

Rules of

THE GAYDON VILLAGE STORE LIMITED
(Registered under the Industrial and Provident Societies Acts 1965 - 2002)

INTERPRETATIONS

1. In these rules "the Act" means the Industrial & Provident Societies Acts 1965-2002, or any Act or Acts amending or in substitution for them for the time being in force. Terms implying the masculine gender shall be taken to include the feminine and the neuter, unless the context requires otherwise

NAME

2. The name of the Society (referred to in these rules as "the Association") shall be: "The Gaydon Village Store Ltd."

OBJECTS

3. The objects of the Association shall be for the benefit of the community represented by the Association referred to at Rule 2 to sustain, encourage, provide, facilitate or resuscitate village retail enterprises and in particular shops, public houses and garages, including the acquisition of land, construction, improvement, alteration or adapting of buildings or dwelling houses and any other functions ancillary, supplemental or incidental to such objectives.

POWERS

4. The Association shall have power to do all things necessary or expedient for the fulfilment of its objects, and in particular to act as managing agent, secretary or provider of services to any society, group of people, Parish Council or other like body (whether incorporated or otherwise) having objectives similar to those of the Association.

REGISTERED OFFICE

5. The Registered Office of the Association shall be at:

The Barn
Church Road
Gaydon
Warwickshire

Postcode: CV35 0ET

SHARES

6. Shares of the value of £10 each shall be issued to persons and corporate bodies upon admission to membership of the Association. The shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend nor bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause; and the amount paid-up thereon shall become the property of the Association. A member shall hold one share only in the Association.

LIMITED LIABILITY

7. The liability of a member is limited to any amount remaining unpaid on that member's single £10 share.

MEMBERSHIP

8. The first members of the Association shall be the signatories to the application for registration. Thereafter the Management Committee may at its discretion admit to membership any person or corporate body or the nominee of any unincorporated organisation who supports the objects of the Association and who has paid or agreed to pay the appropriate annual subscription as determined by the Annual General Meeting under rule 14(d) and for the time being in force.
9. A person who qualifies under rule 8 above may apply for membership to the Management Committee, and upon acceptance and the payment of £10 and the annual subscription fee the Association shall issue to him one share certificate and a copy of these rules, and shall enter his name in the register of members. The Management Committee may refuse any application for membership at its absolute discretion.

CESSATION OF MEMBERSHIP

10. A member shall cease to be a member if he:
 - (a) resigns in writing to the Secretary; or
 - (b) fails to pay any subscription due in respect of his membership within three months of its falling due, or
 - (c) is expelled from membership in accordance with rule 11; or
 - (d) is the nominee of an unincorporated organisation and that organisation replaces him as its nominee or is wound up, or
 - (e) being an individual, dies; or
 - (f) being a corporate body, is wound up or goes into liquidation.

In the event of an individual who is the nominee of an unincorporated organisation ceasing to be a member under clauses (a), (c) or (e) of this rule, the nominating organisation may with the express consent of the Management Committee nominate another individual to membership in his place.

11. A member may be expelled by a resolution carried by a majority of no less than two-thirds of those members voting at a General Meeting of the Association of which due notice has been given, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the member whose expulsion is to be considered shall be given the opportunity to state his

case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.

12. No member expelled from membership shall be re-admitted except by a resolution carried by a majority of not less than two-thirds of those members present and voting at a General Meeting of which due notice has been given.

BORROWING

13. (a) The Association shall have power to borrow money for the purposes of the Association, including the issue of loan stock, providing that the amount owed shall not exceed £250,000.
- (b) The Association shall have power to mortgage or charge any of its property, including the assets and undertakings of the Association, present and future, to issue debentures and other securities for money borrowed on for the performance of any contracts of the Association or its customers or persons or corporations having dealings with the Association.
- (c) The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or on mortgage from a Building Association or Local Authority shall not exceed 5% per year or 3% above the base lending rate of the Association's bankers from time to time, whichever is the higher.
- (d) The Association may receive from any persons donations or loans free of interest towards its work. The Association shall not accept deposits.

GENERAL MEETINGS

14. An Annual General Meeting shall be held within six months of the close of the financial year of the Association, the business of which shall comprise:
- (a) The receipt of the accounts and balance sheet and the reports of the Management Committee and of the auditor;
- (b) The election of Management Committee members;
- (c) The appointment of an auditor;
- (d) The fixing of annual subscriptions;
- (e) Such other business as may have been included in the notices convening the meeting.
15. All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.
16. An Extraordinary General Meeting shall be convened either upon an order of the Management Committee or upon a written requisition signed by at least twelve members or ten per cent of the members of the Association whichever is the less. If within twenty-eight days of the delivery of a requisition a meeting has not been convened, the members who have signed the requisition may convene a meeting in the manner provided for in rule 17.

17. A General Meeting shall be convened by at least fourteen days' notice in writing posted or delivered to every member at the address recorded in the register of members, specifying whether the meeting is an Annual or an Extraordinary General Meeting and stating the time, date and place at which it is to be held. The notice of a General Meeting shall contain details of the nature of the business to be transacted, and no business may be transacted other than that specified in the notices calling it.
18. A notice sent by post to a member's registered address shall be deemed to have been duly served forty-eight hours after its posting. The accidental omission to send any notice to or the non-receipt of a notice by any member shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

19. No person other than a member duly registered, who shall have paid every subscription and other sum (if any) which shall be due and payable to the Association in respect of his membership, shall be entitled to vote on any question at any General Meeting. Each member shall hold one vote only.
20. A member which is a corporate body shall be represented at General Meetings by any person of its choice provided that any person claiming to be acting on behalf of a corporate member shall be able on request to produce written authorisation from the governing body of the member organisation so to do, and in the absence of such authorisation the Chairman of the meeting may eject said person.
21. No business shall be transacted at a General Meeting unless a quorum is present. A quorum shall be five members or one-tenth of the members of the Association, whichever is the greater.
22. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until a day between twenty-one and thirty-five days after the date set for the original meeting, and notice shall be given to all members of the adjourned meeting as of the original meeting. If at such an adjourned meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum.
23. At every General Meeting the Chairman of the Association shall preside, and in the event of his absence twenty minutes after the time set for the commencement of the meeting the Vice-Chairman shall preside, and in the event of his absence the members present shall choose one of their number to be Chairman of that meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
24. The Chairman may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, Where a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

25. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least two members present. Unless a secret ballot be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or lost and an entry to that effect in the book containing the minutes of the proceeding of the Association shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolutions.
26. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairman directs, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
27. The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which the ballot has been demanded. The demand for a secret ballot may be withdrawn.
28. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairman of the meeting shall have a second or casting vote.
29. A resolution in writing signed by all the members for the time being entitled to vote at General Meetings shall be valid and effective as if the same had been passed at a General Meeting duly convened and held and may consist of several documents in the same form each signed by one or more members.

OFFICERS

30. The Management Committee shall elect honorary officers from amongst its own number to include a Chairman, Vice-Chairman and Treasurer. Such officers shall serve until removed or replaced by the Management Committee or until they resign from office, shall be under the direction of the Management Committee, and shall have those functions specified in these rules and such other functions as the Management Committee may decide from time to time. The Management Committee shall appoint a Secretary of the Association, upon such terms and such remuneration as it thinks fit, who may or may not be a member of the Association or of its Management Committee, and any Secretary so appointed may be removed by the Management Committee.

MANAGEMENT COMMITTEE

31. Unless otherwise determined by the Association in General Meeting, the Association shall have a Management Committee comprising not less than four nor more than eight members elected at the Annual General Meeting. Only persons aged eighteen years or over shall be eligible to be members of the Management Committee.
32. The initial Management Committee of the Association from incorporation until the first Annual General Meeting shall be appointed by the Founder Members.

33. At every Annual General Meeting all members of the Management Committee shall retire from office. A retiring Management Committee member shall be eligible for re-election.
34. New Management Committee members shall be elected individually at the Annual General Meeting by the members present and voting. Nominations for Management Committee members shall be delivered to the Secretary not less than seven days before the Annual General Meeting. In addition the Management Committee may at any time co-opt any member of the Association to serve on the Management Committee provided that the maximum size of the Management Committee specified in these rules is not exceeded. A co-opted member shall serve until the Annual General Meeting following his co-option.
35. In the event that the size of the Management Committee shall fall below the minimum specified in these rules, the Management Committee may act for the purpose of calling a General Meeting, the business of which shall include the election of new members to the Management Committee, but for no other purpose.
36. A Management Committee member shall declare an interest in and shall not vote in respect of any matter in which he has a personal financial or material interest and if he does so vote his vote shall not be counted.
37. Any remuneration of Management Committee members shall only be in respect of services actually rendered to the Association in furtherance of its objects. Management Committee members may also be paid all reasonable expenses incurred by them in attending and returning from meetings of the Management Committee or General Meetings of the Association or in connection with the business of the Association.
38. The office of Management Committee member shall be immediately vacated if he:
 - (a) resigns his office in writing to the Association; or
 - (b) ceases to be a member of the Association; or
 - (c) is removed by a simple majority vote of the members at a General Meeting of the Association, the notices of which specified that the question of such removal was to be raised; or
 - (d) in the opinion of the Management Committee, fails to declare his interest in any contract as referred to in rule 36; or
 - (e) becomes bankrupt or becomes, in the opinion of the Management Committee, incapable on medical or psychological grounds of carrying out the functions of a member of the Management Committee.

POWERS AND DUTIES OF THE MANAGEMENT COMMITTEE

39. The activities of the Association shall be managed by the Management Committee who may pay all expenses of the formation of the Association as they think fit and may exercise all such powers of the Association as may be exercised and done by the Association and as are not by statute or by these rules required to be exercised or done by the Association in General Meeting.

40. No regulation made by the Association in General Meeting shall invalidate any prior act of the Management Committee which would have been valid had that regulation not been made.
41. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Association shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Management Committee shall from time to time direct.
42. Without prior prejudice to its general powers, the Management Committee may exercise all the powers of the Association to borrow money and to mortgage or charge its undertaking and property or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Association or any third party.

PROCEEDINGS AT MANAGEMENT COMMITTEE MEETINGS

43. Members of the Management Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall, at the request of an honorary officer or of two or more Management Committee members, summon a meeting of the Management Committee at any reasonable time by giving adequate notice in writing to all of its members.
44. The quorum necessary for the transaction of business at a Management Committee meeting shall be three members of the Management Committee present.
45. At every meeting of the Management Committee the Chairman of the Association shall preside, and in the event of his absence twenty minutes after the time set for the commencement of the meeting the Vice-Chairman shall preside, and in the event of his absence the Management Committee members present shall choose one of their number to be Chairman of that meeting, whose function shall be to conduct the business of the meeting in an orderly manner.
46. The Management Committee shall cause proper minutes to be made of all the proceedings of the Association, of the Management Committee and of any subcommittees. All such minutes shall be open to inspection by any member of the Association at all reasonable times.
47. Questions arising at Management Committee meetings shall be decided by a majority of votes of those present. In the event of a tied vote the Chairman shall have a second or casting vote.

INVESTMENT OF FUNDS

48. The Association may invest any part of its funds:
 - (a) in or upon any security in which trustees are for the time being authorised by law to invest;
 - (b) in or upon any mortgage, bond, debenture stock, corporation stock, rent charge, rent or other securities (not being securities payable to bearer) authorised by or under any Act of Parliament passed or to be passed or any Local Authority as defined by Section 31 of the Industrial & Provident Societies Act 1965 as amended by Statutory Instrument 1990, number 776;

- (c) in the shares or on the security of any other society registered or deemed to be registered under the Act or under the Building Societies Act, or of any company registered under the Companies Act, or incorporated by Act of Parliament, or by Charter, provided that no such investment shall be made in the shares of any society or company other than one with limited liability. The Association may appoint any one or more of its members to vote on its behalf at any meeting of any other corporate body in which the Association has invested any part of its funds.

APPLICATION OF SURPLUS

- 49. The Association shall not trade for profit. Any surplus shall be applied as follows, in such manner and in such proportion as may be decided by a General Meeting:
 - (a) to a general reserve for the continuation and development of the Association;
 - (b) to make payments for social or charitable purposes compatible with the objects of the Association.

AUDITORS

- 50. The members shall vote annually, as allowed by the Deregulation (Industrial and Provident Societies) Order 1996, at the Annual General Meeting, to have, when necessary in law, or where the membership require, an audit carried out by a registered auditor, or an audit carried out by two or more lay auditors, or a report carried out by a registered auditor, or unaudited accounts, where the conditions for such prevail.

If a full audit or a report is required, a person who is a qualified auditor under section 7 of the Friendly and Industrial and Provident Societies Act 1968 shall be appointed.

The qualified or lay auditors, if so appointed, shall not be officers or servants of the Society and nor shall they be partners of, or in the employment of, or employ, an officer or servant of the Society.

Lay auditors shall be chosen by the Committee of Management from the general membership and/or others.

- 51. If the membership vote for unaudited accounts, the Association's Income/Expenditure Ledger shall be scrutinised by the Secretary and Committee Members only and signed, as a true record, by the Secretary and two committee members or such other number as may be required by legislation. An Income/Expenditure report will be prepared to present to the Association's members at each Annual General Meeting.

ANNUAL RETURN

52. Every year and within the period prescribed by statute, the secretary shall send to the Financial Services Authority (FSA) or its statutory successor the annual return, in the form prescribed by the FSA or its statutory successor, relating to its affairs for the period required under the Industrial and Provident Societies Act 1965 to be included in the return together with:
- (a) a copy of the report of the auditor on the society's accounts for the period included in the return or with a copy of such other report (if any) as is required by statute for such period; and
 - (b) a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person on that balance sheet as required by statute.

RECORDS

53. The Association shall keep at its Registered Office a Register of Members in which the Secretary shall enter the following particulars:
- (a) the names and addresses of the members;
 - (b) a statement that one share only is held by each member and that £10 has been paid, or agreed to be considered as paid, on each share;
 - (c) a statement of other property in the Association, whether in loans, deposits or otherwise, held by each member;
 - (d) the date at which each person or body was entered in the register as a member, and the date at which any person or body ceased to be a member;
 - (e) the names and addresses of all Management Committee members and the Secretary of the Association, with the dates on which they assumed office and the dates on which they retired from office.

Any member changing his address shall notify the Association.

AMENDMENTS TO RULES

54. Any rule herein may be rescinded or amended or a new rule made by a vote of three quarters of all the members of the Association present and voting at a General Meeting of which fourteen clear days prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment of rules is valid until registered by the FSA or its statutory successor.

DISSOLUTION

55. The Association may be dissolved by the consent of three quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Acts. If on the winding up or dissolution of the Association any of its assets remain to be disposed of after its liabilities are satisfied, the assets shall not be distributed among the members, but shall be transferred to such organisation or organisations having objects similar to or compatible with those of the Association as may be decided by the members at or before the time of the winding up or dissolution or, in so far as the assets are not so transferred, then to some charitable object.

DECEASED AND BANKRUPT MEMBERS

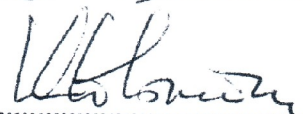
56. (a) Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member, any property to which the personal representative or trustee in bankruptcy has become entitled may be used as the personal representative or trustee in bankruptcy may direct.
- (b) A member may in accordance with the Act nominate any person or persons to whom any of his property in the Association at the time of his death shall be transferred, but such nomination shall only be valid to the extent for the time being provided in the Act. On receiving satisfactory proof of the death of a member who has made a nomination the Association shall, in accordance with the Act, either transfer or pay the full amount of such property to the person so nominated.

Signatures of Founder Members

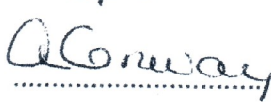
Full names in BLOCK CAPITALS (no initials)

1. 

CLAIRE HELEN HAMM

2. 
G. Scott

SECRETARY
HUGH ROBERT G. CONWAY
GERALDINE SCOTT

3. 

ANNETTE LESLEY CONWAY

Secretary:

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