

# DRAFT CONSTITUTION

## **Tir Mostyn and Foel Goch Wind Farm Community Trust (Nantglyn)**

The Trust has been established as a means of fairly and reasonably distributing the funds allocated annually by Tir Mostyn and Foel Goch Ltd (the "Owner"), a limited company that owns and operates the windfarm development known as Tir Mostyn / Foel Goch adjacent to Nantglyn in Denbighshire. The Owner is currently (2006) owned by discretionary investment clients of HgCapital (HgC)

A Declaration of Trust has been agreed between the parties and the terms of this Trust must be adhered to at all times. The Declaration of Trust will at all times take precedence. Each of the communities of Llanrhaeadr YC, Cyffylliog and Nantglyn shall appoint a Board of Trustees. For practical reasons, such as to enable representatives from the Owner to attend meetings of the three Trusts, meetings should, wherever possible, be held on the same or consecutive days. Each Board should also communicate with the others as to applications from beneficiaries so as to avoid duplication and abuse by applicants.

### **1 The Funds**

In a letter of February 17<sup>th</sup> 2006 the Owner makes the following provisions and requirements:

1. 1.The Owner will provide a fund of £25,000 per annum to be divided between the three communities of Nantglyn, Llanrhaeadr and Cyffylliog.
2. 2.Until and including 2010 the Nantglyn Trust will receive £10,000 per year. Llanrhaeadr and Cyffylliog Trusts will receive £7,500 per year.
3. 3.Thereafter, for the remaining part of the 25 year Trust Period, each community will receive an equal annual sum, being £8,333.
4. 4.The annual £25,000 fund will be index linked to RPI, with the first adjustment made in April 2007.
5. 5.The first payment, due in April 2006 [*or as soon thereafter as each Board of Trustees is in place*] will cover the part year of 2005 at £2,000 per community and the whole of each community's 2006 allocation.
6. 6.Subsequent funds will be advanced in 50% tranches each April and October.
7. 7.After 2007 a Board of Trustees may request up to two years' advance payment of funds for larger projects.

8. 8.Prior to making any grant the Trustees shall submit a report to the Owner for approval.
9. 9.Any promotion or publicity relating to projects or activities funded by the Trust Fund shall make specific reference to this fact.
10. 10.No activity targeted at or detrimental to the Tir Mostyn and Foel Goch Wind Farm or in general opposition to the development and installation of wind farms shall be permitted.
11. 11.No activity that is deemed by the Owner to be divisive among the local community shall be permitted.

## **2 General Aims**

In addition to the aims described in the Declaration of Trust, the purpose of the fund is to assist in community projects and schemes proposed to and agreed by the Board. Projects that would normally be funded by either Central Government or the County Council will not be considered as bona fide schemes, nor will schemes considered to fall within the financial responsibility of other Government Organisations such as Local Health Board or Police be considered.

## **3 The Board of Trustees**

The Board shall consist of up to seven Trustees and shall always include two persons nominated by the local Community Council. The remaining first trustees will be appointed by Nantglyn Community Council, following receipt of applications from members of the local community.

Throughout the lifetime of the Trust the Board should, as far as is possible, represent a broad spectrum of the community and each member will either be a resident of, or work within the community or will have close ties with it. However, apart from the two Trustees nominated by the Community Council, no organisation or company shall have formal membership of the Board.

It is the responsibility of the Trustees to select new Trustees as and when a vacancy arises. Where that vacancy is one of the two Community Council representatives the Trustees will invite the Community Council to nominate another Trustee to represent them. Where that vacancy follows the resignation of one of the other Trustees, the Board will invite applications from members of the community by placing a notice for a period of one month on the village notice board. The Trustees will then select a new Trustee having due regard for the need to maintain a broad spectrum of representation.

Without considering those Trustees nominated by the Community Council, where there has been no change in the membership of the Board of Trustees for a period of 5 years, and no Trustee wishes to resign, the Trustees shall draw lots and two shall resign. The Board will then invite applications and select new Trustees as described above. Former Trustees will be free to apply.

Except where a Trustee is acting in a professional capacity at the specific invitation of the board, trustees shall receive no payment of any kind (this to include travelling expenses). However, they may receive re-imbusement for purchases of stationery, printing, postage stamps etc. upon production of suitable receipts.

Any individual who has a criminal record or who has been debarred from holding office of any sort by virtue of such record or by bankruptcy will not be eligible to serve on the Board.

#### **4 Meetings.**

The Board shall meet at least twice a year and shall hold an Annual General Meeting. Every meeting shall be open to the public and the Owner shall be invited to send representative/s to the meeting. Not less than 21 days notice of any meeting shall be given by means of a bi-lingual notice giving the date, time, place and agenda of the meeting on the village notice board. The Board shall, at its absolute discretion, be empowered to meet in private when considering confidential matters. These will include discussions about applications to become a Trustee and about the relative merits of any particular application/s for funding.

The working year of the Board will be from July 1<sup>st</sup> to June 30<sup>th</sup> each year. The first working year will end on June 30<sup>th</sup> 2007. Between April 6<sup>th</sup> and June 30<sup>th</sup> each year the Board will hold an Annual General Meeting to report on the previous year's activities and to present the annual accounts.

A Board meeting shall follow the AGM when the Board shall elect its Chairman, Secretary and Treasurer by simple majority for the forthcoming year.

The second Board meeting and any further meetings in each year will be called by the Trustees when necessary.

Special [*emergency*] meetings shall be called as set out in the Declaration of Trust.

It will be at the sole discretion of the chairman as to whether individuals other than trustees will be allowed to speak at any meeting.

All votes taken at Board meetings of Trustees shall be by simple majority with the chairman having a casting vote.

Minutes of each meeting will be kept in a book and copies distributed to each Trustee and the Owner within one month of any meeting, where possible giving the date of the next meeting. At the same time the minutes in bi-lingual form will also be placed on the village notice board for a period of one month. The minutes will be duly signed by the chairman at the next meeting of the Board.

A quorum shall be five Trustees.

The Board may employ an independent person to act as secretary in which case the third officer of the Board shall be a vice-chairman.

## **5. Conflict of Interests**

Notwithstanding section 7.9.1 and 7.9.2 of the Declaration of Trust, any board member who has any specific, personal interest in any matter under consideration by the Board should declare such interest and should absent themselves from that part of any meeting where any conflict of interest might apply. Failure to declare such interest shall render the member ineligible to continue serving on the Board and may also prejudice the Board's decision on the matter under discussion.

Any Board member who has any financial or pecuniary interest in any existing or future local wind farm development must declare this to the Board and, where matters are ongoing, keep the Board informed of his or her interest in the development. It is at the Board's discretion to decide whether any such Trustee can remain on the Board.

## **6. Finance**

The treasurer of the Board's funds will maintain bank and/or building society accounts on behalf of the Board in the name of 'Tir Mostyn and Foel Goch Wind Farm Community Trust (Nantglyn)' and have due regard to the need to gain the best rates of interest available for funds held on deposit. The treasurer will seek to gain the best tax status for the Board's funds.

The treasurer will report on the Trust's financial status at each Board meeting. The Owner will be able to request financial statements and other financial information by giving 30 days notice at any time.

The financial year of the Trust will be April 6<sup>th</sup> to April 5<sup>th</sup> of the following year. The first financial year will end on April 5<sup>th</sup> 2007.

All cheques or requests for withdrawals from building society accounts must bear signatures given by at least two Trustees.

The treasurer will prepare annual accounts for the approval of the Board and presentation at the AGM. The accounts will be audited by an independent, suitably experienced person selected by the Board. If no such person is available the Board may employ an auditor.

Together with the notice of the AGM, a copy of the audited annual accounts shall be sent to the Owner and a copy shall be placed on the village notice board.

Matched Funding and Prudential Borrowing may be considered to be an element of the fund management and used to maximise the community benefit where appropriate.

## **7 Allocation of funds.**

Following the AGM each year applications will be invited for the allocation of grants by placing a bi-lingual notice on the village notice board for a period of one month.

Applications can be made at any time of year and must be in writing to the Board from individuals or organisations within the general bounds of the community. The Board shall, however, be permitted in extreme circumstances to allocate funds to applicants or causes outside the bounds of the community. As is provided for in the Declaration of Trust, the Board can accumulate the fund at their discretion as long as the ultimate object of benefit to the community is maintained.

The Board, at its absolute discretion, may from time to time publish a list of projects where, for a period of time, it will tend to regard with particular favour any applications that further the development of such projects.

Recipients of funds will be referred to as “Beneficiaries”

## **8 Bilingualism**

Members of the public shall be allowed to make application to the Board in English or Welsh and receive a response accordingly. It may not be practical for economic reasons to provide simultaneous translation services at meetings, but consideration should be given to any applicant’s needs in this respect. The Board may employ a translator.

May 2006