

THE COMPANIES ACTS 1985-1989
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION OF
THE TRAIDCRAFT EXCHANGE

NAME

1. The name of the Company (hereinafter called “the Exchange”) is “The Traidcraft Exchange”.

REGISTERED OFFICE

2. The registered office of the Exchange will be situate in England and Wales.

OBJECTS

3. The Objects for which the Exchange is established are:-
 - 3.1 The relief of poverty through providing training (including training in business skills) and information (including information on marketing) for producers, suppliers and trading partners in Developing Countries;
 - 3.2 The promotion for the benefit of the public of studies in economic, political, social, technical and theological subjects to raise awareness about issues arising from national and international trading practices and the benefits of trading fairly;
 - 3.3 The promotion of other purposes that are charitable within the law of England and Wales in Developing Countries; and
 - 3.4 The advancement of the Christian religion by commending that religion to persons in Developing Countries and elsewhere by pursuing the objects set out in this Clause 3.

POWERS

- 4 The Exchange shall have power to do anything to further the Objects of the Exchange including (without limitation) the following powers:-

Payments, gifts and loans

- 4.1 To make payments, gifts and loans to further the Objects and in particular
- 4.1.1 To assist producer groups in poor communities in Developing Countries who satisfy criteria established by the Directors from time to time to establish projects concerned with the production manufacture distribution and marketing of goods or foodstuffs produced by such producer groups as a means of relieving their poverty and in particular (but without prejudice to the generality of the foregoing):
- 4.1.1.1 In product development;
 - 4.1.1.2 With technical advice;
 - 4.1.1.3 With accounting and/or costing advice;
 - 4.1.1.4 With capital grants;
 - 4.1.1.5 By making marketing surveys on their behalf;
 - 4.1.1.6 By remuneration or secondment of specialist personnel;
 - 4.1.1.7 By supporting associated development work;
 - 4.1.1.8 By the production and distribution of promotional literature regarding the goods or foodstuffs produced by the assisted producer group;
 - 4.1.1.9 By undertaking feasibility studies on behalf of the assisted producer group; and
 - 4.1.1.10 By promoting the trade of such producer groups throughout world markets by providing information services, running conferences, conducting market research, arranging the test marketing of goods or foodstuffs produced by such producer groups, running training workshops, preparing educational programmes and devising and disseminating literature and audio visual material relating to such producer groups and/or the work of the Exchange.
 - 4.1.1.11 By promoting reform in trade policies, corporate governance, and social accounting and reporting and by raising investor and public awareness of issues arising from national and international trading

practices.

- 4.1.2 Towards the acquisition and/or furnishing of premises to be occupied by such producer groups whether by payment of rent or purchase money.
- 4.1.3 Towards the refurbishment maintenance and insurance of any premises so acquired whether the same shall be vested in the Exchange or any other person and.
- 4.1.4 Towards the provision of motor vehicles, tools and other mechanical aids for the use of such producer groups.
- 4.1.5 Towards funding research and other work on policy issues.

4.2 Information

To collate and circulate information regarding sources of knowledge relating to the study of any of the subjects mentioned in Clause 3.

4.3 Collaboration etc in General

To assist, establish, subsidise, promote, co-operate or federate with, affiliate or become affiliated to, act as trustee or agent for, manage, lend money to or render any other assistance to any charitable association, society, or other body corporate or unincorporate established for charitable purposes only, and, for the purpose (and only for the purpose) of promoting any objects of the Exchange to co-operate with manufacturers, dealers or other traders and with the press and other media of publicity.

4.4 Collaboration with Authorities

To enter into any arrangements with any authorities, municipal, local or otherwise, that will further the objects of the Exchange, or any of them, and to obtain from any authorities any rights, privileges and concessions which it may be desirable for the purposes of the Exchange's objects for it to obtain; and to carry out exercise and comply with those arrangements, rights, privileges and concessions.

4.5 Lectures etc and research

To establish and promote, organise, carry on and assist in:

- 4.5.1 the study of any these subjects mentioned in Clause 3 by means of funding fellowships (to be called the Traidcraft Fellowships or by any other name the Exchange may determine) of meetings, lectures, seminars or discussions (whether free or on payment of any fee subscription or donation);
- 4.5.2 research into any of these subjects or areas of study.

4.6 Publishing

To publish, circulate, and distribute

4.6.1 the results of any of this study and research;

4.6.2 books, periodicals, monographs, papers, pamphlets, articles and other literature treating any of these subjects and areas of study.

4.7 Scholarships, Grants

To grant scholarships, bursaries or exhibitions and to make grants (whether capital or income) but only to individual persons or to organisations established for charitable purposes and in each case in furtherance of any of the objects set out in Clause 3.

4.8 Funding

To invite and accept or without invitation receive subscriptions and gifts in money or kind and to raise funds for the support or benefit of the Exchange and to apply or invest those funds and apply the income arising in furtherance of any of the objects set out in Clause 3 by the exercise of any of the powers set out in this Clause or by any other means the Exchange determines provided that the Exchange shall not undertake any permanent trading activities in raising funds for its primary charitable objects.

4.9 Powers to acquire property

To purchase, or take on lease or acquire any freehold, leasehold or other property, equipment and tools which it is necessary or desirable for the Exchange to hold in furtherance of any of the objects set out in Clause 3 and (subject to the consent for the time being by law required) exchange, sell, let or charge the whole or any part of that land, property, equipment and tools.

4.10 Donations and subscriptions

To accept donations on any special trusts in connection with the Exchange so that every donation so accepted shall be held subject to the terms and conditions of that gift.

4.11 Reports

To issue periodical reports on the work of the Exchange.

4.12 Co-operation and communication with others

To promote and organise co-operation in the achievement of the objects set out in Clause 3 and to that end to bring together and to form a centre of communications between representatives of authorities and organisations engaged in the furtherance of the above purposes or any of them.

4.13 Bank accounts

From time to time to open and maintain in the name of the Exchange a bank account or accounts in any bank and to specify the signatories to cheques or orders for payment of money (who need not all be trustees but who shall include at least two of their number).

4.14 Investment of surplus funds

To invest moneys with or without interest upon the security of any stocks, funds, shares, securities or other investments or property (real or personal) of any nature and situated in any part of the world and whether involving liability or not and whether producing income or not as the Exchange shall in its absolute discretion think fit so that the Exchange shall have the same freedom to invest and to vary or transpose investments and lay out moneys in all respects as if it were absolutely entitled to it beneficially.

4.15 To delegate the management of investments to a financial expert, but only on terms that:

4.15.1 the investment policy is set down in writing for the financial expert by the Directors;

4.15.2 every transaction is reported promptly to the Directors;

4.15.3 the performance of the investments is reviewed regularly with the Directors;

4.15.4 the Directors are entitled to cancel the delegation arrangement at any time;

4.15.5 the investment policy and the delegation arrangement are reviewed at least once a year;

4.15.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Directors on receipt;

4.15.7 the financial expert must not do anything outside the powers of the Directors.

4.16 To arrange for investments or other property of the Exchange to be held in the name of a nominee (being a corporate body registered or having an established place of business in England and Wales) under the control of the Directors or a financial expert acting under their instructions and to pay any reasonable fee required.

4.17 Charging and leasing

Subject to any consents required by law to mortgage or charge any freehold or leasehold asset and to lease any asset in the event of it being or becoming available for

letting to any person engaged full-time in advancing any of the charitable objects of the Exchange or to any other persons who are in necessitous circumstances on the terms as to rent or otherwise that the Directors think fit of if no letting can be made in this way then to any other person at a full economic rent and otherwise on the terms the Directors think fit.

4.18 Improvement of property equipment and tools etc

To improve or develop property equipment and tools of all kinds for the purposes of the Exchange and to make rules and regulations concerning the orderly management or use of this property equipment or tools as they may deem necessary.

4.19 Insurance

To insure the Directors against the costs of a successful defence to a criminal prosecution brought against them as charity trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Director concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty.

4.20 Rights of Shares

To exercise the rights and powers attached to any shares or which the Directors have by virtue of being a member of any company.

4.21 Deed of Covenant

To enter into a Deed of Covenant with the Traidcraft Foundation and others, and thereafter to agree to and become a party to such alterations of and additions to such Deed of Covenant as may be made in accordance with its terms or as the Company may thereafter think fit to approve, and to exercise and enforce such powers and rights and to perform and to discharge such obligations as shall be conferred or (as the case may be) imposed upon the Company by such Deed of Covenant, whether in its original form or with and subject to any such alterations and additions as aforesaid.

OVERRIDING REQUIREMENTS

5. The powers of the Exchange shall always be exercised with regard to the Doctrinal Basis set out in the Deed of Covenant and in accordance with the Foundation Principles and in such a manner as to ensure that the assets of the Exchange shall be applied solely towards charitable purposes and no distribution shall be made to the members of the Exchange in cash or otherwise howsoever PROVIDED ALSO THAT nothing herein shall prevent the payment in good faith of reasonable and proper remuneration to any officer or servant or member of the Exchange (save as hereinafter provided not being a Director) for any service actually rendered to the Exchange nor prevent the payment of salary to a chief executive (or other senior executive officer)

of the Exchange notwithstanding that he or she is a member of the Board of Directors on condition that he or she shall not attend any meeting or vote on any resolution concerning his or her appointment, remuneration or other terms of service nor prevent the payment:-

- 5.1 Of interest on money lent by any member of the Exchange or Director at a rate per annum not exceeding 1% less than the base rate for the time being of the Exchange's Bankers;
- 5.2 Of reasonable and proper rent for premises demised or let by any member of the Exchange;
- 5.3 Of fees, remuneration or other benefit in money or money's worth to a company of which a member of the Exchange or Director may be a member holding not more than 1% of the capital of that company;
- 5.4 To any Director who is a solicitor or other person engaged in a profession or business of all usual professional and other charges for business done by him or her or his or her firm when instructed to act in a professional capacity on behalf of the Exchange provided that at no time shall a majority of the Directors benefit under this provision and that a Director shall withdraw from any meeting at which his or her appointment or remuneration, or that of his or her firm, is under consideration;
- 5.5 To any Director of reasonable out-of-pocket expenses properly incurred in accordance with the provisions of the Articles of Association of the Exchange;
- 5.6 To any Director of reasonable and proper premiums in respect of trustees' indemnity insurance, effected in accordance with Clause 4.19.

LIMITED LIABILITY

6. The liability of members is limited.

GUARANTEE

7. Every member of the Exchange undertakes to contribute to the assets of the Exchange in the event of the same being wound up while he is a member or within one year after he ceases to be a member for payment of the debts and liabilities of the Exchange contracted before he ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding in the case of the Founder Member defined in the Articles of Association of the Exchange the sum of £10.00 and in the case of Ordinary Members likewise defined the sum of £1.00.

WINDING UP

8. If upon the winding up or dissolution of the Exchange there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be distributed among the members of the Exchange, but shall be transferred to the Traidcraft Foundation (charity number 294953) or if that charity is not still subsisting at the date of the distribution to any charity which has taken on the whole (or substantially the whole) of that charity's assets, for the general purposes of the charitable works of the charity AND the receipt of the Treasurer for the time being of such charity shall be a sufficient discharge to the Exchange. Failing this, the assets of the Exchange shall be given or transferred to some other charitable institution or institutions having Objects similar to the Objects of the Exchange, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Exchange under or by virtue of clause 5 of its Memorandum of Association, such institution or institutions to be determined by the Members of the Exchange at or before the time of dissolution, and if and so far as effect cannot be given to this provision, then to some other charitable object.