

National Parks UK Commercial Sponsorship Proposal
Report by Chief Executive

Summary: This report seeks the views of the Financial Scrutiny and Audit Committee on the establishment of a new Company Ltd by Guarantee (CLG).

Recommendation: To confirm the in principle decision by the Broads Authority:

- (i) that the establishment of a new Company Ltd by Guarantee, the 'National Park Partnerships Limited' to oversee the development of commercial sponsorship on behalf of the National Park Authorities and the Broads Authority be endorsed;
- (ii) that the Authority should become a signatory to the Members Agreement which binds all 15 UK National Park Authorities; and
- (iii) that a budget provision be made in 2015/16 for the potential second payment of £10,000.

1 The National Parks UK Commercial Sponsorship Proposal was considered by the Broads Authority on 23 January 2015. The Authority resolved the following recommendations:

- (i) *That in principle the Authority endorses the establishment of a new Company Limited by Guarantee (CLG), 'National Park Partnerships Limited' to oversee the development of commercial sponsorship on behalf of the National Park Authorities and the Broads Authority in the UK subject to scrutiny by the Financial Scrutiny and Audit Committee.*
- (ii) *That, subject to the scrutiny of the details by the Financial Scrutiny and Audit Committee, the Authority should become a signatory to the Members' Agreement, which binds all 14 of the UK National Park Authorities and the Broads Authority in respect of the new Company Limited by Guarantee.*
- (iii) *That subject to the above, approval be given for the Authority to sign the agreement with Dartmoor National Park Authority in respect of the equal distribution of licence fees from use of the Britain's Breathing Spaces brand;*
- (iv) *That the initial investment of £10,000 in the development of a commercial sponsorship company on behalf of the fifteen UK National Park (Authorities) for which provision has already been made in the*

2014/15 budget be approved and provision be made in 2015/16 for the potential need for a second payment of £10,000.

- 2** The report to the Broads Authority is attached at Appendix 1 and the views of the Committee are sought.

Background papers: None

Author: Regina Green

Date of report: 27 January 2015

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Report to Broads Authority on 23 January 2015

APPENDIX 1

Broads Authority

23 January 2015

Agenda Item No 13

National Parks UK Commercial Sponsorship Proposal Report by Chief Executive

Summary:	The purpose of this report is to update members on the National Parks UK proposal and seek the Authority's endorsement for the establishment of a new company, called National Park Partnerships Limited, to take forward the joint commercial sponsorship initiative for the fifteen National Parks in the UK.
Recommendation: That the Authority :	
(i)	endorses the establishment of a new Company Limited by Guarantee (CLG), 'National Park Partnerships Limited' to oversee the development of commercial sponsorship on behalf of the National Park Authorities and the Broads Authority in the UK;
(ii)	confirms this decision, agrees that the Authority should become a signatory to the Members' Agreement, which binds all 14 of the UK National Park Authorities and the Broads Authority in respect of the new Company Limited by Guarantee;
(iii)	Gives approval for the Authority to sign the agreement with Dartmoor National Park Authority in respect of the equal distribution of licence fees from use of the Britain's Breathing Spaces brand; and
(iv)	Approves the initial investment of £10,000 in the development of a commercial sponsorship company on behalf of the fifteen UK National Parks for which provision has already been made in the 2014/15 budget and makes provision in 2015/16 for the potential need for a second payment of £10,000.

1 Background

- 1.1 Following significant reductions in National Park Grant in recent years, Government is encouraging National Park Authorities¹ (NPAs) in England to look at other sources of income including commercial sponsorship/income from business.

¹ References to the UK's National Parks and National Park Authorities includes the Broads and the Broads Authority in this document

- 1.2 The experience from other national parks seeking commercial sponsorship from business is that it can be time consuming, that sponsors may consider specific projects but are unlikely to contribute to core costs and that there is greater potential if all NPAs collaborate to make the most of the 'brand' at a national level.
- 1.3 Following the delivery of the Merrell and Airwick sponsorships over recent years, it is recognised that interest in 'UK National Parks Britain's Breathing Spaces' brand is growing. The fifteen Chief Executives of National Parks UK met in January 2014 to consider income generation and sponsorship potential for the UK National Parks. The outcome of these discussions was to take forward a significant proposal on commercial opportunities relating to brand equity, including cash sponsorships. Members have been kept alerted to the progress of these discussions and they have now reached a point where there is a clear proposal for the Authority to consider. £3,000 of income to the Authority from the Airwick relationship has been invested in the proposal and a further £3,000 is being used to create a sensory garden at How Hill.
- 1.4 In June 2014 the Chairs of the National Parks UK considered initial proposals and authorised that additional work be undertaken across a number of work streams to further develop the proposals and had a further update at a video conference on 15 December 2014. The National Parks Minister, Lord de Mauley, is aware of the proposal.
- 1.5 Further development work has been taken forward in five key areas namely:
 - Business Case
 - Business Model & Structure
 - Ethics & Sponsorship Policy
 - Branding & Proposition
 - Packages & Prospectus

2 Business Case

- 2.1 The development of the Business Case has been informed by the work of an external advisor, Matt Keatley, who has worked on commercial sponsorship with a wide variety of organisations, and also by benchmarking levels of sponsorship being achieved by other organisations within the environment/heritage sector both within the UK and internationally.
- 2.2 The income and expenditure budget for the first 5 years shows that the business should be self-funding and generating increasing levels of funding for NPA projects by Year 2 onwards, profits of some £1.5million should be achievable by Year 4.
- 2.3 Total costs in Year 1 would be £114,500. Positive cash balances would be maintained in the first year by the introduction of £120,000 from NPAs, equivalent to £8,000 for each NPA, with a payback on this investment achievable by month 7 of Year 2. It is recommended that to allow a small contingency, each National Park Authority contributes £10,000 in Year 1 and allocates a further £10,000 within their medium term budget plan to allow for

further investment in the project to facilitate the future success of the proposal should delays occur in the early years. Additional investment beyond Year 1 will only be recommended if the potential income assumptions remain sound but require more time and hence additional working capital to progress.

- 2.4 Sensitivity analysis has indicated that the business case is sensitive to a number of factors including:
- The number of sponsors that can be secured and the level of contributions achieved from each sponsor. However, there is a significant safety net between the projected profit levels and the minimum required to cover operational costs.
 - The timing of receipts. Should income be significantly delayed beyond the projected timings, there will be a need for increased contributions from NPAs and a delayed payback on the investment.
 - Given the projected levels of income, the budget is not particularly sensitive to overhead costs but close monitoring will be essential, particularly in the early years, to validate assumptions. The level of sponsor support costs, referred to as “Marketing Rights Activation” is to a certain extent unknown and close monitoring will be required to ensure that profitability and hence funds available for NPA projects are not limited by a tendency to over service sponsor needs, particularly in the early years.

3 Business Model and Structure

- 3.1 In considering a suitable Business Model and Structure to take forward a significant growth in commercial sponsorship, as set out in the Business Case, two possible options have been explored:
- Establish a sub group to oversee corporate sponsorship as part of an incorporated National Parks UK (NPUK).
 - Establish a separate legal entity, by and on behalf of all NPAs in the UK, to take forward the corporate sponsorship (and potentially wider fundraising work) on behalf of the UK’s National Park Authorities.
- 3.2 To achieve the ambition it is considered appropriate to establish a new organisation specifically for this purpose. It is preferred to create a structure that is fit for purpose in terms of being able to establish the relationships with sponsors that will be required, to act swiftly and make decisions on behalf of all member National Park Authorities. The current NPUK decision-making process is not always fit-for-purpose in a commercial context due to the private sector’s need for speed, flexibility and responsiveness.
- 3.3 It is therefore proposed to establish a Company Limited by Guarantee (CLG) called ‘National Park Partnerships Limited’. The legal structure of a CLG is one with which NPAs are familiar. It is the agreed method of incorporation for NPUK and is the current legal structure of National Parks England (NPE).

- 3.4 NPUK will continue with its existing governance framework and work programme (including member induction and training and sharing of best practice), with the new organisation focusing on sponsorship and fund raising.
- 3.5 National Parks UK has taken legal advice on the structure of the new company from solicitors Ward Hathaway. It is proposed the membership of the company will be limited to one representative from each of the fifteen National Park Authorities in the UK. A Board, with a Chair, will be appointed/recruited to oversee the work of new company. The new company, whilst being owned by NPAs, should be able to work quickly and be business like. It should therefore have the autonomy to make decisions to deliver its business plan, whilst still delivering within the context set by NPAs.
- 3.6 Membership of the Board will be by appointment by the wider membership (i.e. the fifteen UK National Parks). It is proposed that NPA representatives should always be in the majority on the Board and that initially the Board will comprise of seven Members with four NPA and three external members.
- 3.7 A separate Members Agreement is proposed in order to set out the terms of how the members will work together and to list matters requiring the members consent in respect of the operation of the sponsorship company. A copy of the Memorandum and Articles of Association is contained in the Appendix.

4 Branding and Proposition

- 4.1 National Parks in the UK currently use the 'Britain's Breathing Spaces' brand. This brand has featured in both the Merrell and Airwick initiatives and has recently been trademarked by Dartmoor NPA on behalf of all fifteen UK National Parks.
- 4.2 NPUK has previously undertaken work on brand essence. However, a separate piece of work was commissioned to help inform further development of the brand for commercial use. This has concluded that in time a refresh of the brand is appropriate. However it has been agreed that this work should not prevent the proposal from moving forward now.
- 4.3 It is proposed that Dartmoor NPA will grant a licence to the new sponsorship company for the use of the 'Britain's Breathing Spaces' brand for sponsorship purposes and will extract in return a licence fee related to a percentage of sponsorship monies received (currently proposed as 95%). An additional agreement will be required between Dartmoor NPA and the other fourteen NPAs in order to ensure an equal distribution of licence fees from the new company.

5 Ethics and Sponsorship Policy

- 5.1 A draft ethics policy has been prepared which has brought together the existing approaches of a number of National Park Authorities (most notably Loch Lomond and the Trossachs) and a couple of private companies (most notably British Airways).

- 5.2 The key question for NPAs is ‘what will or will not be accepted as sponsorship’?. The proposed policy does not aim to exclude any potential sponsors from the outset but rather will seek to consider each sponsorship opportunity on its own merits using an ethical ‘check-list’ for guidance.

6 Benefits and Implications

- 6.1 Based on projected income and expenditure figures the Broads Authority could receive a net contribution of approximately £15,000 by Year 2 (2015/16) and a contribution of up to £95,000 per annum thereafter if all sponsorship targets are achieved.
- 6.2 It is important to note that agreeing to the national level sponsorship proposals does not hinder the right of individual National Park Authorities to undertake local sponsorships, giving, joint-ventures or any commercial activity of a local nature unless, of course, such activity directly contravenes national level partnership agreements (existing or proposed). Members will be aware of that a Sponsorship Policy was agreed at the last meeting and the Authority is taking forward one particular opportunity.

7 Risks

- 7.1 A risk assessment of the proposal has been undertaken as part of the Business Case. The main risks are:
- Not all 15 NPAs can agree to a suitable structure and framework (*initiative does not move forward*)
 - Insufficient start-up funding to bring company into operation (*company ineffective*)
 - Failure to attract sponsors and thus revenue to meet costs after year 1 (*initial investment lost*)
 - Failure of the company to achieve appropriate or effective marketing rights activation (*loss of sponsors and reputation for delivery*)
 - Commercial sponsors default on payments (*financial loss*)
 - Reputation damage from entering sponsorship alliances which reflect poorly on national park purposes (*loss of public confidence/trust*)
 - NPAs in England, in the absence of the Power of Competence, are relying on implied powers in respect of their statutory purposes to undertake commercial sponsorship activities (*third party legal challenge stalls the initiative*)

8 Timescale and Next Steps

- 8.1 Following approval by the 15 UK NPAs an external expert or agency will be recruited to drive forward this agenda initially under the leadership of NPUK. Some initial discussions have already been held with a number of potential national level sponsors and it is therefore intended to establish the company as soon as possible after agreement in order to be in a position to move

forward these discussions. It is anticipated that this will begin after 15 December 2014 with a 'go live' date in early 2015.

9 Financial Implications

- 9.1 Each of the fifteen authorities is being asked to commit an initial £10,000 to the enterprise with the possibility of an additional £10,000 required in the second year. Given the scale of the potential benefits this cooperative venture with its limited risks seems a worthwhile project. Provision has been made in the 2014/15 budget for the initial payment and it would be prudent to make provision for a potential contribution in the second year in next year's budget.

10 Conclusion

- 10.1 National Parks face an extremely challenging period of sustained budget decline which is severely impacting on the Authority's ability to deliver our core purposes. Having reviewed and evaluated the potential opportunities for commercial sponsorship of National Parks at a UK level it is considered appropriate to support this initiative.

Background papers: None

Author: John Packman
Date of report: 7 January 2015

Broads Plan Objectives: None

Appendices: APPENDIX - Memorandum and Articles of Association

The Companies Act 2006

Private Company Limited by Guarantee

Memorandum of Association

of

XXCompanyNameXX

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Name of each subscriber	Authentication by each subscriber
XXSubscriber1XX	
XXSubscriber2XX	
XXSubscriber3XX	
XXSubscriber4XX	
XXSubscriber5XX	
XXSubscriber6XX	
XXSubscriber7XX	
XXSubscriber8XX	
XXSubscriber9XX	
XXSubscriber10XX	

Dated: XXTodayXX

wh10238282v2

The Companies Act 2006

Private Company Limited by Guarantee

Articles of Association

Of

XXCompanyNameXX

(Adopted on the incorporation of the Company)

wardhadaway
lawfirm

Newcastle | Leeds | Manchester

Sandgate House, 102 Quayside, Newcastle upon Tyne NE1 3DX
Tel: +44 (0) 191 204 4000

1. Defined terms

1.1. In these Articles the following expressions have the following meanings, unless the context requires otherwise:

"Articles"	the Company's articles of association;
"Associated Company"	in respect of a company: (a) any body corporate of which that company is a Subsidiary; (b) any company that is a Subsidiary of that company; (c) any company that is a Subsidiary of any body corporate of which the company is also a Subsidiary; and (d) any company which is a trustee of an occupational pensions scheme (as defined by section 235(6) of the Companies Act 2006);
"Bankruptcy"	includes, without limitation, individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
"Chairperson"	has the meaning given in Article 12;
"Chairperson of the Meeting"	has the meaning given in Article 31;
"Companies Acts"	the Companies Acts (as defined in section 2 of the Companies Act 2006), insofar as they apply to the Company;
"Director"	a director for the time being of the Company, and includes any person occupying the position of director, by whatever name called;
"Distribution"	has the meaning given in section 829 of the Companies Act 2006;
"Document"	includes, unless otherwise specified, any document sent or supplied in Electronic Form;
"Electronic Form"	has the meaning given in section 1168 of the Companies Act 2006;
"Independent Director"	Means a Director appointed pursuant to Article 18.1.2 and reference herein to

	"Independent Directors" shall be construed accordingly;
"Member"	has the meaning given in section 112 of the Companies Act 2006;
"National Park Authority Director"	means a Director appointed pursuant to Article 18.1.1 and reference herein to "National Park Authority Directors" shall be construed accordingly;
"Ordinary Resolution"	has the meaning given in section 282 of the Companies Act 2006;
"Participate"	in relation to a Directors' meeting, has the meaning given in Article 10;
"Proxy Notice"	has the meaning given in Article 37;
"Relevant Loss"	any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Director's duties or powers in relation to the Company, any Associated Company, or any pension fund or employees' share scheme of the Company or an Associated Company;
"Relevant Officer"	any director or officer or former director or officer of the Company or an Associated Company but excluding in each case any person engaged by the Company (or the relevant Associated Company) as auditor (whether or not he is also a director or officer of that Company) to the extent that he acts in his capacity as auditor
"Special Resolution"	has the meaning given in section 283 of the Companies Act 2006;
"Subsidiary"	has the meaning given in section 1159 of the Companies Act 2006 (and reference to "Subsidiaries" shall be construed accordingly); and
"Writing"	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

- 1.2. Any reference in these Articles to a "general meeting" means a general meeting of the Company's members duly convened and held in accordance with these Articles and the Companies Act 2006.
- 1.3. Unless the context otherwise requires, other words or expressions contained in

these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.

- 1.4. No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in the Model Articles for Private Companies Limited by Guarantee in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229), shall apply as regulations or articles of association of the Company.

2. Liability of Members

- 2.1. The liability of the Members is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of it being wound up while he is a Member or within one (1) year after he ceases to be a Member, for:
 - 2.1.1. payment of the Company's debts and liabilities contracted before he ceases to be a Member;
 - 2.1.2. payment of the costs, charges and expenses of winding up; and
 - 2.1.3. adjustment of the rights of the contributories among themselves.

3. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

4. Members' reserve power

The Members may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action. No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

5. Directors may delegate

- 5.1. Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles:
 - 5.1.1. to such person or committee;
 - 5.1.2. by such means (including by power of attorney);
 - 5.1.3. to such an extent;
 - 5.1.4. in relation to such matters or territories; and
 - 5.1.5. on such terms and conditions;

as they think fit.
- 5.2. If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 5.3. The Directors may revoke any delegation in whole or part, or alter its terms and

conditions.

6. Committees

- 6.1. Subject to Article 5, committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- 6.2. The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

7. Directors to take decisions collectively

The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 8.

8. Unanimous decisions of Directors

- 8.1. A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in Writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in Writing.
- 8.2. References in this Article 8 to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.
- 8.3. A decision may not be taken in accordance with this Article 8 if the eligible Directors would not have formed a quorum at such a meeting.

9. Calling a Directors' meeting

- 9.1. Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Company secretary (if any) to give such notice.
- 9.2. Notice of any Directors' meeting must indicate:
 - 9.2.1. its proposed date and time;
 - 9.2.2. where it is to take place; and
 - 9.2.3. if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 9.3. Notice of a Directors' meeting (containing the information set out in Article 9.2) must be given to each Director, but need not be in Writing.
- 9.4. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven (7) days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

10. Participation in Directors' meetings

- 10.1. Subject to the Articles, Directors "Participate" in a Directors' meeting, or part of a Directors' meeting, when:
 - 10.1.1. the meeting has been called and takes place in accordance with the Articles; and
 - 10.1.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2. In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 10.3. If all the Directors Participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11. Quorum for Directors' meetings

- 11.1. At a Directors' meeting, unless a quorum is Participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2. Subject to Article 11.3, the quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, and unless otherwise fixed shall be:
 - 11.2.1. any two (2) National Park Directors; and
 - 11.2.2. one (1) Independent Director.
- 11.3. For the period of 12 months commencing on the date of adoption of these Articles, the quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, and unless otherwise fixed shall be:
 - 11.3.1. any three (3) National Park Directors; and
 - 11.3.2. any two (2) Independent Directors.
- 11.4. If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - 11.4.1. to appoint further Directors; or
 - 11.4.2. to call a general meeting so as to enable the Members to appoint further Directors.

12. Chairing of Directors' meetings

- 12.1. The Directors may appoint a Director to chair their meetings. The person so appointed for the time being is known as the "Chairperson" and shall, subject to Article 12.2 below, hold such role for a fixed term of four (4) years, following which each Director shall automatically be deemed to have resigned from the position of Chairperson with immediate effect.
- 12.2. The Directors may by way of unanimous decision terminate the Chairperson's appointment at any time.

12.3. If the Chairperson is not Participating in a Directors' meeting within ten (10) minutes of the time at which it was to start, the Participating Directors must appoint one of themselves to chair it.

13. **Casting vote at Director's meetings**

13.1. If the numbers of votes for and against a proposal at a Director's meeting are equal, the Chairperson or other Director chairing the meeting has a casting vote.

13.2. Article 13.1 does not apply if, in accordance with the Articles, the Chairperson or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

13.3. In the event that the circumstances set out in Article 13.1 arise, the Directors may resolve to appoint a temporary Chairperson for the purposes of exercising the Chairperson's casting vote only.

14. **Directors' interests in transactions and other arrangements**

14.1. Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act 2006 and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act 2006, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

14.1.1. may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

14.1.2. shall be an eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;

14.1.3. shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;

14.1.4. may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

14.1.5. may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

14.1.6. shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Companies Act 2006) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006.

- 14.2. For the purpose of this Article 14, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 14.3. Subject to this Article 14, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to Participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairperson whose ruling in relation to any Director other than the Chairperson is to be final and conclusive.
- 14.4. If any question as to the right to Participate in the meeting (or part of the meeting) should arise in respect of the Chairperson, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairperson is not to be counted as Participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 14.5. The Directors may by way of a resolution of the Board (or by way of a written policy approved by a resolution of the Board) from time to time, dis-apply all or part of the provisions of this clause 14, where the Board are of the view that the nature and extent of a Director's interest so declared is (in the sole discretion of the Board and taking into account such matters as it feels relevant) so significant that it would be in the best interests of the Company for such Director to be prevented from doing, or having the benefit of, any or all of the matters described in 14.1.1 to 14.1.6 in relation to that particular conflict of interest.

15. **Directors' conflicts of interest**

- 15.1. For the purposes of section 175 of the Companies Act 2006, the Directors may authorise any matter which:
 - 15.1.1. would or could be a breach of a Director's duty under that section; or
 - 15.1.2. could result in a breach of a Director's duty under that section.
- 15.2. For the authorisation of a matter (pursuant to the authority in Article 15.1), to be effective:
 - 15.2.1. the matter in question must be proposed for consideration at a Director's meeting, or for the authorisation of the Directors by resolution in Writing, in accordance with Article 8 or in any other way that the Directors may decide;
 - 15.2.2. any quorum requirement at a Director's meeting when the matter is considered must be met without counting the Director in question and any other interested Director (the "Interested Directors"); and
 - 15.2.3. the matter must be agreed without the Interested Directors voting, or would have been agreed if the votes of the Interested Directors had not been counted.
- 15.3. Any matter authorised under Article 15.1 will be subject to any conditions or limitations decided on by the Directors in accordance with Article 15.2. The Directors can decide the conditions or limitations at the time authorisation is given, or later on, and can end at any time. A Director must comply with any obligations the Directors impose on him after a matter has been authorised.

- 15.4. Any matter authorised under Article 15.1 will include any existing or potential conflict of interest which is reasonable to expect will arise out of the authorised matter.
- 15.5. The Director shall not be required to disclose any confidential information obtained in relation to the relevant matter which has been authorised under Article 15.1 (other than through his position as a Director of the Company) to the Company or to use or apply it in performing his duties as a Director if to do so would result in a breach of duty or obligation of confidence owed by him in relation to or in connection with that matter.
- 15.6. Where a matter is authorised in accordance with Article 15.1, the Director will not infringe any duty to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with any terms, limits and conditions imposed in respect of the authorisation.
- 15.7. A Director is not accountable to the Company for any benefit he receives (or a person connected with them receives) as a result of anything the Directors have authorised under Article 15.1. No contract, transaction or arrangement relating to any matter authorised by the Director under Article 15.1 can be set aside because of any Director's interest or benefit.
- 15.8. A Director, notwithstanding his office or the existence of an actual or potential conflict with the interests of the Company, may be a member, director or officer or otherwise employed or engaged by a Member from time to time (a "**Member Interest**") and the Director in question shall be entitled to be counted in the quorum for, and to attend, any meeting or part of a meeting of the Directors or a committee of the Directors of which any matter which is or may be relevant to the Member Interest may be discussed, and to vote on any resolution of the Directors or a committee of the Directors relating to such matter and any board or committee papers relating to such matter shall be provided to the Directors in question at the same time as the other Directors.

16. **Records of decisions to be kept**

The Directors must ensure that the Company keeps a record, in Writing of every unanimous or majority decision taken by the Directors.

17. **Directors' discretion to make further rules**

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

18. **Methods of appointing Directors**

- 18.1. The Directors of the Company shall be appointed by way of the following methods:
 - 18.1.1. a person nominated and whose appointment is approved by the Members by Ordinary Resolution (each a "**National Park Authority Director**"); or
 - 18.1.2. a person recruited through an open recruitment process, such process to be determined and agreed by the Directors from time to time (each

Director so appointed being an "**Independent Director**") and whose appointment is approved by the Members by Ordinary Resolution.

- 18.2. Subject to Article 18.3, the Company shall at all times have at least three (3) and no more than seven (7) Directors of which there shall always be one (1) more National Park Authority Director than the total number of Independent Directors.
- 18.3. During the period of 12 months commencing on the date on which these Articles are adopted, the minimum number of Directors shall be increased to five (5) and the limit on the number of Directors set out in Article 18.2 shall be increased to nine (9) Directors of which there shall always be at least one (1) more National Park Authority Director than the total number of Independent Directors and no more than two (2).
- 18.4. Each Director appointed pursuant to this Article 18 shall, subject to these Articles and the Companies Act, for a fixed term of four (4) years, following which each Director shall automatically be deemed to have resigned with immediate effect.
- 18.5. Any person who has previously served a term of office as a Director shall be eligible for re-appointment as a Director, provided always that no person shall be appointed to the position of Director for a period of more than eight (8) years (in aggregate and whether continuous or not).

19. **Termination of Director's appointment**

- 19.1. A person ceases to be a Director as soon as:
 - 19.1.1. that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law;
 - 19.1.2. a Bankruptcy order is made against that person;
 - 19.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 19.1.4. a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than two (2) months;
 - 19.1.5. notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
 - 19.1.6. that person's term of office expires pursuant to Article 18.4; or
 - 19.1.7. at least two thirds of the Members agree in writing to remove that Director with immediate effect; or
 - 19.1.8. that person fails to attend more than three consecutive meetings of the Directors without the consent of the Directors; or
 - 19.1.9. that person ceases to be an officer, employee or an authorised representative of a Member.

20. Directors' remuneration

- 20.1. Directors may undertake any services for the Company that the Directors decide.
- 20.2. Independent Directors (but not National Park Authority Directors) are entitled to such remuneration:
 - 20.2.1. as the Members decide by Ordinary Resolution, to the extent such remuneration relates to their services to the Company as an Independent Director; and
 - 20.2.2. as the Directors decide, to the extent such remuneration relates to any other service which they undertake for the Company.
- 20.3. Subject to the Articles, an Independent Director's remuneration may:
 - 20.3.1. take any form; and
 - 20.3.2. include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Independent Director.
- 20.4. Unless the Members (in the circumstances set out in Article 23.2.1) or the Directors (in the circumstances set out in Article 23.2.2) decide otherwise, an Independent Directors' remuneration accrues from day to day and Independent Directors are not accountable to the Company for any remuneration which they receive as Independent Directors or other officers or employees of the Company's Subsidiaries or of any other body corporate in which the Company is interested.

21. Directors' expenses

- 21.1. The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
 - 21.1.1. meetings of Directors or committees of Directors;
 - 21.1.2. general meetings; or
 - 21.1.3. separate meetings of the holders of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

22. Secretary

The Directors may appoint any person who is willing to act as secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement in each case by a decision of the Directors.

23. Applications for Membership

- 23.1. No person shall become a Member of the Company unless:
 - 23.1.1. that person is a duly registered member of [INSERT NAME AND COMPANY NUMBER OF NPUK];

23.1.2. that person has completed an application for membership in a form approved by the Directors; and

23.1.3. the Directors have approved the application.

24. Termination of Membership

24.1. A Member may withdraw from membership of the Company by giving thirty (30) days' notice to the Company in Writing.

24.2. Membership is non transferable.

24.3. A person's membership terminates immediately when:

24.3.1. a resolution is passed by the members or creditors of that person, or an order is made by a court or other competent body or person instituting a process that shall lead to that person being wound up and its assets being distributed among that person's creditors, members or other contributors; or

24.3.2. a receiver, administrator or administrative receiver is appointed over the whole or any part of the assets of that person or the making of any arrangement with the creditors of that person for the affairs, business and property of that person to be managed by a supervisor; or

24.3.3. subject to Article 24.4 below, that person ceases to be a duly registered member of [INSERT NAME AND COMPANY NUMBER OF NPUK].

24.4. Article 24.3.3 shall only apply where, and for so long as, the company referred to therein is duly registered as an active company at Companies House.

25. Distributions

25.1. Subject to the Companies Act 2006, the Directors may decide to make and pay Distributions to the Members from time to time.

25.2. Where a sum which is a Distribution is payable to a Member, it must be paid by one or more of the following means:

25.2.1. transfer to a bank or building society account specified by the Member either in Writing or as the Directors may otherwise decide;

25.2.2. sending a cheque made payable to the Member by post to the Member at the Member's registered address or as the Directors may otherwise decide; or

25.2.3. any other means of payment as the Directors agree with the Member either in Writing or by such other means as the Directors decide.

26. No interest on distributions

26.1. The Company may not pay interest on any Distribution payable to a Member unless otherwise provided by the provisions of another agreement between the Members and the Company.

26.2. All Distributions which are:

- 26.2.1. payable to a Member; and
 - 26.2.2. unclaimed after having been declared or become payable, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.
- 26.3. The payment of any Distribution by the Company into a separate account does not make the Company a trustee in respect of it.
- 26.4. If:
- 26.4.1. twelve years have passed from the date on which the Distribution became due for payment; and
 - 26.4.2. the Member in question has not claimed it,
- then that Member is no longer entitled to that sum and it ceases to remain owing by the Company.

27. **Non-cash distributions**

The Company may, by Ordinary Resolution on the recommendation of the Directors, decide to pay all or part of a Distribution payable to a Member by transferring non-cash assets of equivalent value.

28. **Waiver of distributions**

A Member may waive their entitlement to a Distribution payable to it by giving the Company notice in Writing to that effect.

29. **Attendance and speaking at general meetings**

- 29.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 29.2. A person is able to exercise the right to vote at a general meeting when:
 - 29.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 29.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 29.3. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 29.4. In determining attendance at a general meeting, it is immaterial whether any two (2) or more Members attending it are in the same place as each other.
- 29.5. Two (2) or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise

them.

30. **Quorum for general meetings**

- 30.1. No business other than the appointment of the Chairperson of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 30.2. The quorum for a general meeting shall be any [six (6)] Members.

31. **Chairing general meetings**

- 31.1. If the Directors have appointed a Chairperson, the Chairperson shall chair general meetings if present and willing to do so.
- 31.2. If the Directors have not appointed a Chairperson, or if the Chairperson is unwilling to chair the meeting or is not present within ten (10) minutes of the time at which a meeting was due to start:
 - 31.2.1. the Directors present; or
 - 31.2.2. (if no Directors are present), the meeting, must appoint a Director or Member to chair the meeting, and the appointment of the Chairperson of the Meeting must be the first business of the meeting.
- 31.3. The person chairing a meeting in accordance with this Article is referred to as "the Chairperson of the Meeting".

32. **Attendance and speaking by Directors and non-Members**

- 32.1. Directors may attend and speak at general meetings, whether or not they are Members.
- 32.2. The Chairperson of the Meeting may permit other persons who are not:
 - 32.2.1. Members of the Company; or
 - 32.2.2. otherwise entitled to exercise the rights of Members in relation to general meetings, to attend and speak at a general meeting.

33. **Adjournment of general meetings**

- 33.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairperson of the Meeting must adjourn it.
- 33.2. The Chairperson of the Meeting may adjourn a general meeting at which a quorum is present if:
 - 33.2.1. the meeting consents to an adjournment; or
 - 33.2.2. it appears to the Chairperson of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 33.3. The Chairperson of the Meeting must adjourn a general meeting if directed to do so by the meeting.
- 33.4. When adjourning a general meeting, the Chairperson of the Meeting must:
 - 33.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and
 - 33.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 33.5. If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the Company must give at least seven (7) clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - 33.5.1. to the same persons to whom notice of the Company's general meetings is required to be given; and
 - 33.5.2. containing the same information which such notice is required to contain.
- 33.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

34. Voting: general

- 34.1. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.
- 34.2. On any resolution put to the Members at a general meeting or by way of a written resolution under the procedure set out in the Companies Act 2006 each Member shall have one vote.

35. Errors and disputes during general meetings

- 35.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 35.2. Any such objection must be referred to the Chairperson of the Meeting, whose decision is final.

36. Poll votes

- 36.1. A poll on a resolution may be demanded:
 - 36.1.1. in advance of the general meeting where it is to be put to the vote; or
 - 36.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 36.2. A poll may be demanded by:

- 36.2.1. the Chairperson of the Meeting;
 - 36.2.2. the Directors;
 - 36.2.3. two (2) or more persons having the right to vote on the resolution; or
 - 36.2.4. a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 36.3. A demand for a poll may be withdrawn if:
- 36.3.1. the poll has not yet been taken; and
 - 36.3.2. the Chairperson of the Meeting consents to the withdrawal.
- 36.4. Polls must be taken immediately and in such manner as the Chairperson of the Meeting directs.

37. Content of Proxy Notices

- 37.1. Proxies may only validly be appointed by a notice in Writing (a "Proxy Notice") which:
- 37.1.1. states the name and address of the Member appointing the proxy;
 - 37.1.2. identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - 37.1.3. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 37.1.4. is delivered to the Company not less than forty eight (48) hours before the time appointed for holding the meeting (or adjourned meeting) at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate.
- 37.2. The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 37.3. Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 37.4. Unless a Proxy Notice indicates otherwise, it must be treated as:
- 37.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 37.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

38. Delivery of Proxy Notices

- 38.1. A person who is entitled to attend, speak or vote (either on a show of hands or on

a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

- 38.2. An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in Writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 38.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 38.4. If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

39. **Amendments to resolutions**

- 39.1. An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:
 - 39.1.1. notice of the proposed amendment is given to the Company in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than forty eight (48) hours before the meeting is to take place (or such later time as the Chairperson of the Meeting may determine); and
 - 39.1.2. the proposed amendment does not, in the reasonable opinion of the Chairperson of the Meeting, materially alter the scope of the resolution.
- 39.2. A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:
 - 39.2.1. the Chairperson of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 39.2.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 39.3. If the Chairperson of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairperson's error does not invalidate the vote on that resolution.

40. **Means of communication to be used**

- 40.1. Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 40.2. Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.
- 40.3. A Director may agree with the Company that notices or Documents sent to that

Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty eight (48) hours.

41. **Company seals**

- 41.1. Any common seal may only be used by the authority of the Directors.
- 41.2. The Directors may decide by what means and in what form any common seal is to be used.
- 41.3. Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a Document, the Document must also be signed by at least one (1) authorised person in the presence of a witness who attests the signature.
- 41.4. For the purposes of this Article 41, an authorised person is:
 - 41.4.1. any Director of the Company;
 - 41.4.2. the Company secretary (if any); or
 - 41.4.3. any person authorised by the Directors for the purpose of signing Documents to which the common seal is applied.

42. **No right to inspect accounts and other records**

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or Documents merely by virtue of being a Member.

43. **Provision for employees on cessation of business**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary.

44. **Indemnity**

- 44.1. Without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
 - 44.1.1. each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:
 - 44.1.1.1. in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - 44.1.1.2. in relation to the Company's (or any Associated Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

- 44.1.2. including (in each case) any liability incurred by him in defending any civil or criminal proceedings, subject always to judgment being given in his favour or his acquittal or the proceedings against him being otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any Associated Company's) affairs; and
 - 44.1.3. the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 47.1.1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.
- 44.2. This Article 47 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

45. **Insurance**

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

Dated

2015

National Park Partnerships Limited

and

Those persons listed at Schedule 1

Members' Agreement

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This Deed is dated

2015

Between

- (1) **National Park Partnerships Limited**, a company limited by guarantee incorporated and registered in England and Wales with company number [INSERT COMPANY NUMBER] of [REGISTERED OFFICE ADDRESS] (the "Company"); and
- (2) **Those persons** whose details are listed at Schedule 1 (each a "Member" and together the "Members").

(each a "party" and together the "parties")

Background:

- (A) The Company is a company limited by guarantee and the liability of each of the Members is limited to £1.00.
- (B) The Parties have agreed to enter into this agreement for the purpose of regulating the exercise of their rights in relation to the Company and for the purpose of certain commitments set out in this agreement.

NOW IT IS HEREBY AGREED as follows:-

1. **Interpretation**

- 1.1. The following definitions shall apply in this agreement.

"Act"	the Companies Act 2006;
"Articles"	the new articles of association of the Company in the agreed form to be adopted on or prior to Completion, as set out at Schedule 2;
"Board"	the board of directors of the Company as constituted from time to time;
"Business"	the operation of a commercial enterprise to do any such things which are calculated to facilitate, be conducive or incidental to the accomplishment of the Members' statutory purposes as set out in the National Parks and Access to the Countryside Act 1949 and the National Parks (Scotland) Act 2000 (both as amended from time to time) or which are expressly or impliedly permitted functions conferred on the Members by legislation;
"Business Day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
"Business Plan"	an annual business plan for the Company

	prepared by the Board in respect of the Financial Year to which it relates;
"Completion"	the completion of the transactions in accordance with clause 3;
"Completion Date"	the date hereof or such other date for Completion as may be agreed between the Parties in writing;
"Confidential Information"	information of a confidential nature, the disclosure of which would constitute an actionable breach of confidence, commercially sensitive information, trade secrets and all personal data and sensitive personal data as defined in sections 1 and 2 of the Data Protection Act 1998.
"Deed of Adherence"	a deed of adherence substantially in the form set out in Schedule 5;
"Director"	a director of the Company;
"Distribution"	has the meaning given in section 829 of the Act;
"Electronic form"	has the meaning given in section 1168 of the Act;
"Encumbrance"	any interest or equity of any person (including any right to acquire, option, right of pre-emption, any agreement in respect of voting rights or commitment to give or create voting rights) or any mortgage, charge, pledge, lien, assignment, hypothecation, security, title retention or any other security agreement or arrangement;
"Financial Year"	in relation to the Company, means its accounting reference period, as may be amended from time to time in accordance with the Act;
"Licence"	the agreement granting a perpetual licence of the Trademark to the Company, to be entered into by the Company and Dartmoor National Park Authority on the Completion Date, in agreed form;
"Member"	a person entered into the Company's register of members from time to time (and reference herein to " Members " shall be construed accordingly);
"Member Consent"	Members for the time being not less than 75% of the total number of Members (excluding, where relevant, a Member who is the subject of a particular Member Consent);
"Reserved Matters"	means the matters set out in Schedule 3 (and reference to a " Reserved Matter " herein shall be construed accordingly)
"Trademark"	the trade mark(s) set out in Schedule 4, including

the listed registrations and applications and any registrations which may be granted pursuant to such applications.

- 1.2. Clause, Schedule and paragraph headings do not affect the interpretation of this agreement.
- 1.3. A reference to a clause or a Schedule is a reference to a clause of, or Schedule to, this agreement. A reference to a paragraph is to a paragraph of the relevant Schedule.
- 1.4. A "person" includes a natural person, a corporate or unincorporated body (whether or not having a separate legal personality).
- 1.5. Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.6. Unless the context otherwise requires, a reference to one gender includes a reference to the other genders.
- 1.7. A reference to a particular statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts and subordinate legislation for the time being in force made under it provided that, as between the parties, no such amendment or re-enactment shall apply for the purposes of this agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.
- 1.8. Documents in agreed form are documents in the form agreed by the parties to this agreement and initialled by them or on their behalf for identification.
- 1.9. A reference in this agreement to a document is a reference to the document whether in paper or Electronic Form.
- 1.10. Unless otherwise expressly provided in this agreement, reference to "writing" or "written" includes email but not faxes.
- 1.11. Where the words "include(s)", "including" or "in particular" are used in this agreement, they are deemed to have the words "without limitation" following them.
- 1.12. Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.13. Where the context permits, "other" and "otherwise" are illustrative and shall not limit the sense of the words preceding them.
- 1.14. References to times of day are, unless the context requires otherwise, to British Standard time and references to a day are to a period of 24 hours running from midnight on the previous day.
- 1.15. Unless the context otherwise requires, words and expressions defined in the Articles shall have the same meaning when used in this agreement.
- 1.16. A reference in this agreement to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any

legal concept or thing shall, insofar as it relates or applies to Members which are National Park authorities in terms of the National Parks (Scotland) Act 2000, be deemed to include a reference to the equivalent or approximate legal term under Scots law.

- 1.17. A reference in this agreement to a Business Day shall, insofar as it relates or applies to Members which are National Park authorities in terms of the National Parks (Scotland) Act 2000, include a reference to any day (other than a Saturday, Sunday or public holiday in Scotland) on which clearing banks in Glasgow are generally open for business.

2. **Business of the Company**

- 2.1. The business of the Company shall be the Business.
- 2.2. Each Member shall promote (so far as is lawfully and reasonably possible in the exercise of his rights and powers as a Member of the Company) the success of and develop the Business for the benefit of its Members as a whole.

3. **Completion**

- 3.1. Completion shall take place on the Completion Date at the Company's registered office or such other location as the Parties may agree in writing.
- 3.2. At Completion, the Company shall (and each Member shall procure that the Company shall):
 - 3.2.1. each Member shall pay £10,000 (ten thousand pounds sterling) by way of a BACs or electronic transfer to a bank account nominated by the Company for receipt of the same;
 - 3.2.2. adopt the Articles; and
 - 3.2.3. Dartmoor National Park Authority and the Company shall execute the Licence pursuant to which Dartmoor National Park Authority shall grant a licence of the Trademark to the Company in accordance with the terms thereof.

- 3.3. Within the period of six calendar months commencing on the Completion Date, the Company shall (and the Members shall procure that the Company shall) adopt the Business Plan for the Financial Year in which the Company is formed, in agreed form.

4. **Member undertakings**

- 4.1. Each Member shall, for as long as they remain a Member, procure (so far as is lawfully possible in the exercise of their rights and powers as a Member of the Company) that the Company shall not take any of the actions set out in Schedule 3 (the "**Reserved Matters**") without first obtaining Member Consent.
- 4.2. Each Member shall, for as long as they remain a Member, act at all times in good faith in the exercise of their rights and powers as a Member of the Company, to ensure that each Member benefits equally from the Business.

5. Distribution Policy

- 5.1. Subject to the requirements of the Act, and unless the parties agree otherwise in relation to any particular Financial Year, the parties shall procure that the Company shall make a cash distribution of at least 95% of the profit of the Company in relation to each Financial Year but after making all necessary, reasonable and prudent provisions and reserves for taxation, as shown in the accounts for that year and having first paid any and all royalty payments payable under the Licence from time to time.
- 5.2. Any cash distribution made by the Company shall be divided amongst the Members in equal proportions.

6. Termination

- 6.1. This agreement shall terminate:
 - 6.1.1. when a resolution is passed by the members or creditors of the Company, or an order is made by a court or other competent body or person instituting a process that shall lead to the Company being wound up and its assets being distributed among the Company's creditors, members or other contributors; or
 - 6.1.2. the appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Company or the making of any arrangement with the creditors of the Company for the affairs, business and property of the Company to be managed by a supervisor; or
 - 6.1.3. when, as a result of the retirement or removal of Members made in accordance with this agreement or the Articles, only one person remains as a Member of the Company.
- 6.2. Termination of this agreement shall not affect any rights, remedies, obligations or liabilities of any of the parties that have accrued up to the date of termination, including the right to claims damages in respect of any breach of the agreement which existed at or before the date of completion.
- 6.3. Where, following an event referred to in clause 6.1.1, the Company is to be wound up and its assets distributed, the parties shall agree a suitable basis for dealing with the interests and assets of the Company and shall endeavour to ensure that, before dissolution:
 - 6.3.1. all existing contracts of the Company are performed to the extent that there are sufficient resources;
 - 6.3.2. the Company shall not enter into any new contractual obligations; and
 - 6.3.3. the Company's assets are distributed as soon as practical.

7. Status of this agreement

- 7.1. Each Member shall, to the extent that he is able to do so, exercise his voting rights and other powers of control lawfully available to him to procure that the provisions of this agreement are properly and promptly observed and given full force and effect according to the spirit and intention of the agreement.

- 7.2. If there is an inconsistency between any of the provisions of this agreement and the provisions of the Articles, the provisions of this agreement shall prevail as between the parties.
- 7.3. Each Member shall, when necessary, exercise his powers of voting and any other rights and powers lawfully available to him as a Member of the Company to amend, waive or suspend a conflicting provision in the Articles to the extent necessary to permit the Company and its Business to be administered as provided in this agreement.

8. No partnership or agency

Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the parties or constitute any party the agent of another party.

9. Confidentiality

- 9.1. The parties acknowledge that each Member is either a public authority under section 84 of the Freedom of Information Act 2000 ("FOIA") or a Scottish public authority under section 73 of the Freedom of Information (Scotland) Act 2002 ("FOISA") and that each Member is subject to either the Environmental Information Regulations 2004 ("EIR") or the Environmental Information (Scotland) Regulations 2004 ("EISR") (the FOIA, FOISA, EIR and EISR together being "Freedom of Information Legislation").
- 9.2. Each party ("receiving party") receiving Confidential Information of another party ("disclosing party") shall:
 - 9.2.1. treat all Confidential Information belonging to the disclosing party as confidential and safeguard it accordingly;
 - 9.2.2. not disclose any Confidential Information belonging to the disclosing party to any other person without the prior written consent of the disclosing party, except to the extent necessary for the purpose of exercising or performing its rights and obligations under this agreement.
- 9.3. Clause 9.2 shall not apply to any Confidential Information:
 - 9.3.1. which is or becomes public knowledge (otherwise than by breach of this clause or through act or default on the part of the receiving party or the receiving party's agents or employees);
 - 9.3.2. which the receiving party lawfully obtained from a third party who:
 - 9.3.2.1. lawfully acquired it;
 - 9.3.2.2. did not derive it directly or indirectly from the disclosing party; and
 - 9.3.2.3. is under no obligation restricting its disclosure;
 - 9.3.3. which the receiving party can prove by documentary evidence was developed independently by an agent or employee of the receiving party without access to the disclosing party's Confidential Information; or

- 9.3.4. which is required or permitted to be disclosed pursuant to a statutory, legal or parliamentary right or obligation placed upon the party making the disclosure, including any requirements for disclosure pursuant to Freedom of Information Legislation, or otherwise in accordance with a court order, or the recommendation, notice or decision of a competent authority.
- 9.4. The provisions of this clause 9 shall continue following expiry or termination for any reason of this agreement without limit in time.

10. Inadequacy of damages

Without prejudice to any other rights or remedies that a party may have, each party acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of clause 9 by that party. Accordingly, each other party shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of clause 9 of this agreement.

11. Notices

- 11.1. A notice given to a party under or in connection with this agreement shall be in writing and shall be delivered by hand or sent by pre-paid first-class post, recorded delivery or special delivery in each case to that party's registered office address (or to such other address as that party may notify to the other party in accordance with this agreement).
- 11.2. Delivery of a notice is deemed to have taken place (provided that all other requirements in this clause 11 have been satisfied) if delivered by hand, at the time the notice is left at the address, or if sent by post on the second Business Day after posting unless, in each case, such deemed receipt would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), in which case deemed receipt will occur at 9.00 am on the day when business next starts in the place of deemed receipt (and, for the purposes of this clause 11, all references to time are to local time in the place of receipt).
- 11.3. This clause 11 does not apply to the service of any proceedings or other documents in any legal action.

12. Severance

If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

13. Variation and waiver

- 13.1. No variation of this agreement shall be effective unless it is in writing and signed by or on behalf of each party for the time being.
- 13.2. A waiver of any right or remedy under this agreement or by law is only effective if it is given in writing and is signed by the party waiving such right or remedy. Any

such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

- 13.3. A failure or delay by any party to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.
- 13.4. No single or partial exercise of any right or remedy provided under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.
- 13.5. A party that waives a right or remedy provided under this agreement or by law in relation to one person, or takes or fails to take any action against that person, does not affect its rights or remedies in relation to any other person.

14. Assignment and other dealings

- 14.1. No party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of his rights and obligations under this agreement (or any other document referred to in it) without Member Consent (such consent not to be unreasonably withheld or delayed).
- 14.2. Each party confirms that he is acting on his own behalf and not for the benefit of any other person.

15. Costs and expenses

Except as expressly provided in this agreement, each party shall pay its own costs and expenses incurred in connection with the negotiation, preparation and execution of this agreement (and any documents referred to in it).

16. Entire agreement

- 16.1. This agreement (together with the documents referred to in it) constitute the entire agreement between the parties and supersede and extinguish all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations, arrangements and understandings between them, whether written or oral, relating to their subject matter.
- 16.2. Each party acknowledges that in entering into this agreement (and any documents referred to in it), he does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement or those documents.
- 16.3. Nothing in this clause shall limit or exclude any liability for fraud.

17. Third party rights

- 17.1. A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.
- 17.2. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any other person.

18. **Counterparts**

- 18.1. This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.
- 18.2. No counterpart shall be effective until each party has executed at least one counterpart.

19. **Governing law and jurisdiction**

- 19.1. This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 19.2. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

This deed has been entered into on the date stated at the beginning of it.

Schedule 1 – Parties

Name of Member	Member's Principal Office Address
Brecon Beacons National Park Authority	Plas y Ffynnon Cambrian Way Brecon LD3 7HP
The Broads Authority	Yare House 62-64 Thorpe Road Norwich NR1 1RY
The Cairngorms National Park Authority	14 The Square Grantown on Spey PH26 3HG
Dartmoor National Park Authority	Parke Bovey Tracey Newton Abbot Devon TQ13 9JQ
Exmoor National Park Authority	Exmoor House, Dulverton, Somerset, TA22 9HL
Lake District National Park Authority	Murley Moss Oxenholme Road Kendal LA9 7RL
Loch Lomond and The Trossachs National Park Authority	Loch Lomond & The Trossachs National Park Headquarters Carrochan Carrochan Road Baloch G83 8EG
New Forest National Park Authority	New Forest National Park Authority Lymington Town Hall Avenue Road Lymington SO41 9ZG
Northumberland National Park Authority	Eastburn, South Park, Hexham, Northumberland NE46 1BS

North York Moors National Park Authority	The Old Vicarage, Bondgate, Helmsley, York, North Yorkshire YO62 5BP
Peak District National Park Authority	Aldern House, Baslow Road, Bakewell, Derbyshire DE45 1AE
Pembrokeshire Coast National Park Authority	National Park Offices Llanion Park Pembroke Dock Pembrokeshire SA72 6DY
Snowdonia National Park Authority	National Park Office Penrhyneddraeth Gwynedd LL48 6LF
South Downs National Park Authority	South Downs Centre North Street Midhurst West Sussex GU29 9DH
Yorkshire Dales National Park Authority	Yoredale Bainbridge Leyburn North Yorkshire DL8 3EL

Schedule 2 – New Articles of Association

Schedule 3 - Matters requiring Member Consent

1. Except as provided in clause 7.3, vary in any respect its Articles.
2. Permit the registration of any person as a Member of the Company other than in accordance with this agreement or the Articles.
3. Alter the name of the Company or registered office of the Company.
4. Change the nature of its Business or enter into any new business which is neither ancillary nor incidental to the Business.
5. Adopt or amend its Business Plan in respect of each Financial Year.
6. Enter into any arrangement, contract or transaction:
 - 6.1. which is outside the normal course of the Business; or
 - 6.2. which is otherwise than on arm's length terms.
7. Create or grant any Encumbrance over the whole or any part of the Business, its undertaking or assets from time to time.
8. Incur any borrowings from time to time other than from its bankers in the ordinary and usual course of business, or issue any loan capital.
9. Make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity.
10. Amalgamate or merge with any other company or business undertaking, form or acquire any subsidiary, directly or indirectly acquire shares in any other company or directly or indirectly participate in any partnership or joint venture.
11. Pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent).

Schedule 4 – Trademark

Country	Mark	Registration No.	Date of Registration	Classes
United Kingdom	Britain's Breathing Spaces	UK00003034874	01 August 2014	3, 4, 5, 11, 25, 28, 30, 41.
EU	Britain's Breathing Spaces	EU012428884	7 May 2014	3, 4, 5, 11, 25, 28, 30, 41.

Schedule 5 – Deed of Adherence

THIS DEED OF ADHERENCE is made the [] day of [] by [] of [] (hereinafter called the "**Covenantor**")

SUPPLEMENTAL to a members' agreement dated [] and made between [] (the "**Members' Agreement**")

WITNESSETH as follows:

1. The Covenantor hereby confirms that [he] [it] has been supplied with a copy of the Members' Agreement and hereby covenants with each of the parties to the Members' Agreement from time to time to observe, perform and be bound by all the terms of the Members' Agreement which are capable of applying to the Covenantor and which have not been performed at the date hereof to the intent and effect that the Covenantor shall be deemed with effect from the date on which the Covenantor is registered as a member of the Company to be a party to the Members' Agreement and to be a Member (as defined in the Members' Agreement).
2. This Deed shall be governed by and construed in accordance with the laws of England and Wales.

EXECUTED as a deed the day and year first before written.

SIGNED AS A DEED (but not)
delivered until the date hereof))

[NAME OF COMPANY] acting by a
director in the presence of:-
Director

Witness Signature:

Witness Name:

Address:

Occupation:

THE SEAL of Brecon Beacons)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of The Broads)
Authority was hereunto affixed in)
the presence of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of The Cairngorms)
National Park Authority was)
hereunto affixed in the presence)
of:-

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Dartmoor National)
Park Authority was hereunto)
affixed in the presence of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Exmoor National)
Park Authority was hereunto)
affixed in the presence of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Lake District)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Loch Lomond and)
The Trossachs National Park)
Authority was hereunto affixed in)
the presence of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of New Forest)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Northumberland)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of North York Moors)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Peak District)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Pembrokeshire)
Coast National Park Authority)
was hereunto affixed in the)
presence of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Snowdonia)
National Park Authority was)
hereunto affixed in the presence)
of:-)

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of South Downs)
National Park Authority was)
hereunto affixed in the presence)

of:-

.....
[INSERT NAME], a duly authorised
signatory.

THE SEAL of Yorkshire Dales)
National Park Authority was)
hereunto affixed in the presence)
of:-

.....
[INSERT NAME], a duly authorised
signatory.