

# **The Wey & Arun Canal Trust Limited**

## **Articles of Association**

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## Articles of Association

### 1 The name of the company is

## The Wey & Arun Canal Trust Limited

the principal office of which is situated in England.

### 2 Defined terms

In these Articles, unless the context requires otherwise:

**'address'** means a postal address or, for the purposes of communication in Electronic Form, a fax number, an email address, a telephone number or equivalent identifier for receiving such communications, in each case as notified to the Trust;

**'the Articles'** means the Trust's Articles of Association;

**'the Board'** means the directors who constitute the Trust's Board of Trustees;

**'clear days'** in relation to the period of a notice means a period excluding:

- 1 the day when the notice is given or deemed to be given; and
- 2 the day for which it is given or on which it is to take effect;

**'the Commission'** means the Charity Commission for England and Wales;

**'Companies Acts'** means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Trust;

**'Connected Person'** means:

- 1 a child, parent, grandchild, grandparent, brother or sister of a director;
- 2 the spouse or civil partner of a director or of any person falling within 1, above;
- 3 a person carrying on business in partnership with a director or with any person falling within 1 or 2, above;
- 4 an institution which is controlled:
  - (a) by a director or any connected person falling within clauses 1, 2 or 3, above; or
  - (b) by two or more persons falling within 4 (a), when taken together;
- 5 a body corporate in which:
  - (a) a director or any connected person falling within 1 to 3, above has a substantial interest; or
  - (b) two or more persons falling within 5(a) who, when taken together, have a substantial interest;
- 6 Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this Article.

**'the directors'** means the directors of the Trust. The directors are Trustees as defined by section 177 of the Charities Act 2011 and 'director' means each of them;

**'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;

**'Hard Copy Form'** has the meaning given in section 1168 of the Companies Act 2006;

**'member'** means a person who is admitted to membership (other than Honorary Membership) in accordance with Article 10;

**'officers'** includes the directors and the secretary (if any);

**'present'** includes being present by suitable electronic means agreed by the Board so long as those attending can exercise their rights to speak and vote and communicate with all those attending the meeting at the meeting;

**'secretary'** means any person appointed to perform the duties of the secretary of the Trust;

**'the Trust'** means The Wey & Arun Canal Trust Limited, commonly referred to as 'WACT';

**'the United Kingdom'** means Great Britain and Northern Ireland;

**'the Wey & Arun Canal'** has the meaning given in Article 4;

**'in Writing'** means 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;

Words importing one gender shall include all genders, and the singular includes the plural and *vice versa*.

Unless the context requires otherwise, words or expressions contained in the Articles have the same meaning as in the Companies Act 2006 but excluding any statutory modification not in force when these Articles become binding on the Trust.

Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

### 3 Liability of members

The liability of each of the members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the Trust in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:

- 3.1 payment of the Trust's debts and liabilities incurred before he ceases to be a member;
- 3.2 payment of the costs, charges and expenses of winding up; and
- 3.3 adjustment of the rights of the contributories among themselves.

### 4 Objects

For the purposes of these Objects 'the Wey & Arun Canal' means a waterway from the Wey Navigation in the vicinity of Gun's Mouth, Shalford, Surrey to the River Arun in the vicinity of Pallingham, West Sussex, including, but not limited to, the abandoned but partially restored Wey & Arun Junction Canal and Arun Navigation.

The Objects are, for the public benefit:

- 4.1 to promote and facilitate the restoration, preservation, conservation, protection, improvement, construction, use, and maintenance in good order, of the Wey & Arun Canal and its associated watercourses, towpaths, structures, buildings, other works and adjacent land;
- 4.2 to promote, facilitate and provide facilities for the use of the Wey & Arun Canal including the use of the Wey & Arun Canal for navigation and recreation;
- 4.3 to preserve, conserve and improve the natural environment of the Wey & Arun Canal and adjacent land and provide education and share information about it; and
- 4.4 to protect, conserve, research, and provide education and share information about:
  - (a) the heritage associated with, and
  - (b) structures, objects and sites of archaeological, architectural, engineering or historical interest of, or associated with, the Wey & Arun Canal.

## **5 Powers**

The Trust has power to do anything which is calculated to further any of its Objects or is conducive or incidental to doing so including, without limitation. the power:

- 5.1 to raise funds;
- 5.2 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- 5.3 to sell, lease or otherwise dispose of all or any part of the property belonging to the Trust. In exercising this power, the Trust shall comply as appropriate with sections 117 and 122 of the Charities Act 2011;
- 5.4 to borrow money and to charge or mortgage the whole or any part of the property belonging to the Trust as security for the repayment of the money borrowed or as security for a grant or the discharge of an obligation. The Trust shall comply as appropriate with sections 124 – 126 of the Charities Act 2011 if it wishes to charge or mortgage land;
- 5.5 to co-operate with any charitable trust, association or institution or any voluntary body or any statutory authority and to exchange information and advice with them;
- 5.6 to establish or support any charitable trust, association or institution formed for any of the charitable purposes included in any of the Objects;
- 5.7 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charitable trust, association or institution formed for any of the charitable purposes included in any of the Objects;
- 5.8 to set aside income as a reserve against future expenditure but only in accordance with a written policy regarding reserves;
- 5.9 to employ and remunerate such staff as are necessary for carrying out the work of the Trust. The Trust may employ or remunerate a director only to the extent it is permitted to do so by Article 7 below and provided it complies with the conditions in that Article;
- 5.10 to:
  - (a) deposit or invest funds;
  - (b) employ a professional fund-manager; and
  - (c) arrange for the investments or other property of the Trust to be held in the name of a nominee; in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;
- 5.11 to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

## **6 Application of income and property**

- 6.1 The income and property of the Trust shall be applied solely towards the promotion of the Objects.
- 6.2
  - (a) A director is entitled to be reimbursed from the property of the Trust or may pay out of such property reasonable expenses properly incurred by him when acting on behalf of the Trust.
  - (b) A director may benefit from trustee indemnity insurance cover purchased at the Trust's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.
  - (c) A director may receive an indemnity from the Trust in the circumstances specified in Article 51.
  - (d) A director may not receive any other benefit or payment unless it is authorised by Article 7.

- 6.3 Subject to Article 7, none of the income or property of the Trust may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to any member of the Trust. This does not prevent a member who is not also a director receiving reasonable and proper remuneration for any goods or services supplied to the Trust.

## **7 Benefits and payments to Trust directors and Connected Persons**

### **7.1 General provisions**

No director or Connected Person may:

- (a) buy any goods or services from the Trust on terms preferential to those applicable to other members of the Trust and to members of the public;
- (b) sell goods, services, or any interest in land to the Trust;
- (c) be employed by, or receive any remuneration from, the Trust;
- (d) receive any other financial benefit from the Trust;

unless the payment is permitted by Article 7.2, or is authorised by the court, or the prior written consent of the Charity Commission has been obtained.

In this Article a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

### **7.2 Scope and powers permitting directors' or Connected Persons' benefits**

- (a) A director or Connected Person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Trust where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011.
- (b) Subject to Article 7.3, a director or Connected Person may provide the Trust with goods that are not supplied in connection with services provided to the Trust by the director or connected person.
- (c) A director or Connected Person may receive interest on money lent to the Trust at a reasonable and proper rate which must be not more than the Bank of England base rate.
- (d) A director or Connected Person may receive rent for premises let by the director or connected person to the Trust. The amount of the rent and the other terms of the lease must be reasonable and proper. The director concerned must be absent from the part of any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- (e) A director or Connected Person may take part in the normal fundraising activities of the Trust on the same terms as members of the public.

### **7.3 Payment for supply of goods only – controls**

The Trust and its directors may only rely upon the authority provided by Article 7.2 (b) if each of the following conditions is satisfied:

- (a) The amount or maximum amount of the payment for the goods is set out in an agreement in Hard Copy or Electronic Form between the Trust or its directors (as the case may be) and the director or Connected Person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of the Trust;
- (b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question;
- (c) The other directors are satisfied that it is in the best interests of the Trust to contract with the supplier rather than with someone who is not a director or Connected Person. In reaching that decision such other directors must balance the advantage of contracting with a director or Connected Person against the disadvantages of doing so;

- (d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him with regard to the supply of goods to the Trust;
- (e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of directors is present at the meeting;
- (f) The reason for their decision is recorded by such other directors in the minute book;
- (g) A majority of the directors then in office are not in receipt of remuneration or payments authorised by Article 7.

7.4 In Articles 7.2 and 7.3, 'Trust' includes any company in which the Trust:

- (i) holds more than 50% of the shares; or
- (ii) controls more than 50% of the voting rights attached to the shares; or
- (iii) has the right to appoint one or more directors to the board of the company.

## **8 Declaration of directors' interests**

A director must declare the nature and extent of any interest, direct or indirect, which he has in a proposed transaction or arrangement with the Trust or in any transaction or arrangement entered into by the Trust which has not previously been declared. A director must be absent from the part of any meeting of the directors in which it is possible that a conflict will arise between his duty to act solely in the interests of the Trust and any personal interest (including but not limited to any personal financial interest).

## **9 Conflicts of interests and conflicts of loyalties**

9.1 If a conflict of interests arises for a director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

- (a) the conflicted director is absent from the part of any meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
- (b) the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and
- (c) the unconflicted directors consider it is in the interests of the Trust to authorise the conflict of interests in the circumstances applying.

9.2 In this Article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a director or to a Connected Person.

## **10 Members**

10.1 Membership is open to individuals or organisations who are supportive of the Objects of the Trust and:

- (a) apply to the Trust in the form required by the Board; and
- (b) are approved by the Board; and
- (c) pay such subscription as is from time to time prescribed by the Board.

10.2 (a) The Board may only refuse an application for membership if, acting reasonably and properly, it considers it to be in the best interests of the Trust to refuse the application.

- (b) The Board must inform the applicant in Hard Copy or Electronic Form of the reasons for the refusal within twenty-one days of the decision.
- (c) The Board must consider any written representations the applicant may make about the decision. The decision of the Board following any written representations must be notified to the applicant in Hard Copy or Electronic Form but shall be final.

- 10.3 Membership is not transferable.
- 10.4 The Board must keep a register of name and address (as defined in Clause 2) of each of the members.
- 10.5 The Board may at any time, and for good reason in its opinion, resolve to waive the subscription due from a member for a period of up to 12 months.
- 10.6 The Board may elect individuals to Honorary Membership from time to time, but such Honorary Members shall not be liable for any subscription or contribution or otherwise to the funds of the Trust and shall not be entitled to vote at general meetings.
- 10.7 The Board may invite any person, whether or not a member, to become a President, Vice-President, a Patron or a Vice-Patron of the Trust upon such terms and conditions as the Board shall from time to time decide.
- 10.8 No President, Vice-President, Patron or Vice-Patron, of the Trust being a member of the Trust, shall have any greater powers in relation to the governance and administration of the Trust than he already possesses by virtue of his membership of the Trust and, unless a member of the Trust, shall have no vote at any general meeting.

## **11 Termination of membership**

Membership (including Honorary Membership) is terminated if:

- 11.1 the member dies or, if it is an organisation, ceases to exist;
- 11.2 the member resigns by written notice to the Trust unless, after the resignation, there would be less than two members;
- 11.3 any sum due from the member to the Trust is not paid in full within six months of it falling due;
- 11.4 the member is removed from membership by a resolution of the Board that it is in the best interests of the Trust that his or its membership is terminated. A resolution to remove a member from membership may only be passed if:
  - (a) the member has been given at least twenty-one days' notice of the Board meeting at which the resolution will be proposed and the reasons why it is to be proposed;
  - (b) the member or, at the option of the member, the member's representative (who need not be a member of the Trust) has been allowed to make representations to the Board meeting.

## **12 General meetings**

- 12.1 An annual general meeting must be held in each year and not more than 18 months may elapse between successive annual general meetings.
- 12.2 The Board may call a general meeting at any time.
- 12.3 The Board may make whatever arrangements it considers appropriate for such a meeting including holding it wholly or partially by suitable electronic means agreed by the Board, so long as those attending that meeting can exercise their rights to speak and vote at it.
- 12.4 A person is able to exercise the right to speak at such a meeting when that person can communicate with all those attending that meeting during that meeting.
- 12.5 A person is able to exercise the right to vote at such a meeting when:
  - (a) that person is able to vote, during that meeting, on resolutions put to the vote at that meeting, and
  - (b) 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 that meeting.

### **13 Notice of general meetings**

- 13.1 The minimum periods of notice required to hold a general meeting of the Trust are:
- (a) twenty-one clear days for an annual general meeting or for a general meeting called for the passing of a special resolution;
  - (b) fourteen clear days for all other general meetings.
- 13.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting.
- 13.3 The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006 and Article 20.
- 13.4 The notice must be given to the members, the directors and the auditor or independent examiner (as appropriate).

### **14 Valid proceedings**

The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Trust, or by a failure of the document delivery system used.

### **15 Proceedings at general meetings**

- 15.1 No business shall be transacted at any general meeting unless a quorum is present.
- 15.2 A quorum is 10 members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.
- 15.3 The authorised representative of a member organisation shall be counted in the quorum.

### **16 Inquorate meetings**

- 16.1 If:
- (a) a quorum is not present within half an hour from the time appointed for the meeting; or
  - (b) during a meeting a quorum ceases to be present;
- the meeting shall be adjourned to such time and place as the Board shall determine.
- 16.2 The Board must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
- 16.3 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the members present in person or by proxy at that time shall constitute the quorum for that meeting.

### **17 Chairing of general meetings**

- 17.1 General meetings shall be chaired by the person who has been appointed to chair meetings of the Board.
- 17.2 If there is no such person or he is not present within fifteen minutes of the time appointed for the meeting a director nominated by the Board shall chair the meeting.
- 17.3 If there is only one director present and willing to act, he shall chair the meeting.

- 17.4 If no director is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.

## **18 Adjournment of meetings**

- 18.1 The members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- 18.2 The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- 18.3 No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- 18.4 If a meeting is adjourned by a resolution of the members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.

## **19 Voting at meetings**

- 19.1 Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:
- (a) by the person who is chairing the meeting; or
  - (b) by at least ten members present in person or by proxy and having the right to vote at the meeting.
- 19.2 (a) The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- (b) The result of the vote must be recorded in the minutes of the Trust but the number or proportion of votes cast need not be recorded.
- 19.3 (a) A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting.
- (b) If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
- 19.4 (a) A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
- (b) The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 19.5 (a) A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
- (b) A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
- (c) The poll must be taken within thirty days after it has been demanded.
- (d) If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- (e) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.
- 19.6 In the case of an equality of votes, whether on a show of hands or on a poll, the person chairing the meeting shall be entitled to a second or casting vote.

## **20 Content of proxy notices**

- 20.1 Proxies may only validly be appointed by a notice in Hard Copy or Electronic Form (a 'proxy notice') which:
- (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Board may determine; and
  - (d) is delivered to the Trust in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 20.2 The Board may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 20.3 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.
- 20.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as the proxy the discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - (b) 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.

## **21 Delivery of proxy notices**

- 21.1 A member is entitled to attend, speak and vote at a general meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Trust by or on behalf of that member.
- 21.2 An appointment under a proxy notice may be revoked by delivering to the Trust a notice in Hard Copy or Electronic Form given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 21.3 A notice revoking a proxy appointment only takes effect if it is delivered to the person who is chairing the meeting before the start of the meeting or adjourned meeting to which it relates, or it is received by the Trust at its registered office not less than two clear days before the start of the meeting.
- 21.4 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.

## **22 Written resolutions**

- 22.1 A resolution in Hard Copy or Electronic Form agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the members who would have been entitled to vote upon it, had it been proposed at a general meeting shall be effective provided that:
- (a) a copy of the proposed resolution has been sent to every member;
  - (b) a simple majority (or in the case of a special resolution a majority of not less than 75%) of members has signified its agreement to the resolution; and
  - (c) it is contained in a document which has been received at the registered office of the Trust within the period of 28 days beginning with the date on which it was sent in (a) above.
- 22.2 A resolution in Hard Copy or Electronic Form may comprise several copies of the document containing the text of the resolution and to each of which one or more members have signified their agreement.
- 22.3 In the case of a member that is an organisation, its authorised representative may signify its agreement.

## **23 Votes of members**

Every member, whether an individual or an organisation, shall have one vote.

## **24 Objection to a voter**

Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.

## **25 Voting by the representative of an organisation**

25.1 Any organisation that is a member of the Trust may nominate any person to act as its representative at any meeting of the Trust.

25.2 The organisation must give written notice to the Trust of the name of its representative. The representative shall not be entitled to represent the organisation at any meeting unless the notice is delivered to the person who is chairing the meeting before the start of the meeting or adjourned meeting to which it relates, or it is received by the Trust at its registered office not less than two clear days before the start of that meeting. The representative may continue to represent the organisation until written notice to the contrary is received by the Trust.

25.3 Any notice given to the Trust will be conclusive evidence that the representative is entitled to represent the organisation or that his authority has been revoked. The Trust shall not be required to consider whether the representative has been properly appointed by the organisation.

## **26 Directors**

26.1 A director must be a natural person aged 18 years or older who is a member.

26.2 No one may be appointed a director if he would be disqualified from acting under the provisions of Article 34.

## **27 Number of directors**

The minimum number of directors shall be 5 but (unless otherwise determined by ordinary resolution of the members) shall not be subject to any maximum.

## **28 Alternate directors**

A director may not appoint an alternate director or anyone to act on his behalf at Board meetings of the directors, or at meetings of a committee of the directors.

## **29 Powers of directors**

29.1 The directors shall manage the business of the Trust and may exercise all the powers of the Trust unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any special resolution.

29.2 No alteration of the Articles or any special resolution shall have retrospective effect to invalidate any prior act of the Board or of any of the directors.

29.3 Any Board meeting at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors.

### **30 Retirement by rotation**

- 30.1 One third of the directors shall retire at each annual general meeting. If their number is not a multiple of three, the number nearest to one-third, must retire from office. The directors to retire by rotation shall be those who have been longest in office since their last appointment. If any directors became or were appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 30.2 If a director is required to retire at an annual general meeting by a provision of the Articles the retirement shall take effect upon the conclusion of the meeting.

### **31 Appointment of directors**

- 31.1 The Trust may by ordinary resolution appoint a person who is willing to act to be a director.
- 31.2 No person other than a director retiring by rotation may be appointed a director at any general meeting unless:
- (a) he is recommended for re-election by the Board; or
  - (b) not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Trust is given a notice that:
    - i) is signed by a member entitled to vote at the meeting;
    - ii) states the member's intention to propose the appointment of a person as a director;
    - iii) contains the details that, if the person were to be appointed, the Trust would have to file at Companies House; and
    - iv) is signed by the person who is to be proposed to show his willingness to be appointed.

### **32 Notice of appointment of a director at general meetings**

All members who are entitled to receive notice of a general meeting must be given not less than seven clear days' notice of any resolution to be put to the meeting to appoint a director other than a director who is to retire by rotation or who is recommended for election by the board.

### **33 Directors' appointment of a director**

- 33.1 The Board may at any time resolve to appoint a person who is willing to act to be a director.
- 33.2 A director appointed by such a resolution of the Board must retire at the next annual general meeting and must not be taken into account in determining the directors who are to retire by rotation.

### **34 Disqualification and removal of directors**

A director shall cease to hold office if he:

- 34.1 ceases to be a director by virtue of any provision in the Companies Acts or is prohibited by law from being a director;
- 34.2 is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011;
- 34.3 ceases to be a member of the Trust;
- 34.4 in the written opinion, given to the Trust, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 34.5 resigns as a director by notice given to the Trust (but only if at least five directors will remain in office when the notice of resignation is to take effect); or

34.6 is absent without the permission of the Board from all of its meetings held within a period of six consecutive months and the Board resolves that his office be vacated.

### **35 Remuneration of directors**

The directors shall not be paid any remuneration unless it is authorised by Article 7.

### **36 Proceedings of the Board**

36.1 The Board may regulate its proceedings as it thinks fit, subject to the provisions of the Articles.

36.2 Any director may call a Board meeting.

36.3 The secretary (if any) must call a Board meeting if requested to do so by a director.

36.4 All of the directors must be given notice of a Board Meeting by any of the means provided for in Article 48.1.

36.5 Questions arising at a Board meeting shall be decided by a majority of votes.

36.6 In the case of an equality of votes, the person who is chairing the Board meeting shall have a second or casting vote.

36.7 The Board may make whatever arrangements it considers appropriate for such a meeting including holding it wholly or partially by suitable electronic means, so long as those attending a Board meeting can exercise their rights to speak, communicate with all those attending the meeting and vote at it.

### **37 Quorum for decisions of directors**

37.1 No decision may be made by a Board meeting unless a quorum is present at the time the decision is purported to be made.

37.2 The quorum shall be two or the number nearest to one-third of the total number of directors, whichever is the greater, or such larger number as may be decided from time to time by the Board.

37.3 A director shall not be counted in the quorum present when any decision is made about a matter upon which that director is not entitled to vote.

### **38 Inquorate Board meetings**

If the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

### **39 Chairing of Board meetings**

39.1 The Board shall appoint a director to chair its meetings and may at any time revoke such appointment.

39.2 If no-one has been appointed to chair Board meetings or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the directors present may appoint one of their number to chair that meeting.

39.3 The person appointed to chair Board meetings shall have no functions or powers except those conferred by the Articles or delegated to him by the Board.

### **40 Resolutions of directors outside meetings**

40.1 A resolution in Hard Copy or Electronic Form agreed by a majority of the directors shall be as valid and effectual as if it had been passed at an in-person Board meeting duly convened and held.

40.2 The resolution in Hard Copy or Electronic Form may comprise several copies of the document containing the text of the resolution and to each of which one or more directors has signified their agreement.

## **41 Delegation**

41.1 The Board may delegate any of its powers or functions to a committee of two or more directors but the terms of any delegation must be recorded in the minute book.

41.2 The Board may impose conditions when delegating, including the conditions that:

- (a) the relevant powers are to be exercised exclusively by the committee to which they delegate;
- (b) no expenditure may be incurred on behalf of the Trust except in accordance with a budget previously agreed by the Board.

41.3 The Board may revoke or alter a delegation.

41.4 All acts and proceedings of any committees must be fully and promptly reported to the Board.

## **42 Validity of directors' decisions**

42.1 Subject to Article 42.2, all acts done by a Board meeting, or by a meeting of a committee of directors, shall be valid notwithstanding the participation in any vote of a director:

- (a) who was disqualified from holding office;
- (b) who had previously retired or who had been obliged by the Articles to vacate office;
- (c) who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if without:

- (d) the vote of that director; and
- (e) that director being counted in the quorum,

the decision has been made by a majority of the directors at a quorate meeting.

42.2 Article 42.1 does not permit a director or a Connected Person to keep any benefit that may be conferred upon him by a resolution of the Board or of a committee of directors if, but for Article 42.1, the resolution would have been void, or if the director has not complied with Article 7 and Article 8.

## **43 Minutes**

The Board must keep minutes of all:

43.1 appointments of officers made by the Board;

43.2 proceedings at meetings of the Trust;

43.3 Board meetings and committees of directors including:

- (a) the names of the directors present at the meeting;
- (b) the decisions made at the meetings; and
- (c) where appropriate the reasons for the decisions.

## **44 Accounts**

44.1 The Board must prepare accounts for each financial year as required by the Companies Acts.

44.2 The Board shall appoint an auditor or independent examiner as required under the Charities Act 2011.

- 44.3 The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.
- 44.4 Such accounts shall be presented to the next annual general meeting following the end of the year to which they relate.
- 44.5 The Board must keep accounting records as required by the Companies Act.

#### **45 Annual Report and Return and Register of Charities**

- 45.1 The Board must comply with the requirements of the Charities Act 2011 with regard to the:
  - (a) transmission of a copy of the statements of account to the Commission;
  - (b) preparation of an Annual Report and the transmission of a copy of it to the Commission;
  - (c) preparation of an Annual Return and its transmission to the Commission.
- 45.2 The Board must notify the Commission promptly of any changes to the Trust's entry on the Central Register of Charities.

#### **46 Means of communication to be used**

- 46.1 Subject to the Articles, anything sent or supplied by or to the Trust 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 Trust.
- 46.2 Any notice or document to be sent or supplied to a director in connection with the taking of decisions by the Board may be sent or supplied in Hard Copy or Electronic Form.

#### **47 Giving of notice**

Any notice to be given to or by any person pursuant to the Articles must be given in Hard Copy or Electronic Form.

#### **48 Notices to members**

- 48.1 The Trust may give any notice to a member either:
  - (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the member at his or its address; or
  - (c) by leaving it at the address of the member; or
  - (d) by giving it in Electronic Form to the member's address; or
  - (e) by placing the notice on a website and providing the member with a notification in Hard Copy or in Electronic Form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place, date and time of the meeting.
- 48.2 A member who does not register an address with the Trust or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Trust.

## **49 Implication of presence at any meeting**

A member present at any meeting of the Trust shall be deemed to have received notice of the meeting and of the purposes for which it was called.

## **50 Proof of notice given**

50.1 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

50.2 Proof that an Electronic Form of notice was given shall be conclusive where the Trust can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.

50.3 In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:

- (a) 48 hours after the envelope containing it was posted; or
- (b) in the case of a communication in Electronic Form, 48 hours after it was sent.

## **51 Indemnity**

51.1 The Trust shall indemnify a relevant director against any liability incurred in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.

51.2 In this Article a 'relevant director' means any director or former director of the Trust.

## **52 Rules and Byelaws**

52.1 The Board may from time to time make such reasonable and proper rules or byelaws as it may deem necessary or expedient for the proper conduct and management of the Trust.

52.2 The rules and byelaws may regulate the following matters but are not restricted to them:

- (a) the admission of members of the Trust (including the admission of organisations to membership) and the rights and privileges of such members, and the entrance fees, subscriptions and other fees or payments to be made by members;
- (b) the conduct of members of the Trust in relation to one another, and to the Trust's employees and volunteers;
- (c) the setting aside of the whole or any part or parts of the Trust's premises at any particular time or times or for any particular purpose or purposes;
- (d) the procedure at general meetings and Board meetings in so far as such procedure is not regulated by the Companies Acts or by the Articles.

52.3 The Trust in general meeting has the power to alter, add to or repeal any or all of the rules or byelaws.

52.4 The Board must adopt such means as it thinks sufficient to bring the rules and byelaws to the notice of members.

52.5 The rules or byelaws shall be binding on all members. No rule or byelaw shall be inconsistent with, or shall affect or repeal, anything contained in the Articles.

## **53 Disputes**

If a dispute arises between members of the Trust about the validity or propriety of anything done by the members under these Articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

## 54 Dissolution

- 54.1 The members may at any time before, and in expectation of, its dissolution resolve that any net assets of the Trust after all its debts and liabilities have been paid, or provision has been made for them shall, on or before the dissolution of the Trust, be applied or transferred in any of the following ways:
- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities for purposes similar to the Objects; or
  - (c) to any charity or charities for use for particular purposes that fall within the Objects; or
  - (d) directly for, or by transfer to any charity or charities for use for, the restoration, preservation, conservation, protection, improvement, construction, use and maintenance in good order of any canals, navigable waterways and inland waterways of the British Isles.
- 54.2 Subject to any such resolution of the members of the Trust, the Board may at any time before and in expectation of its dissolution resolve that any net assets of the Trust after all its debts and liabilities have been paid, or provision made for them shall, on or before dissolution of the Trust, be applied or transferred:
- (a) directly for the Objects; or
  - (b) by transfer to any charity or charities for purposes similar to the Objects; or
  - (c) to any charity or charities for use for particular purposes that fall within the Objects; or
  - (d) directly for, or by transfer to any charity or charities for use for, the restoration, preservation, conservation, protection, improvement, construction, use and maintenance in good order of any canals, navigable waterways and inland waterways of the British Isles.
- 54.3 In no circumstances shall the net assets of the Trust be paid to or distributed among the members (except to a member that is itself a charity) and if no resolution in accordance with Article 54.1 is passed by the members or by the Board, the net assets of the Trust shall be applied for charitable purposes as directed by the Court or the Commission.