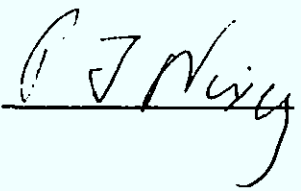
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(Signed)  Committee Member

(Signed)  Committee Member

(Signed)  Committee Member

(Signed)  Secretary

# Financial Services Authority

R/IP/RA7

Form H



## INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Register No. **25164 R**

The amendment of the rules of **The Shaw Foundation Limited** to which this acknowledgement is attached, is this day registered under the Industrial and Provident Societies Act 1965.

Date: **02 January 2013**

A handwritten signature in black ink, appearing to read 'H. C. King' followed by a stylized flourish.

Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London, E14 5HS

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