

DATED 21 DECEMBER 2017

**CONSTITUTION OF A CHARITABLE INCORPORATED ORGANISATION WITH VOTING
MEMBERS OTHER THAN ITS CHARITY TRUSTEES**

(‘ASSOCIATION’ MODEL CONSTITUTION)

Date of constitution : 21 December 2017

1. NAME

The name of the Charitable Incorporated Organisation ("the CIO") is The Nether Stowey Village Hall and Recreation Ground

2. NATIONAL LOCATION OF PRINCIPAL OFFICE

The CIO must have a principal office in England or Wales. The principal office of the CIO is in England.

3. OBJECTS

- 3.1 The objects of the CIO are the provision and maintenance of a community centre, sports field and recreation ground for the use of the inhabitants of the Area of Benefit without distinction of political, religious or other opinions, race or gender including use for:

(a) meetings, lectures and classes, and

(b) other forms of recreation and leisure-time occupation, with the object of improving the conditions of life for the inhabitants.

"Area of Benefit" means the parish of Nether Stowey and the surrounding areas.

4. POWERS

- 4.1 The CIO has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. In particular, the CIO's powers include power to:

- 4.1.1. borrow money and to charge the whole or any part of its property as security for the repayment of the money borrowed. The CIO must comply as appropriate with sections 124 and 125 of the Charities Act 2011 if it wishes to mortgage land;
- 4.1.2. buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- 4.1.3. sell, lease or otherwise dispose of all or any part of the property belonging to the CIO. In exercising this power, the CIO must comply as appropriate with sections 117 and 119-123 of the Charities Act 2011;
- 4.1.4. make such regulations for the proper management of any facility owned or operated by the CIO as may be thought fit;
- 4.1.5. suspend or exclude anyone from the use of any facilities owned or operated by the CIO provided that the charity trustees comply with clause 20
- 4.1.6. employ and remunerate such staff as are necessary for carrying out the work of the CIO. The CIO may employ or remunerate a charity

trustee only to the extent that it is permitted to do so by clause 6 and provided it complies with the conditions of those clauses;

- 4.1.7. deposit or invest funds, employ a professional fund-manager, and arrange for the investments or other property of the CIO 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;

5. APPLICATION OF INCOME AND PROPERTY

- 5.1 The income and property of the CIO must be applied solely towards the promotion of the objects.

5.1.1. A charity trustee is entitled to be reimbursed from the property of the CIO or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the CIO.

5.1.2. A charity trustee may benefit from trustee indemnity insurance cover purchased at the CIO's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

- 5.2 None of the income or property of the CIO may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the CIO. This does not prevent a member who is not also a charity trustee receiving:

5.2.1. a benefit from the CIO as a beneficiary of the CIO;

5.2.2. reasonable and proper remuneration for any goods or services supplied to the CIO.

- 5.3 Nothing in this clause shall prevent a charity trustee or connected person receiving any benefit or payment which is authorised by clause 6.

6. BENEFITS AND PAYMENTS TO CHARITY TRUSTEES AND CONNECTED PERSONS

- 6.1 General provisions

- 6.1.1. No charity trustee or connected person may:

- a. buy or receive any goods or services from the CIO on terms preferential to those applicable to members of the public;
- b. sell goods, services, or any interest in land to the CIO;
- c. be employed by, or receive any remuneration from, the CIO;
- d. receive any other financial benefit from the CIO;

unless the payment or benefit is permitted by sub-clause 6.2, or authorised by the court or the Charity Commission ("the Commission"). In this clause, a "financial benefit" means a benefit, direct or indirect, which is either money or has a monetary value.

6.2 Scope and powers permitting trustees' or connected persons' benefits

- 6.2.1. A charity trustee or connected person may receive a benefit from the CIO as a beneficiary upon the same terms and subject to the same conditions as other beneficiaries.
- 6.2.2. A charity trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the CIO where that is permitted in accordance with, and subject to the conditions in, sections 185 to 188 of the Charities Act 2011.
- 6.2.3. Subject to sub-clause 6.3 a charity trustee or connected person may provide the CIO with goods that are not supplied in connection with services provided to the CIO by the charity trustee or connected person.
- 6.2.4. A charity trustee or connected person may receive interest on money lent to the CIO at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).
- 6.2.5. A charity trustee or connected person may receive rent for premises let by the trustee or connected person to the CIO. The amount of the rent and the other terms of the lease must be reasonable and proper. The charity trustee concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- 6.2.6. A charity trustee or connected person may take part in the normal trading and fundraising activities of the CIO on the same terms as members of the public.

6.3 Payment for supply of goods only — controls

- 6.3.1. The CIO and its charity trustees may only rely upon the authority provided by sub-clause 6.2.3 if each of the following conditions is satisfied:
 - a. The amount or maximum amount of the payment for the goods is set out in a written agreement between the CIO and the charity trustee or connected person supplying the goods ("the supplier").
 - b. The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
 - c. The other charity trustees are satisfied that it is in the best interests of the CIO to contract with the supplier rather than with someone who is not a charity trustee or connected person. In reaching that decision the charity trustees must balance the advantage of contracting with a charity trustee or connected person against the disadvantages of doing so.

- d. The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the CIO.
- e. The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of charity trustees is present at the meeting.
- f. The reason for their decision is recorded by the charity trustees in the minute book.
- g. A majority of the charity trustees then in office are not in receipt of remuneration or payments authorised by clause 6 with the exception of benefits authorised sub-clause 6.2.1.

6.4 In sub-clauses 6.2 and 6.3:

6.4.1. "the CIO" includes any company in which the CIO:

- a. holds more than 50% of the shares; or
- b. controls more than 50% of the voting rights attached to the shares; or
- c. has the right to appoint one or more directors to the board of the company;

6.4.2. "connected person" includes any person within the definition set out in clause 31.

7. CONFLICTS OF INTEREST AND CONFLICTS OF LOYALTY

7.1 A charity trustee must:

- 7.1.1. declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO or in any transaction or arrangement entered into by the CIO which has not previously been declared; and
- 7.1.2. absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the CIO and any personal interest (including but not limited to any financial interest).

7.2 Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.

8. LIABILITY OF MEMBERS TO CONTRIBUTE TO THE ASSETS OF THE CIO IF IT IS WOUND UP

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

9. MEMBERSHIP OF THE CIO

9.1 Admission of new members

9.1.1. Eligibility

- a. Membership of the CIO is open to anyone over the age of 18 and resident in the Area of Benefit who is interested in furthering its purposes, and who, by applying for membership, has indicated his or her agreement to become a member and acceptance of the duty of members set out in sub-clause 9.4.

9.1.2. Admission procedure

- a. The charity trustees:
 - i. may require applications for membership to be made in any reasonable way that they decide;
 - ii. shall, if they approve an application for membership, notify the applicant of their decision within 21 days;
 - iii. may refuse an application for membership if they believe that it is in the best interests of the CIO for them to do so;
 - iv. shall, if they decide to refuse an application for membership, give the applicant their reasons for doing so, within 21 days of the decision being taken, and give the applicant the opportunity to appeal against the refusal; and
 - v. shall give fair consideration to any such appeal, and shall inform the applicant of their decision, but any decision to confirm refusal of the application for membership shall be final.

9.2 Register of members

- 9.2.1. The CIO must keep a register of the names and addresses of the members.

9.3 Transfer of membership

- 9.3.1. Membership of the CIO cannot be transferred to anyone else.

9.4 Duty of members

- 9.4.1. It is the duty of each member of the CIO to exercise his or her powers as a member of the CIO in the way he or she decides in good faith would be most likely to further the purposes of the CIO.

9.5 Termination of membership

- 9.5.1. Membership of the CIO comes to an end if:

- a. the member ceases to live in the Area of Benefit; or
- b. the member dies; or
- c. the member sends a notice of resignation to the charity trustees; or
- d. any sum of money owed by the member to the CIO, including any annual subscription, is not paid in full within six months of its falling due; or
- e. the charity trustees decide that it is in the best interests of the CIO that the member in question should be removed from membership, and pass a resolution to that effect.

9.5.2. The charity trustees must comply with the provisions of clause 20 before they take any decision to remove a member from membership of the CIO.

9.6 Membership fees

- 9.6.1. The CIO may require members to pay reasonable membership fees to the CIO by way of an annual subscription
- 9.6.2. A member who is in arrears with his or her annual subscription is not entitled to notice of general meetings or to attend and vote;

10. MEMBERS' DECISIONS

10.1 General provisions

- 10.1.1. Except for those decisions that must be taken in a particular way as indicated in sub-clause 10.3, decisions of the members of the CIO may be taken by vote at a general meeting as provided in sub-clause 10.2

10.2 Taking ordinary decisions by vote

- 10.2.1. Subject to sub-clause 10.3, any decision of the members of the CIO may be taken by means of a resolution at a general meeting. Such a resolution may be passed by a simple majority of votes cast at the meeting (including proxy votes).

10.3 Decisions that must be taken in a particular way

- 10.3.1. Any decision to remove a trustee must be taken in accordance with clause 15.2.
- 10.3.2. Any decision to amend this constitution must be taken in accordance with clause 29 of this constitution.
- 10.3.3. Any decision to wind up or dissolve the CIO must be taken in accordance with clause 30 of this constitution. Any decision to amalgamate or transfer the undertaking of the CIO to one or more other CIOs must be taken in accordance with the provisions of the Charities Act 2011.

11. GENERAL MEETINGS OF MEMBERS

11.1 Types of general meeting

- 11.1.1. There must be an annual general meeting (AGM) of the members of the CIO. The first AGM must be held within 18 months of the registration of the CIO, and subsequent AGMs must be held at intervals of not more than 15 months. The AGM must receive the annual statement of accounts (duly audited or examined where applicable) and the trustees' annual report, and must elect trustees as required under clause 0.
- 11.1.2. Other general meetings of the members of the CIO may be held at any time.
- 11.1.3. All general meetings must be held in accordance with the following provisions.

11.2 Calling general meetings

- 11.2.1. The charity trustees:
 - a. must call the annual general meeting of the members of the CIO in accordance with sub-clause 11.1, and identify it as such in the notice of the meeting; and
 - b. may call any other general meeting of the members at any time.
- 11.2.2. The charity trustees must, within 21 days, call a general meeting of the members of the CIO if:
 - a. they receive a request to do so from at least 10% of the members of the CIO; and
 - b. the request states the general nature of the business to be dealt with at the meeting, and is authenticated by the member(s) making the request.
- 11.2.3. If, at the time of any such request, there has not been any general meeting of the members of the CIO for more than 12 months, then sub-clause 11.2.2.b shall have effect as if 5% were substituted for 10%.
- 11.2.4. Any such request may include particulars of a resolution that may properly be proposed, and is intended to be proposed, at the meeting.
- 11.2.5. A resolution may only properly be proposed if it is lawful, and is not defamatory, frivolous or vexatious.
- 11.2.6. Any general meeting called by the charity trustees at the request of the members of the CIO must be held within 28 days from the date on which it is called.

- 11.2.7. If the charity trustees fail to comply with this obligation to call a general meeting at the request of its members, then the members who requested the meeting may themselves call a general meeting.
- 11.2.8. A general meeting called in this way must be held not more than 3 months after the date when the members first requested the meeting.
- 11.2.9. The CIO must reimburse any reasonable expenses incurred by the members calling a general meeting by reason of the failure of the charity trustees to duly call the meeting, but the CIO shall be entitled to be indemnified by the charity trustees who were responsible for such failure.

11.3 Notice of general meetings

- 11.3.1. The charity trustees, or, as the case may be, the relevant members of the CIO, must give at least 14 clear days notice of any general meeting to all of the members, and to any charity trustee of the CIO who is not a member.
- 11.3.2. If it is agreed by not less than 90% of all members of the CIO, any resolution may be proposed and passed at the meeting even though the requirements of sub-clause 11.3.1 have not been met. This sub-clause does not apply where a specified period of notice is strictly required by another clause in this constitution, by the Charities Act 2011 or by the General Regulations.
- 11.3.3. Notice of any general meeting can be given by posting it on the CIO website or by displaying it in a conspicuous position in or on all the facilities owned or operated by the CIO.
- 11.3.4. The notice of any general meeting must:
 - a. state the time and date of the meeting;
 - b. give the address at which the meeting is to take place;
 - c. give particulars of any resolution which is to be moved at the meeting, and of the general nature of any other business to be dealt with at the meeting; and
 - d. if a proposal to alter the constitution of the CIO is to be considered at the meeting, include the text of the proposed alteration;
 - e. include, with the notice for the AGM, the annual statement of accounts and trustees' annual report, details of persons standing for election or re-election as trustee, or where allowed under clause 23, details of where the information may be found on the CIO's website.
- 11.3.5. Proof that an envelope containing a notice was properly addressed, prepaid and posted; or that an electronic form of notice was properly addressed and sent; or that it was posted on the CIO website shall

be conclusive evidence that the notice was given. Notice shall be deemed to be given 48 hours after it was posted or sent.

- 11.3.6. The proceedings of a meeting shall not be invalidated because a member who was entitled to receive notice of the meeting did not receive it because of accidental omission by the CIO.

11.4 Chairing of general meetings

- 11.4.1. The person nominated as chair by the charity trustees under clause 19.2 shall, if present at the general meeting and willing to act, preside as chair of the meeting. Subject to that, the members of the CIO who are present at a general meeting shall elect a chair to preside at the meeting.

11.5 Quorum at general meetings

- 11.5.1. No business may be transacted at any general meeting of the members of the CIO unless a quorum is present when the meeting starts.
- 11.5.2. Subject to the following provisions, the quorum for general meetings shall be the greater of 5% or three members. If the meeting has been called by or at the request of the members and a quorum is not present within 15 minutes of the starting time specified in the notice of the meeting, the meeting is closed.
- 11.5.3. If the meeting has been called in any other way and a quorum is not present within 15 minutes of the starting time specified in the notice of the meeting, the chair must adjourn the meeting. The date, time and place at which the meeting will resume must either be announced by the chair or be notified to the CIO's members at least seven clear days before the date on which it will resume. Notification may be given by posting it on the CIO's website.
- 11.5.4. If a quorum is not present within 15 minutes of the start time of the adjourned meeting, the member or members present at the meeting constitute a quorum.
- 11.5.5. If at any time during the meeting a quorum ceases to be present, the meeting may discuss issues and make recommendations to the trustees but may not make any decisions. If decisions are required which must be made by a meeting of the members, the meeting must be adjourned.

11.6 Voting at general meetings

- 11.6.1. Any decision other than one falling within clause 10.3 shall be taken by a simple majority of votes cast at the meeting (including proxy votes). Every member has one vote.
- 11.6.2. A resolution put to the vote of a meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded. A poll may be demanded by

the chair or by at least 10% of the members present in person or by proxy at the meeting.

11.6.3. A poll demanded on the election of a person to chair the meeting or on a question of adjournment must be taken immediately. A poll on any other matter shall be taken, and the result of the poll shall be announced, in such manner as the chair of the meeting shall decide, provided that the poll must be taken, and the result of the poll announced, within 30 days of the demand for the poll.

11.6.4. A poll may be taken:

- a. at the meeting at which it was demanded; or
- b. at some other time and place specified by the chair

11.6.5. In the event of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall have a second, or casting vote.

11.6.6. Any objection to the qualification of any voter must be raised at the meeting at which the vote is cast and the decision of the chair of the meeting shall be final.

11.7 Adjournment of meetings

11.7.1. The chair may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting to another time and/or place. No business may be transacted at an adjourned meeting except business which could properly have been transacted at the original meeting.

11.8 Proxy voting

11.8.1. Any member of the CIO may appoint another person as a proxy to exercise all or any of that member's rights to attend, speak and vote at a general meeting of the C10. Proxies must be appointed by a notice in writing (a "proxy notice") which:

- a. states the name and address of the member appointing the proxy;
- b. identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- c. is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the CIO may determine; and
- d. is delivered to the CIO in accordance with the constitution and any instructions contained in the notice of the general meeting to which they relate.