

**BIG LOTTERY FUND (1)**

**AND**

**SPIRIT OF 2012 LIMITED (2)**

**TRUST DEED  
establishing a charity called  
Spirit of 2012**

**THIS TRUST DEED** is made the

7<sup>th</sup> day of October

2013

The Founder Big Lottery Fund, a non-departmental public body corporate established by Section 36A of the National Lottery etc Act 1993

The Trustee Spirit of 2012 Trustee Limited (Company Number 8474083) a private company limited by guarantee whose registered office is at 4 Lincoln's Inn Fields, London WC2A 3AA

**BACKGROUND**

A. The Founder is eager to build on the energy, commitment and volunteering spirit which became such an overwhelmingly positive and prominent feature of the Olympic and Paralympic Games in London during the summer of 2012, generating good will and enthusiasm in abundance amongst members of the public.

B. In anticipation of receiving a share of the proceeds of sale of the Olympic Village, the Founder has determined to settle the sum of up to £40 million on trusts intended to perpetuate the spirit of 2012 by:

- enhancing provision for volunteering and other community activities in the period leading up to, during and after the Commonwealth Games in Glasgow in 2014;
- benefitting children and young people;
- helping the disabled;

and thereby secure a lasting legacy for the benefit of the community in the United Kingdom of Great Britain and Northern Ireland as more particularly described in this Trust Deed.

C. The Trustee may receive further sums by way of addition to this settlement to be held on the same terms.

**OPERATIVE PROVISIONS**

**NOW THIS DEED WITNESSES** as follows:

**1. Interpretation**

In this deed:

1.1 the definitions in Part 1 of Schedule 1; and

1.2 the rules of interpretation in Part 2 of Schedule 1

shall apply.

**2. Name of Charity**

The name of the Charity shall be Spirit of 2012.

### **3. Trustee**

- 3.1. The Trustee shall be the sole trustee of the Charity subject to the right of the Protector to appoint and remove trustees under Schedule 6 of the Trust Deed.
- 3.2. No-one shall be entitled to act as a trustee in the future until after having executed a declaration of willingness to be bound by the provisions of the Trust Deed including the Conditions.

### **4. Trust Fund and Income**

The Trustee shall hold the Trust Fund upon trust to invest it and to apply the same and the Income so that as far as possible and by the expiration of ten years from the date of the Trust Deed the whole of the Trust Fund and the Income shall have been applied in furtherance of the Objects.

### **5. Objects of the Charity**

The Objects are the promotion of the following charitable purposes for the benefit of the public throughout the United Kingdom of Great Britain and Northern Ireland: -

- 5.1 the advancement of education of children and young people, including but not limited to sporting and cultural activities and by encouraging good citizenship;
- 5.2 increasing the effectiveness and efficiency of the voluntary sector by encouraging members of the public to engage in activities to help others on a voluntary basis;
- 5.3 promoting community development and encouraging engagement by people in their communities in ways which provide benefits of a charitable nature in those communities; and
- 5.4 promoting greater understanding, and meeting the needs, of people with disabilities and thereby encourage their social inclusion and to use training and other activities to build their confidence and inspire others

in all cases for the public benefit.

### **6. Powers and Duties of Trustee**

- 6.1. In furtherance of the Objects, the Trustee may exercise the powers in Schedule 2.
- 6.2. The Trustee shall ensure that proper consideration is given and, where appropriate, proper advice is obtained in relation to the performance or discharge of its functions as Trustee.

### **7. Administration of Charity**

The Trustee shall comply with the provisions of Schedule 3 in relation to the Administration of the Charity.

**8. Investment**

- 8.1. The Trust Fund and such of the Income which is not for the time being required for application shall be invested in accordance with the provisions of Parts II and III of the Trustee Act but subject to the restrictions and limitations in Schedule 4 of the Trust Deed.
- 8.2. The Trustee may place on deposit such part of the Trust Fund and the Income, but no more, as the Trustee considers will be required for application in furtherance of the Objects within any period of twelve months.

**9. Delegation**

- 9.1. The Trustee may appoint an Investment Manager to whom its powers of investment may be delegated subject to the provisions of Schedule 5.
- 9.2. Subject to the following provisions of this clause, the Trustee may delegate the performance or discharge of any of its functions other than those relating to investment to any person to the extent that such delegation is permitted by the Trustee Act.
- 9.3. The Directors may exercise the powers conferred on them by the Articles of Association of the Trustee to delegate any of the functions of the Trustee (other than those relating to delegation but including the function of making Distributions) to one or more committees appointed by them provided that:
  - 9.3.1 the members of every committee include at least one of the Directors who must be present at any meeting at which decisions are to be made;
  - 9.3.2 the Directors set out strict policy guidelines in writing for such committees;
  - 9.3.3 all committees are required to report to the Directors in writing at least every six months and, if applicable, give detailed written information on how the Trust Fund and the Income have been applied;
  - 9.3.4 if the purpose of a committee is to perform any part of the Trustee's investment functions:
    - (a) the members shall be persons with appropriate financial and/or investment expertise; and
    - (b) the members shall make regular reports on the performance of the investments forming part of the Trust Fund and on the performance of any Investment Manager;
  - 9.3.5 Where the Directors on a committee do not vote in favour of any proposal and are in a minority, the committee shall not implement the decision of the majority, but shall refer the matter to the Trustee for a final decision at a meeting of the Directors of the Trustee and the Directors on such committee shall not count in

the quorum of Directors for the purposes of considering such matter.

- 9.4. The Trustee must exercise reasonable supervision over any delegate.
- 9.5. The Trustee may meet or reimburse the reasonable expenses of any delegate.

#### 10. **Reimbursement of Trustee**

The Trustee may be reimbursed out of the Trust Fund or the Income in respect of any amount required:

- 10.1. to maintain such indemnity and other insurance policies as may be reasonable in order to protect the Trustee, its Directors, and the Charity provided that no such policy may protect any person from personal liability in respect of any act or omission which amounts to a breach of trust or breach of duty to the extent that such person knew or ought to have known that such act or omission was such a breach; and/or
- 10.2. to discharge expenses reasonably and properly incurred by them when acting on behalf of the Charity.

#### 11. **Conflicts of Interest and Remuneration**

Subject to clause 10, neither the Trustee nor any Director may acquire any interest in property forming part of the Trust Fund or the Income otherwise than as a trustee, or receive remuneration or other financial benefit from the Charity or any trading company controlled by the Trustee or be interested in any contract entered into by the Trustee at the expense of the Charity but:

- 11.1. no account shall be taken of any interest consisting of up to 1% of the issued share capital of a company of which the Trustee or a Director is a member;
- 11.2. no account shall be taken of any interest of a Director in the capacity of charity trustee, director or other officer, or employee or otherwise:
  - (a) of a Recipient which receives a Distribution; or
  - (b) of any charitable organisation (whether corporate or not) which enters into a contract with the Trustee in furtherance of the Objects of which a Director is an employee or Trustee;

provided that the procedure in clause 11.3 has been complied with.

- 11.3. the Director in question must:
  - 11.3.1 declare the nature and extent of his/her interest before discussion begins on the matter; and
  - 11.3.2 withdraw from the meeting for that item after providing any information requested by the Directors; and

- (a) not be counted in the quorum for that part of the meeting;  
and
  - (b) be absent during the vote and have no vote on the matter;  
and
- 11.3.3 if the matter is a contract with the Trustee for the supply of goods and services in return for a payment or other material benefit, the Trustee must have regard to guidance of the Charity Commission relating to remuneration of trustees and must in any case satisfy itself that:-
- (a) the goods or services are actually required by the Charity;
  - (b) it is in the best interests of the Charity to enter into such a contract; and
  - (c) the nature and level of the payment or other material benefit is no more than is reasonable in relation to the value of the goods or services.

## 12. The Protector

- 12.1. The Founder may appoint a Protector of the Charity. The Protector shall be a person who in the opinion of the Founder has legal, financial or investment expertise. The fiduciary duty of the Protector will be to ensure the integrity of the administration of the Charity and the propriety of its procedures, and if necessary report matters of serious concern to the Founder or the Charity Commission.
- 12.2. If a Protector is appointed, the provisions of this clause 12, Schedule 2 and other relevant provisions of the Trust Deed relating to or which require the involvement of the Protector shall apply unless the Founder determines otherwise in writing.
- 12.3. If and for so long as there is a vacancy in the office of the Protector, or the Protector is unable, unfit or unwilling to act:
- 12.3.1 the Trustee may not exercise those of its powers under the Trust Deed which would require the approval or consent of the Protector without the approval or consent of the Founder;
  - 12.3.2 the Founder shall be entitled to exercise the powers of the Protector under paragraphs 4 and 5 of Schedule 6;
  - 12.3.3 the references to the Protector in clause 14 shall be treated as references to the Founder.
- 12.4. The Protector shall in each year prepare a statement for publication by the Trustee in its annual report in such format as the Protector shall think fit consisting of an explanation of the function of the Protector and how the function has been exercised. Where the Protector thinks fit, the statement shall include a report identifying any areas of administration of the Charity

which in the opinion of the Protector require improvement and shall specify the steps to be taken by the Trustee to effect such improvement.

- 12.5. The Protector shall have the powers in Schedule 6 of the Trust Deed. It is not intended that such powers as are reserved to the Protector should oust the jurisdiction of the Charity Commission or the Court in any manner.
- 12.6. The Protector may be appointed for a maximum term of three years. The Protector may serve for an unlimited number of terms.
- 12.7. Subject to clause 12.8, all appointments to the office of Protector shall be made, and removals from that office may be made, in writing by the Founder.
- 12.8. Where a vacancy in the office of Protector arises:
  - 12.8.1 the Founder may advertise the post of Protector but shall be under no obligation to do so; and
  - 12.8.2 the Founder will consult the Trustee on the identity, eligibility or suitability of candidates for the post of Protector and may invite the Directors to be present at interviews or meetings with candidates for the post of Protector.
- 12.9. A person shall be disqualified from being appointed as, or from being the Protector, if he is or has been:
  - 12.9.1 a Director or Employee of the Trustee or of any organisation controlled by, or having a Substantial Interest in, the Trustee or any subsidiary of the Trustee; or
  - 12.9.2 interested in any contract with the Trustee either on his own behalf or as a member of any organisation provided that no account shall be taken of any interest consisting of not more than 1% of the issued share capital of a company of which the Protector is a member or any contract entered into under clause 12.11.
- 12.10. The Protector shall cease to be the Protector on expiry of his term of office, if he is or becomes disqualified under clause 12.9, on death, on giving notice in writing of his resignation to the Trustee and the Founder or on being, in the opinion of the Founder, unable or unfit to act as the Protector.
- 12.11. Where the Protector is a member or employee of a firm or company, that firm or company may receive reasonable remuneration for any advice given or work undertaken on the express instructions of the Protector in his capacity as Protector notwithstanding that the Protector may receive an indirect benefit therefrom.
- 12.12. The Protector shall be entitled to receive from the Charity:
  - (a) reasonable out-of-pocket expenses incurred in carrying out his role as Protector; and

- (b) reasonable remuneration at a level to be fixed by the Founder from time to time after consultation with the Trustee. The Protector's remuneration may include the maintenance at the expense of the Charity of any such indemnity policy as may be reasonable in order to protect the Protector from personal liability provided that no such policy shall provide protection from personal liability in respect of any act or omission which amounts to a breach of fiduciary duty to the extent that the Protector knew or ought to have known that such act or omission was such a breach.

### 13. **Amendment of Trust Deed**

- 13.1. Subject to the provisions of this clause, the Trustee may amend the provisions of the Trust Deed by supplemental deed.
- 13.2. Any amendment shall be made on a resolution passed at a meeting of the Directors of which four weeks' notice specifying the terms of the amendment has been given: provided that at least two-thirds of the total numbers of Directors are present in person and vote in favour of the resolution.
- 13.3. The Trustee may not make any amendment that would:
  - 13.3.1 vary clause 3 (Trustee);
  - 13.3.2 vary clause 5 (Objects);
  - 13.3.3 vary clause 9 and Schedule 5 (Delegation);
  - 13.3.4 vary clause 10 (Reimbursement of Trustee);
  - 13.3.5 vary clause 11 (Conflicts of Interest and Remuneration); or
  - 13.3.6 vary this clause 13unless such amendment can reasonably be regarded as leaving the substantive meaning of the clauses unaffected and prior approval is obtained from both the Founder and the Protector and, in the case of clauses 5, 10 and 11, also the Charity Commission.
- 13.4. The Trustee shall obtain the approval of the Protector before making any amendment that would vary:
  - 13.4.1 clause 6 or Schedule 2 (Powers of Trustee);
  - 13.4.2 clause 7 and Schedule 3 (Administration of the Charity);
  - 13.4.3 clause 14 (Amendment to Articles);
  - 13.4.4 clause 8.1 or Schedule 4 (Investment);
  - 13.4.5 the definitions and rules of interpretation in Schedule 1 of the Trust Deed.



13.5. The Trustee shall obtain the approval of the Founder before making any amendment that would vary:

13.5.1 vary clause 2 (Name of Charity);

13.5.2 clause 4 (Trust Fund and Income);

13.5.3 clause 12 and Schedule 6 (The Protector);

13.6. The Trustee must:

13.6.1 promptly send to the Charity Commission, the Founder and the Protector a copy of any deed of amendment; and

13.6.2 keep any deed of amendment with the Trust Deed.

**14. Amendments to Articles of the Trustee**

If at any general meeting of the Trustee any resolution is passed to wind-up the Trustee or to amend any of the Articles of Association of the Trustee which relate to:

14.1. the requirement for membership of the Trustee;

14.2. the maximum number of Directors;

14.3. the appointment and retirement of Directors; or

14.4. the requirements for a quorum of Directors

then, unless the approval of the Protector shall have been obtained, the Trustee shall be bound forthwith to report the matter to the Protector.

**15. Wishes of the Founder**

In carrying out their respective roles under the Trust Deed the Trustee and the Protector may have regard to the wishes of the Founder as set out in Schedule 7 of the Trust Deed insofar as they are not incorporated into the remaining provisions of the Trust Deed.

**16. Conditions**

The Trustee shall comply with the Conditions in so far as they are compatible with the terms of the Trust Deed.

**17. Recognition of Grant and logos**

Schedule 9 shall apply to the Trustee.

## SCHEDULE 1

### PART 1: DEFINITIONS

In this Trust Deed the following words have the following meanings:

|                                  |  |
|----------------------------------|--|
| The Act                          | the Charities Act 1993;  |
| Approved Charitable Investments  | shall be investments of a type described in Sections 511 and 512 and subject to the conditions in Section 513 of the Corporation Taxes Act 2010 but shall not include Land;  |
| Charitable Purposes              | purposes which are charitable in accordance with the law of England and Wales other than purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005; |
| Charity                          | <b>Spirit of 2012</b> being the charity constituted by the Trust Deed;   |
| Charity Commission               | the Charity Commission for England and Wales;  |
| Communications Protocol          | a document published by the Founder and updated from time to time;   |
| Competitive Tendering            | the system of seeking alternative quotations from a variety of sources for the provision of goods or services will be the aim of obtaining the best value for money;   |
| Conditions                       | the Conditions of Grant set out in Schedule 8;   |
| Director                         | a Director of the Trustee defined in the Articles of Association of the Trustee as a Director;   |
| Distributions                    | any award made by the Trustee in pursuance of the Objects;   |
| Distribution Agreement           | an agreement between the Trustee and a Recipient under which Distributions are, or may be made available;  |
| Employee                         | any employee of, seconded to, or other individual who shall provide services under a contract of personal service to, the Trustees;  |
| Funding Acknowledgement Guidance | a document published by the Founder and updated from time to time;   |
| Grant                            | a sum of up to £40 million to be given to the Trustee by the Founder and any further sums given to the Trustee by the Founder to be held on the terms of the Trust Deed;   |
| Income                           | the income of the Trust Fund;  |
| Initial Property                 | the sum of £10;  |

|                      |  |
|----------------------|--|
| Investment Manager   | any Person appointed by the Trustee under clause 9.1 of the Trust Deed;  |
| Land                 | land or an interest in land in any part of the world;  |
| Objects              | the objects of the Charity set out in clause 5;  |
| Permitted Overheads  | the reasonable expenses of administering the Charity including the expenses of any delegate as may be permitted under clause 9 of the Trust Deed;                                      |
| Person               | an individual or body whether corporate or unincorporated;   |
| Protector            | a person appointed under clause 0 of the Trust Deed as the Protector;  |
| Published            | published in written and/or electronic form to include press releases and letterheads;   |
| Recipient            | any organisation or individual that or who is carrying on or providing an activity falling within the Objects who receives a Distribution.   |
| Rights               | intellectual property rights including copyright, design rights, patents and know how;   |
| Substantial Interest | an interest equivalent to the right to exercise at least 20% of the voting power at a general meeting, or to appoint at least 20% of the governing body, of the relevant organisation; |
| Trust Corporation    | a trust corporation within the meaning of the statutes referred to in Section 35 of the Act as interpreted in that section;  |
| Trust Deed           | this deed including the schedules;   |
| Trust Fund           | the sum referred to in the recitals to the Trust Deed, the Grant, any additions and accretions in value thereto, and the property from time to time representing the same;             |
| Trustee Act          | the Trustee Act 2000;  |
| Trustee              | Spirit of 2012 Trustee Limited or any successor trustee or trustees.   |

## SCHEDULE 1

### PART 2: INTERPRETATION

In this Trust Deed any reference to:

- 1 a statute or statutory provision includes a reference to the statute or statutory provision as modified or re-enacted or both from time to time, and to any subordinate legislation made under it;
- 2 a notice to any person means notice in writing by post, fax transmission or e-mail;
- 3 the singular includes the plural and vice versa and the masculine includes the feminine and the neuter genders and vice versa;
- 4 "writing" means writing in any form and includes a fax transmission, e-mail and similar means of communication; and
- 5 "consent" or "approval" means consent or approval in writing.

## SCHEDULE 2

### POWERS OF THE TRUSTEE

- 1 To pay out of the Trust Fund and the Income all costs connected with the establishment of the Charity;
- 2 to make grants (but not loans) to any Person and to make, and alter from time to time, regulations (which must be consistent with this Trust Deed and have been approved by the Founder) as to the criteria to be applied in making such grants, their value and frequency, the methods of ascertainment and selection of candidates in each case and such other matters whether or not related to the making of Distributions as the Trustees shall consider necessary. The first such regulations are contained in a document called the Spirit of 2012 Regulations;
- 3 to set aside Income as a reserve against future expenditure;
- 4 to accept donations and gifts free from or subject to special trusts or conditions;
- 5 to promote, arrange, organise or conduct (either alone or with others) seminars, conferences, lectures, courses and meetings relating to any activity within or of relevance to the Objects;
- 6 to enter into and carry into effect deeds and written agreements but not to borrow money or grant security over the Trust Fund or the Income for any purpose;
- 7 to acquire, retain or protect ownership of any Rights belonging to the Charity; to grant licences and other rights of access to and use of any Rights; and to assign or otherwise dispose of any Rights;
- 8 to acquire, dispose of, deal in or exploit any research (whether or not research funded by the Charity), or the results of any other activity undertaken in pursuing the Objects, or any Rights arising from such research or other activity;
- 9 to purchase, lease, hire or otherwise acquire Land or any interest in Land; to develop Land, construct any buildings or refurbish any existing buildings; to sell, lease or otherwise dispose of Land or any interest in Land of any tenure by way of donation or otherwise subject to the restrictions (if any) imposed by the Act;
- 10 to purchase, lease, hire or otherwise acquire, and to sell, lease, lend or otherwise dispose of, equipment, goods and other items of personal property;
- 11 to carry out research in furtherance of the Objects;
- 12 to engage Employees; to pay and provide benefits to such Employees (not being Directors) as the Trustee may consider necessary; to enter into service agreements with such Employees; and to enter into and defray the cost or any part of the cost of any pension or superannuation scheme as the Trustee shall think proper for the benefit of such Employees;
- 13 to insure the property of the Charity against such risks as the Trustee shall consider prudent and to take out such other insurance policies from time to

time as the Trustee shall consider necessary or desirable to protect the Trust Fund and the Income;

- 14 to appoint a Person which may, but need not be a Trust Corporation, as nominee or custodian of any property of the Charity on such terms as the Trustee thinks fit and to take such steps as are necessary to secure that any property of the Charity is vested in a Person so appointed, or that the interests of the Charity in the property are otherwise properly protected through the arrangements with the nominee or custodian. The Trustee may review appointments made under this paragraph in such manner as they see fit;
- 15 to raise funds for the Charity in such manner as may be expedient provided that neither the Trust Fund nor the Income may be applied in or towards any substantial permanent trading activity for the purpose of raising funds;
- 16 to procure, publish and distribute material in any form that may be deemed desirable for the promotion of the Objects or for informing the public about the work of the Charity;
- 17 to establish and support charities formed for the Objects;
- 18 to operate bank accounts in the name of the Charity;
- 19 to co-operate with other charities, Persons or statutory authorities and to exchange information and advice with them;
- 20 to apply the Trust Fund and the Income towards any purposes which:
  - 20.1. promote the interests and protect the reputation of the Charity;
  - 20.2. are for the benefit of the Charity; and/or
  - 20.3. further or are reasonably incidental to the furtherance of the Objects.

### SCHEDULE 3

#### ADMINISTRATION OF THE CHARITY

- 1 The Directors shall hold at least four meetings in each year.
- 2 Save where Clause 13 applies, a quorum at any meeting of the Directors shall be at least three Directors or one third of the number of Directors (if higher).
- 3 Except where otherwise expressly provided in this Trust Deed, every matter shall be determined by a simple majority vote of the Directors present and voting on the question.
- 4 The Directors shall keep proper records of all decisions taken at their meetings, all Distributions made and all professional advice received in relation to the Charity.
- 5 The Trustee shall comply with its obligations under the Act with regard to:
  - 5.1. The keeping of accounting records for the Charity;
  - 5.2. The preparation and audit of annual statements of account for the Charity;
  - 5.3. The transmission to the Charity Commission of annual returns, annual reports and statements of account for the Charity.
- 6 Any bank account in which any part of the Trust Fund or the Income is held or deposited shall be held in the name of the Charity. The Trustee may make such arrangements as it thinks fit for the operation of such accounts, including but not limited to arrangements as to the number of Directors or Employees of the Trustee (not being less than two) which shall be required to sign cheques or otherwise authorise payments drawn on the accounts and as to any maximum sum which may be withdrawn out at any one time on such signatures.

## SCHEDULE 4

### POWERS OF INVESTMENT

- 1 The power of investment conferred by the Trustee Act shall be restricted so that the Trustee may only acquire Approved Charitable Investments.
- 2 Before investing or reinvesting the Charity's money, the Trustee must be satisfied, having obtained proper advice, that the form of investment in question is suitable for the investment of money comprised in the Trust Fund and in considering the suitability of any investment the Trustee shall take into account the size of the Trust Fund and the need to apply the Trust Fund and the Income in furtherance of the Objects and in accordance with Clause 4.
- 3 The exception to the requirement to obtain and consider proper advice contained in Section 5(3) of the Trustee Act shall not apply to the Trustee.
- 4 Section 5(4) of the Trustee Act shall not apply to the Trustee. "Proper advice" shall, in relation to the exercise of the Trustee's power of investment, mean the advice of a person who is authorised to advise on investments for the purposes of the Financial Services and Markets Act 2000.



## SCHEDULE 5

### DELEGATION OF POWERS OF INVESTMENT

- 1 The Trustee shall not delegate its power of investment to any person who is not authorised to manage investments for the purposes of the Financial Services and Markets Act 2000 without the consent of the Protector.
- 2 Where the Trustee delegates its investment power to an Investment Manager it shall in addition to the requirements of Part IV of the Trustee Act:
  - 2.1. inform the Investment Manager in writing of the extent of the Trustee's powers of investment;
  - 2.2. take such steps as it considers prudent (having regard to any relevant market practice) to protect the Trust Fund from losses occasioned by reason of the Investment Manager not having all (if any) necessary authorities from relevant regulatory bodies to exercise the power so delegated;
  - 2.3. ensure that it is kept informed of and reviews on a regular basis the performance of that part of the Charity's investment portfolio managed by the Investment Manager and the exercise by the Investment Manager of his, her or its delegated authority;
  - 2.4. take all reasonable steps to ensure that the Investment Manager complies with the terms of the delegated authority;
  - 2.5. review the appointment at such intervals not exceeding 12 months as the Trustee thinks fit;
  - 2.6. pay such remuneration to the Investment Manager as the Trustee shall reasonably decide or approve; and
  - 2.7. agree such proper terms as to notice and such other matters as the Trustee shall decide or approve and as are consistent with this Schedule 5.
- 3 In addition to the delegation of its powers of investment the Trustee may delegate to an Investment Manager:
  - 3.1. any administrative power that is ancillary to or otherwise furthers the exercise of the powers of investment so delegated; and
  - 3.2. any administrative power that is analogous to the powers of investment and that the Trustee considers may be exercised by such an Investment Manager.

## SCHEDULE 6

### POWERS OF THE PROTECTOR

- 1 In relation to any matter affecting the Charity the Protector shall be entitled to receive notice and accompanying papers in relation to all meetings of the Trustee, committees of Directors and members of the Trustee.
- 2 In the exercise of his fiduciary duties the Protector shall be entitled to attend and speak at all meetings of the Trustee, committees of Directors and members of the Trustee and to table items for discussion at such meetings but not to vote.
- 3 Whenever the consent of the Protector is required to any matter under the Trust Deed or the Protector is considering the exercise of his powers under any provision of this Schedule 6, the Protector shall be entitled:
  - 3.1. to call for any information, written or otherwise;
  - 3.2. to seek such professional or other advice, including advice from one or more of the Protector's partners, employees, employers or fellow employees, as the Protector shall consider necessaryin each case to enable the Protector to take a proper decision to act.
- 4 The Protector shall be entitled at any time :
  - 4.1. (after having obtained advice and having given notice to the Founder) to appoint an additional trustee or trustees to act jointly with the Trustee or, in the event that the Trustee wishes to retire, to appoint a new trustee or trustees if he considers such action to be in the interests of the Charity; and/or
  - 4.2. to remove a Trustee that the Protector has appointed.
- 5 Where the Protector has exercised his power under paragraph 4 of this Schedule 6 he shall by deed be entitled (after having obtained advice) to make such amendments to the Trust Deed as shall be necessary (but no further) to enable the Charity to be administered properly.
- 6 The Protector may consult with the Founder on any matter relating to the Charity.
- 7 In all cases where the Trustee is required to obtain the consent of the Protector, the Protector shall consult with the Founder before giving such consent.
- 8 The Protector may report to the Charity Commission any misconduct or mismanagement in the administration of the Charity or if the Protector considers that it is necessary or desirable for the Charity Commission to act for the purpose of protecting the Trust Fund and Income or securing its proper application for the Objects.

## SCHEDULE 7

### WISHES OF THE FOUNDER

#### Background and aim of the Charity

In setting up the Charity, the Founder had regard to sustaining a lasting legacy for communities across the UK building on the success of the London 2012 Olympic and Paralympic Games.

The Founder wishes the Charity to focus on taking the legacy forward through:

- involvement with future events of national, regional or local significance which will build on the success of the London 2012 Olympic and Paralympic Games;
- support for projects involving sport, culture and the arts, education and heritage – or a mixture of these – which builds on the spirit of community and celebration created by the Games; and,
- the development of both a lasting knowledge-bank on the factors underlying the successes of the London 2012 Games and subsequent events and a programme of enhancement and promulgation for such knowledge such that it might provide learning to inform planning for future legacy and community engagement which will be of benefit to communities across the UK.

The Founder wishes the Charity to have the freedom to use the experience gained with these activities to develop further its own methods and approaches to the funding of initiatives and the support for events, which will help achieve its long-term aim of sustaining legacy from the London 2012 Olympic and Paralympic Games.

#### Outcomes

The Founder wishes the Charity, in distributing the endowment, to achieve of some or all of the following aims in each of its areas of benefit:

1. To harness the energy, commitment and organisation volunteering legacy inspired by the London 2012 Olympic and Paralympic Games for ongoing community benefit;
2. To galvanise and inspire communities to think about how they can build on the spirit of community and the act of celebration which, through events such as the Torch Relay went beyond sport and reached out to the whole of the UK.
3. To use the success of the Paralympics to promote greater understanding of the issues facing disabled people and to achieve a step-change in positive attitudes; and
4. To bring the UK-wide spirit of engagement inspired by the 2012 Games to bear on the Glasgow 2014 Commonwealth Games, initially, and thereafter on comparable events or activities of national, regional and local significance throughout the UK.

The Founder wishes the Charity to ensure that throughout all of these objectives the key theme of the London 2012 Olympic and Paralympic Games of '*Inspiring a Generation*' is central to its purpose in achieving its objectives. The Founder wishes in particular that the Charity works at a strategic level with Government, with leading Olympic and Paralympic Legacy organisations and with other funders both to build on its initial endowment and maximise the impact which it can make both through its funding and through its promotion and dissemination of learning from the London 2012 Games.

In delivering its third objective (see above) the Funder wishes the Charity to work with individual disabled people as well as national representative bodies, to determine how it will seek to achieve a step-change in the wider public understanding of the issues facing disabled people.

In achieving its fourth objective (see above), the Funder wishes the Charity to build on the success of the London 2012 Games by engaging and working with the organisers of events and activities of national, regional or local significance in sport, culture and the arts, volunteering and, education and heritage.

## **Funding schemes**

The Founder wishes the Charity to concentrate its provision of funding or other resources on programmes or schemes, which meet most or all of the following six criteria:

### **1 *Involvement of communities and beneficiaries***

Identified beneficiaries should be able to identify clearly that funded programmes are in their interest and that their voices have been heard in the process of developing the programmes. That process should involve the widest cross-section as possible of the community in any discussions and should not simply rely on those members of a community who usually make their opinions known. It will be important for people to be given the opportunity to reflect on issues and to make their views count in a way which seems right to them. Stratagems for public engagement should include the use of traditional and more modern 'social' media, consultations on issues such as programme priorities, likely beneficiaries and the effects on particular communities and, where appropriate for the funding programme in question, some involvement in the grant-making process.

### **2 *Accountable partnerships***

Funding programmes should where possible be structured in order to create and develop links among agencies and between agencies and communities such that trust is built within the target beneficiary groups. The delivery of particular projects funded within an overall programme should where practicable lead to those projects being overseen and delivered by a partnership appropriate to the scale of the project, whether at national, regional or local level. Such appropriate partnerships should seek to involve among others national and local representative organisations (where appropriate), voluntary organisations, neighbourhood and community organisations, funders other than the Charity (where appropriate), local authorities (where appropriate), local health bodies (where appropriate) and actively interested local citizens. Such partnerships will need to be credible with the target beneficiary group or groups, with such groups having whenever practicable a representative voice

within the governance of the partnership such that there is a feeling of accountability both to the beneficiaries and to the Charity itself. The Charity should be mindful of the need to allow such partnerships to develop and to mature over time.

### **3 *Maximising long-term benefit for all***

Projects within overall funding programmes should seek to benefit all sections of the community in which they will operate. They should be underpinned by priorities, which will seek to secure such benefits in the longer term. Funding programmes should also seek to sustain benefit beyond the life of the funding provided by the Charity. Benefit in this context might include the exploration of a variety of ways of resourcing activities at national, regional or local level, as well as sharing the learning gained in programme delivery more widely.

### **4 *Building capacity and sharing learning***

Funding programmes should where practicable be designed to encourage projects and schemes which will encourage and enable groups and individuals in areas of benefit to improve their capacity to win resources, to exercise influence and leadership and to practise more effective self-help. Projects and schemes should aim to provide individuals and supported groups with opportunities to develop and make applications for funding and other similar support, to represent themselves, to run and take ownership of projects and to learn from other communities or groups facing comparable challenges which the Charity's funding is aiming to alleviate. Support should be provided by the Charity within the limits of resources available to it for such a purpose. The Charity's work as a whole should underpin schemes and projects which will: encourage the involvement and development of individuals, as well as groups, with a particular focus on children and young people and on disabled people; communicate achievements and celebrate success; and develop partnership working as a core element in securing funding from different sources. In particular, the Charity should collect evidence and promote learning from the programmes, schemes and projects it funds more broadly to policymakers, other funders and to other groups or communities which might benefit from such learning.

### **5 *Flexible and realistic planning***

Each funding programme should have an agreed list of objectives and priorities and a robust plan of how they are to be achieved. Regular review against performance should be undertaken. There should, though, also be sufficient flexibility within the programme management and review process to allow for new opportunities or changed circumstances which might result in a development of new objectives to be achieved over time.

### **6 *Funding being additional to public monies***

It is likely that most of the funds being distributed by the Charity within its programmes will be awarded to community and voluntary groups and enterprises. Experience has, though, shown that, in some areas, meeting community needs is best met through the actions of local authorities. In such circumstances, it will be important for the Charity's funds not simply to replace statutory funding. In all cases, the Charity will need to ensure that any funding provided to a project complies with Charity Commission rules and guidance on the appropriate uses of charitable funds.

## SCHEDULE 8

### THE CONDITIONS OF GRANT

- 1 The Objects of the Charity may not be amended or varied. Neither the powers of the Trustee nor the identity of the Trustee, may be altered or varied by or at the instance of the Trustee without the consent of the Founder. If, on a material change in the purposes or trusteeship of the Charity, or on a breach of any of these Conditions, the Founder forms the view that the Grant is not likely to be used substantially for the purposes for which it was provided, or not in accordance with these Conditions, it is entitled to the repayment of the whole or remaining part of the Grant.
- 2 In the event of any actual or proposed change by or at the instance of the Trustee in the purposes or the trusteeship of the Trust, the Founder must be notified in writing in advance and as soon as possible and the Trustee must supply such further information as the Founder may reasonably require in order to consider whether to exercise its right to demand the repayment of the whole or part of the Grant.
- 3 In the event that any part of the Grant is not required for investment, or is left uninvested without good reason for more than 3 months, the Founder may demand its return within three months.
- 4 The Grant has been made available to the Trustee to exercise the following functions:
  - 4.1. The issue, receipt, assessment, consideration and determination of applications for awards;
  - 4.2. The payment of awards;
  - 4.3. Monitoring of awards made; and
  - 4.4. Promotion of the Objects and awards made.
- 5 The Trustee will allocate funds in response to applications in a manner which is open, transparent and equitable and in accordance with criteria agreed in advance by the Founder.
- 6 The Trustee will be responsible for monitoring the use of funds including but not limited to:
  - 6.1. Taking the action required to ensure award recipients comply with their obligations to report on progress and achievements;
  - 6.2. Visiting a sample of award recipients in each year (the size of that sample to be agreed in writing with the Founder);
  - 6.3. Recording the details of assets funded by awards as required from time to time by the Founder and supplying such details to the Founder on an annual basis; and

- 6.4. Taking appropriate action to investigate any matter giving rise to a reasonable possibility that a breach of the terms and conditions of award has occurred or is likely to occur.

7 The Trustee:

- 7.1. must supply to the Founder at a frequency to be decided on by the Founder but at least quarterly reports on the distribution of income and such further accounts and other information as the Founder shall require in order to monitor the application of funds it has received from the National Lottery and satisfy itself that the Conditions of the Grant have been and continue to be met. Such reports are to be provided in accordance with guidance and in a format to be set from time to time by the Founder.
- 7.2. must supply to the Protector, at least every three months, reports on the distribution of income and such further accounts and other information (including information on the investments of the Charity) as the Protector shall reasonably require in order to enable the Protector to carry out his or her duties.

- 8 In addition to the Trustee's duty under the Trust Deed to have the accounts of the Charity audited, the Founder shall have the right to appoint an independent auditor (qualified to conduct an audit under Section 43 of the Act) to conduct an audit of the Charity's accounts and report the findings of the audit to the Founder. The Founder shall be responsible for meeting the costs of an independent auditor appointed under this paragraph.

- 9 For the purpose of an examination of the Founder's accounts or any examination, pursuant to section 6(1) of the National Audit Act 1983, of the economy, efficiency and effectiveness, with which the Founder or the Trustee have used their respective resources, the Trustee shall:

- 9.1. permit the Comptroller and Auditor General (CAG), his or her staff at the National Audit Office and agents and advisers to examine such documents as he or she may reasonably require which are owned, held or are otherwise within the control of the Trustee; and
- 9.2. produce such oral or written explanations as the CAG considers necessary

- 10 In addition to complying with the law, the report and accounts of the Charity shall contain such further information and be in such format as the Founder may require. The report and accounts of the Charity shall be delivered to the Founder within six months of the end of the accounting period of the Trustee.

- 11 The Founder shall be entitled to repayment of the whole of the Grant in any of the following circumstances:

- 11.1. the Trustee ceases to operate, is declared insolvent or is placed into receivership (other than a receiver and manager appointed under the Act) or liquidation or becomes disqualified from acting as the Trustee;

- 11.2. the Trustee fails, in any year other than during the twenty-four months following execution of the Trust Deed, to apply at least 75% of the income arising from the Trust Fund in furtherance of the Objects;
  - 11.3. the Trustee deals with or disposes of the whole or any part of the Trust Fund in an unauthorised manner including any matter referred to in Clause 11 (Conflicts of Interest and Remuneration) of the Trust Deed;
  - 11.4. the application for the Grant was completed fraudulently, or was incorrect or misleading in any material way;
  - 11.5. the Trustee (or any Director or Employee) has acted fraudulently or negligently in connection with the formation of the Charity, the investment of the Grant or the establishment and maintenance of its working procedures; or
  - 11.6. the Founder has reasonable grounds to believe that it is necessary to protect public money out of which the Grant is derived, from mismanagement or fraud.
- 12 Any agreement by the Founder to provide funds to the Trustee can only be guaranteed whilst funds are available from the National Lottery and the Founder continues to be satisfied that, taking into account the sums allocated to it within the National Lottery Distribution Fund, and the Founder's determination of relative priorities among all grant applicants, sufficient funds remain available to provide funds to the Trustee.
  - 13 Whenever the Trustee has allocated or used the Grant for acquiring freehold or leasehold land or buildings for the Objects of the Charity or use for the administrative purposes of the Charity, the property in question is not to be disposed of without the written consent of the Founder, which may require the Trustee to meet additional conditions before its consent is given.
  - 14 Whenever the Trustee seeks to appoint or reappoint staff, it must advertise the positions externally, using appropriate media.
  - 15 Whenever the Trustee seeks to procure goods, services or works for the purposes of the Charity it must, unless the value of a particular contract is worth less than £10,000, apply Competitive Tendering save where there are exceptional circumstances which make this inappropriate or the value of the goods, services or works are such that the cost and effort of Competitive Tendering would be disproportionate to the benefits which Competitive Tendering is designed to achieve. Unless the value of a particular contract is worth less than £10,000 the Trustee shall consult with the Founder where it is considering the disapplication of Competitive Tendering for the procurement of goods, services or works for the purposes of the Charity.
  - 16 Awards made in pursuance of the Objects shall be evidenced in a Distribution Agreement (which shall be in a form approved by the Founder) between the Trustee and the Recipient the terms of which shall include provision for the repayment of the amount of the award to the Trustee in such circumstances as the Trustee shall think fit.



## SCHEDULE 9

### RECOGNITION OF GRANT

#### PART I

#### RECOGNITION OF FOUNDER'S GRANT AND NATIONAL LOTTERY FUNDING

**1 Trustee use of Founder's corporate logos**

The Trustee shall recognise the National Lottery grant provided by the Founder in Published documents which are prepared for external use including the Charity's annual report and accounts, through the use of the Big Lottery Fund corporate logo and the National Lottery common brand logo as shown in the Funding Acknowledgement Guidance or the Communications Protocol without alteration.

**2 Statement**

The Trustee shall:

- 2.1 recognise the National Lottery Grant provided by the Founder in the Charity's annual report and accounts through the inclusion of the following statement:

"Spirit of 2012 was established by the Big Lottery Fund with a National Lottery grant of £40 million"

- 2.2 recognise The National Lottery Grant in all Published documents which are produced for external use through the inclusion of the following statement unless paragraph 2.1 applies:

"Spirit of 2012 was established by the Big Lottery Fund with a National Lottery grant of £40 million"

**3 Exceptions**

Where any of the documents referred to in paragraph 2 of this Schedule are of such a size that it would be impracticable to include the statement, then the statement may be omitted.

- 4 Where the amount given by the Founder is less than £40 million, the statements required in paragraph 2 of this Schedule shall be altered to reflect the actual amount given to the Trustee.

**5 Public Statements and Announcements**

- 6 The Trustee shall recognise the National Lottery Grant in all statements and announcements which are Published and all press notices issued by the Trustee about Spirit of 2012 and shall use due diligence to ensure as far as possible that grant holders acknowledge funding from the Big Lottery Fund in accordance with the Communications Protocol.

- 7 The Founder and the Trustee shall keep each other informed of any significant media interest or publicity, both regional and national, as it relates to the

Charity, especially if that interest is potentially negative or reputationally damaging. The Trustee shall endeavour to minimise the effects of any negative publicity to protect the Founder's and the National Lottery's reputation in so far as it is in the interests of the Charity to do so.

**8 Case studies**

The Trustee shall prepare and Publish case studies on a regular basis concerning Distributions which it has made in accordance with the Communications Protocol and which shall be provided to the Founder for its own use.

**9 Launches, openings and events**

The Trustee shall:

- 9.1 inform the Founder about events to be held to mark the inauguration of the Charity, invite the Founder to be represented at such events and to nominate one or more speakers and permit the Founder to promote its involvement with the establishment of the Charity and the National Lottery funds provided to the Charity at such events;
- 9.2 consult with the Founder concerning the extent of the Founder's involvement, the identity of the invitees and the timetable for the events and shall use reasonable endeavours to assist the Founder in connection with the preparation of any associated press releases.

## PART 2

### BIG LOTTERY FUND LOGO

- 1 The Founder will obtain consent for the Trustee to use the corporate logos and National Lottery common brand for use in:-
  - 1.1 promoting the Spirit of 2012; and
  - 1.2 recognising the contribution made by the Founder to the Charity,  
in published material including the Charity's annual report, award application forms, promotional materials and press releases, in print and "online", including websites.
- 2 The Trustee shall impose an obligation on Recipients to acknowledge Distributions in compliance with the Funding Acknowledgement Guidance and the Trustee shall take reasonable steps to ensure compliance by Recipients with this obligation.
- 3 The brand name and logo for Spirit of 2012 which is Published shall be made available to the Founder for use in promoting the Spirit of 2012.

**IN WITNESS** whereof the parties to the Trust Deed have hereunto set their respective hands the day and year first before written.

Executed as a deed by  
**Big Lottery Fund**

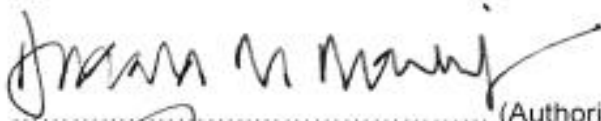
)  
)



..... (Authorised signatory)

Executed as a deed by  
**Spirit of 2012 Trustee Limited**

)  
)



..... (Authorised signatory)



..... (Authorised signatory)