

**The Companies Act 2006
Company Limited by Guarantee and
not having a Share Capital**

Articles of Association

of

Canal & River Trust

As adopted by Special Resolution passed on 26.09.2018

The Companies Act 2006

Company Limited by Guarantee and not having a Share Capital

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Articles of Association of Canal & River Trust

INTERPRETATION

1. Defined terms

The interpretation of these Articles is governed by the provisions set out in the Schedule at the end of the Articles.

OBJECTS AND POWERS

2. Objects

The Trust's objects are:

- 2.1 to preserve, protect, operate and manage Inland Waterways for public benefit:
 - 2.1.1 for navigation;
 - 2.1.2 for walking on towpaths; and
 - 2.1.3 for recreation or other leisure-time pursuits of the public in the interest of their health and social welfare;
- 2.2 to protect and conserve for public benefit sites, objects and buildings of archaeological, architectural, engineering or historic interest on, in the vicinity of, or otherwise associated with Inland Waterways;
- 2.3 to further for the public benefit the conservation protection and improvement of the natural environment and landscape of Inland Waterways;
- 2.4 to promote, facilitate, undertake and assist in, for public benefit, the restoration and improvement of Inland Waterways;
- 2.5 to promote and facilitate for public benefit awareness, learning and education about Inland Waterways, their history, development, use, operation and cultural heritage by all appropriate means including the provision of museums;
- 2.6 to promote sustainable development in the vicinity of any Inland Waterway for the benefit of the public, in particular by:
 - 2.6.1 the improvement of the conditions of life in socially and economically disadvantaged communities in such vicinity; and

2.6.2 the promotion of sustainable means of achieving economic growth and regeneration and the prudent use of natural resources; and

2.7 to further any purpose which is exclusively charitable under the law of England and Wales connected with Inland Waterways;

provided that in each case where the Trust undertakes work in relation to property which it does not own or hold in trust, any private benefit to the owner of the property is merely incidental.

3. Powers

To further its objects the Trust may:

3.1 accept a transfer of any of the property, assets, undertaking, functions, responsibilities of any navigation authority, harbour authority or conservancy authority; and of any other person undertaking similar activities or functions or activities or functions that can conveniently be combined with such activities and functions;

3.2 act as trustee of any trust comprising real or personal estate and which, in the opinion of the Trust is calculated to further the aims and objects of the Trust and as such trustee carry out such trusts on the terms and conditions imposed in the instrument creating the same;

3.3 make reasonable charges for the use of the Inland Waterways it holds in trust, owns, operates or manages (including use by any ship or boat), and for the use of any services and facilities (including land set aside for specific purposes);

3.4 do any of the things that the British Waterways Board had power to do at the date of incorporation of the Trust (12 October 2011) that are conducive or incidental to the attainment or furtherance of the objects and carry on any trade provided that in doing so the Trust must not undertake any trading activity save in so far as either the trade is exercised in the course of the actual carrying out of an object or is ancillary to the carrying out of the objects or which is not expected to give rise to taxable profits;

3.5 provide and assist in the provision of money, materials or other help;

3.6 organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures and other educational activities;

3.7 publish and distribute books, pamphlets, reports, leaflets, journals, films, tapes and instructional matter on any medium;

3.8 promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available;

3.9 provide or procure the provision of guidance;

- 3.10 alone or with other organisations seek to influence public opinion and make representations to and seek to influence governmental and other bodies and institutions regarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to those which an English and Welsh charity may properly undertake;
- 3.11 enter into contracts to provide services to or on behalf of other bodies;
- 3.12 acquire or rent any property of any kind and any rights or privileges in and over property and construct, maintain, alter and equip any buildings or facilities;
- 3.13 dispose of or deal with all or any of its property with or without payment and subject to such conditions as the Trustees think fit (in exercising this power the Trust must comply as appropriate with the Charities Act 2011);
- 3.14 borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds, including charging property as security for the repayment of money borrowed or as security for a grant or the discharge of an obligation (the Trust must comply as appropriate with the Charities Act 2011 if it wishes to mortgage land);
- 3.15 set aside funds for special purposes or as reserves against future expenditure but only in accordance with a written policy about reserves;
- 3.16 invest the Trust's money not immediately required for its objects in or upon any investments, securities, or property;
- 3.17 arrange for investments or other property of the Trust to be held in the name of a nominee or nominees and pay any reasonable fee required;
- 3.18 lend money and give credit to, take security for such loans or credit and guarantee or give security for the performance of contracts by any person or company;
- 3.19 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.20 accept (or disclaim) gifts of money and any other property;
- 3.21 raise funds by way of subscription, donation or otherwise;
- 3.22 incorporate and acquire subsidiary companies to carry on any trade;
- 3.23 subject to Article 4 (application of income and property):
 - 3.23.1 engage and pay employees, consultants and professional or other advisers;
and
 - 3.23.2 make reasonable provision for the payment of pensions and other retirement benefits to or on behalf of employees and their spouses and dependants;

- 3.24 establish and support or aid in the establishment and support of any other organisations and subscribe, lend or guarantee money or property for charitable purposes;
- 3.25 become a member, associate or affiliate of or act as trustee or appoint trustees of any other organisation (including without limitation any charitable trust of permanent endowment property held for any of the charitable purposes included in the Trust's objects);
- 3.26 undertake and execute charitable trusts;
- 3.27 amalgamate or merge with or acquire or undertake all or any of the property, liabilities and engagements of any body;
- 3.28 co-operate with charities, voluntary bodies, statutory authorities and other bodies and exchange information and advice with them;
- 3.29 pay out of the funds of the Trust the costs of forming and registering the Trust;
- 3.30 insure the property of the Trust against any foreseeable risk and take out other insurance policies as are considered necessary by the Trustees to protect the Trust;
- 3.31 provide indemnity insurance for the Trustees or any other officer of the Trust in accordance with, and subject to the conditions in, Section 189 of the Charities Act 2011 (provided that in the case of an officer who is not a Trustee, the second and third references to "charity trustees" in Section 189(1) shall be treated as references to officers of the Trust); and
- 3.32 do all such other lawful things as may further the Trust's objects.

LIMITATION ON PRIVATE BENEFITS

4. Application of income and property

- 4.1 The income and property of the Trust shall be applied solely towards the promotion of its objects.

Permitted benefits to Members

- 4.2 No part of the income and 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 shall not prevent any payment in good faith by the Trust of:
 - 4.2.1 any payments made to any Member in his, her or its capacity as a beneficiary of the Trust;
 - 4.2.2 reasonable and proper remuneration to any Member for any goods or services supplied to the Trust (including services performed by the Member

under a contract of employment with the Trust), provided that if such Member is a Trustee Articles 4.3, 4.4 and 4.5 shall apply;

- 4.2.3 interest at a reasonable and proper rate on money lent by any Member to the Trust;
- 4.2.4 any reasonable and proper rent for premises let by any Member to the Trust; and
- 4.2.5 for the avoidance of doubt any payments made or payable to the B Member pursuant to the terms of any grant or funding agreement entered into between the Trust and the B Member

Permitted benefits to Trustees and Connected Persons

4.3 No Trustee may:

- 4.3.1 sell goods, services or any interest in land to the Trust;
- 4.3.2 be employed by, or receive any remuneration from, the Trust; or
- 4.3.3 receive any other financial benefit from the Trust;

unless the payment is permitted by Articles 4.4 or 4.5 or authorised in Writing by the Charity Commission.

4.4 A Trustee may receive the following benefits from the Trust:

- 4.4.1 a Trustee or person Connected to a Trustee may receive a benefit from the Trust in his, her or its capacity as a beneficiary of the Trust;
- 4.4.2 a Trustee or person Connected to a Trustee may be reimbursed by the Trust for, or may pay out of the Trust's property, reasonable expenses properly incurred by him, her or it when acting on behalf of the Trust;
- 4.4.3 a Trustee or person Connected to a Trustee may be paid reasonable and proper remuneration by the Trust for any goods or services supplied to the Trust on the instructions of the Trustees (excluding, in the case of a Trustee, the service of acting as Trustee and services performed under a contract of employment with the Trust) provided that this provision and Article 4.5.3 may not apply to more than half of the Trustees in any financial year (and for these purposes this provision shall be treated as applying to a Trustee if it applies to a person who is a person Connected to that Trustee);
- 4.4.4 a Trustee or person Connected to a Trustee may receive interest at a reasonable and proper rate on money lent to the Trust;
- 4.4.5 a Trustee or person Connected to a Trustee may receive reasonable and proper rent for premises let to the Trust;

- 4.4.6 the Trust may pay reasonable and proper premiums in respect of indemnity insurance effected in accordance with Article 3.31; and
- 4.4.7 a Trustee or other officer of the Trust may receive payment under an indemnity from the Trust in accordance with the indemnity provisions set out at Article 6;

provided that where benefits are conferred under Article 4.4, Article 18 (Conflicts of Interest) must be complied with by the relevant Trustee in relation to any decisions regarding the benefit.

Subsidiary Companies

- 4.5 A Trustee may receive the following benefits from any Subsidiary Company:
 - 4.5.1 a Trustee or a person Connected to a Trustee may receive a benefit from any Subsidiary Company in his, her or its capacity as a beneficiary of the Trust or of any Subsidiary Company;
 - 4.5.2 a Trustee or a person Connected to a Trustee may be reimbursed by any Subsidiary Company for, or may pay out of any Subsidiary Company's property, reasonable expenses properly incurred by him, her or it when acting on behalf of any Subsidiary Company;
 - 4.5.3 a Trustee or a person Connected to a Trustee may be paid reasonable and proper remuneration by any Subsidiary Company for any goods or services supplied to any Subsidiary Company, with the approval of the Trustees, (including services performed under a contract of employment with any Subsidiary Company or otherwise) provided that this provision and Article 4.4.3 may not apply to more than half of the Trustees in any financial year (and for these purposes this provision shall be treated as applying to a Trustee if it applies to a person Connected to that Trustee);
 - 4.5.4 a Trustee or a person Connected to a Trustee may, with the approval of the Trustees, receive interest at a reasonable and proper rate on money lent to any Subsidiary Company;
 - 4.5.5 a Trustee or a person Connected to a Trustee may, with the approval of the Trustees, receive reasonable and proper rent for premises let to any Subsidiary Company;
 - 4.5.6 any Subsidiary Company may pay reasonable and proper premiums in respect of indemnity insurance for its directors and officers; and
 - 4.5.7 a Trustee or a person Connected to a Trustee may receive payment under an indemnity from any Subsidiary Company in accordance with the constitution of the relevant Subsidiary Company;

provided that the affected Trustee may not take part in any decision of the Trustees to approve a benefit under Articles 4.5.3, 4.5.4 or 4.5.5.

LIMITATION OF LIABILITY AND INDEMNITY

5. Liability of Members

- 5.1 The liability of the Members is limited.
- 5.2 Every Member of the Trust promises, if the trust is dissolved while he, she or it is a Member or 12 months after he or she ceases to be a Member, to contribute such sum (not exceeding £10) as may be demanded of him or her towards the payment of the debts and liabilities of the Trust incurred before he, she ceases to be a Member, and of the costs, charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

6. Indemnity

Without prejudice to any indemnity to which a Trustee may otherwise be entitled, every Trustee of the Trust shall be indemnified out of the assets of the Trust in relation to any liability incurred by him or her in that capacity but only to the extent permitted by the Companies Acts; and every other officer of the Trust may be indemnified out of the assets of the Trust in relation to any liability incurred by him or her in that capacity, but only to the extent permitted by the Companies Acts.

TRUSTEES

TRUSTEES' POWERS AND RESPONSIBILITIES

7. Trustees' general authority

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

8. Chair

- 8.1 The Trustees must appoint one of their number to be the Chair of the Trustees.
- 8.2 The Chair shall remain in office as Chair until his or her current term of office as a Trustee expires or he or she ceases to be a Trustee for any other reason pursuant to Article 24.

9. Trustees may delegate

- 9.1 Subject to the Articles, the Trustees may delegate any of their powers or functions to any committee.

- 9.2 Subject to the Articles, the Trustees may delegate the implementation of their decisions or day to day management of the affairs of the Trust to any person or committee.
- 9.3 Any delegation by the Trustees may be:
- 9.3.1 by such means (including by power of attorney);
 - 9.3.2 to such an extent;
 - 9.3.3 in relation to such matters or territories; and
 - 9.3.4 on such terms and conditions;
- as they think fit.
- 9.4 The Trustees may authorise further delegation of the relevant powers, functions, implementation of decisions or day to day management by any person or committee to whom they are delegated.
- 9.5 The Trustees may revoke any delegation in whole or part, or alter its terms and conditions.
- 9.6 The Trustees may by power of attorney or otherwise appoint any person to be the agent of the Trust for such purposes and on such conditions as they determine.
- 9.7 Any delegations shall be recorded in the minutes of the meetings of the Trustees or in a scheme of delegation authorised by the Trustees.

10. Delegation of investment management

The Trustees may delegate the management of investments to an Expert or Experts provided that:

- 10.1 the investment policy is set down in Writing for the Expert or Experts by the Trustees;
- 10.2 timely reports of transactions are provided to the Trustees;
- 10.3 the performance of the investments is reviewed regularly with the Trustees;
- 10.4 the Trustees are entitled to cancel the delegation arrangement at any time;
- 10.5 the investment policy and the delegation arrangements are reviewed regularly;
- 10.6 all payments due to the Expert or Experts are on a scale or at a level which is agreed in advance; and
- 10.7 the Expert or Experts must not do anything outside the powers of the Trustees.

11. Rules

- 11.1 The Council may from time to time by ordinary resolution, but only on recommendation from the Trustees, make, repeal or alter such rules as they think fit as to the governance of the Trust and its affairs to supplement these Articles. The rules shall be binding on all Members of the Trust. No rule shall be inconsistent with the Companies Acts, the Articles or any rule of law.
- 11.2 The first Rules to be adopted following the adoption of these Articles shall not take effect unless and until they are approved in writing by the B Member.
- 11.3 The Rules may regulate the following matters but are not restricted to them:
- 11.3.1 the appointment of Trustees;
 - 11.3.2 the composition, appointment, terms of office and conduct of the Council;
 - 11.3.3 the appointment and role of Patrons;
 - 11.3.4 the composition, appointment and role of Waterways Partnerships;
 - 11.3.5 the appointment and role of any other advisors or any advisory groups;
 - 11.3.6 the procedure at Council meetings;
 - 11.3.7 the composition, appointment and role of the Appointments Committee;
 - 11.3.8 the conduct of business of the Trustees of any committee (including, without limitation, how the Trustees make decisions and how such rules are to be recorded or communicated to Trustees);
 - 11.3.9 the duties of any officers or employees of the Trust;
 - 11.3.10 any of the matters or things within the powers or under the control of the Trustees; and
 - 11.3.11 generally, all such matters as are commonly the subject matter of company rules.

DECISION-MAKING BY TRUSTEES

12. Trustees to take decisions collectively

Any decision of the Trustees must be either:

- 12.1 by decision of a majority of the Trustees present and voting at a quorate Trustees' meeting; or
- 12.2 a unanimous decision taken in accordance with Article 17.

13. Calling a Trustees' meeting

- 13.1 The Trustees shall meet no fewer than four times in each year.
- 13.2 Any Trustee may (and the Secretary, if any, must at the request of a Trustee) call a Trustees' meeting.
- 13.3 A Trustees' meeting must be called by at least seven Clear Days' notice unless either:
 - 13.3.1 all the Trustees agree; or
 - 13.3.2 urgent circumstances require shorter notice.
- 13.4 Notice of Trustees' meetings must be given to each Trustee.
- 13.5 Every notice calling a Trustees' meeting must specify:
 - 13.5.1 the place, day and time of the meeting;
 - 13.5.2 the general nature of the business to be considered at such meeting; and
 - 13.5.3 if it is anticipated that Trustees participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 13.6 Notice of Trustees' meetings need not be in Writing.
- 13.7 Article 51 shall apply, and notice of Trustees' meetings may be sent by Electronic Means to an Address provided by the Trustee for the purpose.

14. Participation in Trustees' meetings

- 14.1 Subject to the Articles, Trustees participate in a Trustees' meeting, or part of a Trustees' meeting, when:
 - 14.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 14.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 14.2 In determining whether Trustees are participating in a Trustees' meeting, it is irrelevant where any Trustee is or how they communicate with each other provided that they may communicate with one another simultaneously.
- 14.3 If all the Trustees participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

15. Quorum for Trustees' meetings

- 15.1 At a Trustees' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 15.2 The quorum for Trustees' meetings may be fixed from time to time by a decision of the Trustees, but it must never be less than three or one-third of the total number of Trustees for the time being, whichever is the greater, and unless otherwise fixed it is three or one-third of the total number of Trustees, whichever is the greater.
- 15.3 If the total number of Trustees for the time being is less than the quorum required, the Trustees must not take any decision other than a decision:
- 15.3.1 to appoint further Trustees; or
 - 15.3.2 to call a general meeting so as to enable the Members to appoint further Trustees.

16. Chairing of Trustees' meetings

The Chair, if any, or in his or her absence another Trustee nominated by the Trustees present shall preside as chair of each Trustees' meeting.

17. Unanimous decisions without a meeting

- 17.1 A decision is taken in accordance with this Article 17 when all of the Trustees indicate to each other by any means (including without limitation by Electronic Means) that they share a common view on a matter. The Trustees cannot rely on this Article to make a decision if one or more of the Trustees has a Conflict of Interest which, under Article 18, results in them not being entitled to vote.
- 17.2 Such a decision may, but need not, take the form of a resolution in Writing, copies of which have been signed by each Trustee or to which each Trustee has otherwise indicated agreement in Writing.

18. Trustee interests and management of conflicts of interest

Declaration of interests

- 18.1 Unless Article 18.2 applies, a Trustee must declare the nature and extent of:
- 18.1.1 any direct or indirect interest which he or she has in a proposed transaction or arrangement with the Trust; and
 - 18.1.2 any duty or any direct or indirect interest which he or she has which conflicts or may conflict with the interests of the Trust or his or her duties to the Trust.
- 18.2 There is no need to declare any interest or duty of which the other Trustees are, or ought reasonably to be, already aware (including if an interest or duty has already been recorded in the register of interests).

Participation in decision-making

18.3 If a Trustee's interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of duties with or in respect of the Trust, he or she is entitled to participate in the decision-making process, to be counted in the quorum and to vote in relation to the matter. Any uncertainty about whether a Trustee's interest or duty is likely to give rise to a conflict shall be determined by a majority decision of the other Trustees taking part in the decision-making process.

18.4 If a Trustee's interest or duty gives rise (or could reasonably be regarded as likely to give rise) to a conflict of interest or a conflict of duties with or in respect of the Trust, he or she may participate in the decision-making process and may be counted in the quorum and vote unless:

18.4.1 the decision could result in the Trustee or any person who is Connected with him or her receiving a benefit other than:

- (a) any benefit received in his, her or its capacity as a beneficiary of the Trust (as permitted under Article 4.4.1) and which is available generally to the beneficiaries of the Trust;
- (b) the payment of premiums in respect of indemnity insurance effected in accordance with Article 3.31;
- (c) payment under the indemnity set out at Article 6; and
- (d) reimbursement of expenses in accordance with Article 4.4.2; or

18.4.2 a majority of the other Trustees participating in the decision-making process decide to the contrary,

in which case he or she must comply with Article 18.5.

18.5 If a Trustee with a conflict of interest or conflict of duties is required to comply with this Article 18.5, he or she must:

18.5.1 take part in the decision-making process only to such extent as in the view of the other Trustees is necessary to inform the debate;

18.5.2 not be counted in the quorum for that part of the process; and

18.5.3 withdraw during the vote and have no vote on the matter.

Continuing duties to the Trust

18.6 Where a Trustee or person Connected with him or her has a conflict of interest or conflict of duties and the Trustee has complied with his or her obligations under these Articles in respect of that conflict:

18.6.1 the Trustee shall not be in breach of his or her duties to the Trust by withholding confidential information from the Trust if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her; and

18.6.2 the Trustee shall not be accountable to the Trust for any benefit expressly permitted under these Articles which he or she or any person Connected with him or her derives from any matter or from any office, employment or position.

19. Register of Trustees' interests

The Trustees must cause a register of Trustees' interests to be kept.

20. Validity of Trustee actions

All acts done by a person acting as a Trustee shall, even if afterwards discovered that there was a defect in his or her appointment or that he or she was disqualified from holding office or had vacated office, be as valid as if such person had been duly appointed and was qualified and had continued to be a Trustee.

APPOINTMENT AND RETIREMENT OF TRUSTEES

21. Number of Trustees

There shall be at least eight Trustees and no more than twelve.

22. Appointment of Trustees and retirement of Trustees by rotation

Appointment of Trustees

22.1 The appointment of the Trustees holding office on the date that these Articles are adopted shall be ratified by ordinary resolution at the next general meeting following when these Articles are adopted or by an ordinary written resolution before then, failing which any Trustee whose appointment has not been so ratified shall vacate office with effect from the end of the general meeting concerned.

22.2 Thereafter (and subject to Articles 23.3 and 30.4.1) the Appointments Committee shall propose a list of candidates for appointment as Trustees to be presented to the Council at any Annual General Meeting at which one or more vacancies will arise on the Board of Trustees, taking account of the balance of skills and experience relevant to the organisation as a whole and following a process of open advertisement. The list of candidates will contain as many proposed Trustees as there are vacancies on the Board of Trustees. The number of vacancies may be determined by the Trustees provided that the total number of Trustees shall fall within the minimum and maximum number set out in Article 21.

- 22.3 Subject to Article 23.4, the Council may appoint the candidates proposed by the Appointments Committee as a block by ordinary resolution at the Annual General Meeting.
- 22.4 The Trustees may, on a recommendation from the Appointments Committee, appoint one or more Trustees either to fill a vacancy or as an addition to those Trustees who have been appointed at an annual general meeting, provided that the total number of Trustees must not exceed the maximum number specified in the Trust's Articles. Any Trustee appointed pursuant to this Article 22.4 shall hold office only until the next annual general meeting following his or her appointment and shall automatically vacate office if he or she is not re-appointed at such meeting.

23. Retirement and reappointment of Trustees

- 23.1 At every annual general meeting the following Trustees must retire from office but may (subject to the provisions of this Article 23) offer themselves for reappointment by the Members:

- 23.1.1 twenty percent of the Trustees who are subject to retirement by rotation, or the number nearest to twenty percent;

- 23.1.2 any Trustee who was not appointed (or re-appointed) at either of the previous two annual general meetings); and

- 23.1.3 any Trustee who has been appointed since the previous annual general meeting pursuant to Article 22.4.

- 23.2 The following rules shall apply to determine who shall retire by rotation under Rule 23.1.1:

- 23.2.1 The Trustees to retire by rotation shall be those who have been longest in office since their last appointment or reappointment.

- 23.2.2 As between persons who became or were last reappointed Trustees on the same day those to retire shall (unless they otherwise agree among themselves) be decided by lot.

- 23.2.3 Trustees appointed by the Trustees under Article 22.4 shall not be taken into account in determining the Trustees who are to retire by rotation.

- 23.3 A Trustee proposed for re-appointment at the Annual General Meeting need not have been part of a selection process involving open advertisement pursuant to Article 22.2

Deemed reappointment

- 23.4 If the Trust at the meeting at which a Trustee retires by virtue of Article 23.1.1 does not fill the vacancy, the retiring Trustee will, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless

a resolution for the reappointment of the Trustee is put to the meeting and lost. If this occurs further general meetings (other than an Annual General Meeting) may be convened at which the Appointments Committee may propose alternative candidates for appointment as Trustees to replace those Trustees who would have vacated office at the Annual General Meeting were it not for the operation of this Article 23.4. The Council may appoint such candidates as a block by ordinary resolution at a general meeting and if such appointments are made, those Trustees due to retire shall vacate office at the conclusion of the meeting at which a replacing appointment is made.

Maximum term

23.5 Subject to Article 23.6, a Trustee who has served for two consecutive terms of office must take a break from office and may not be reappointed until the earlier of:

23.5.1 the first anniversary of the commencement of his or her break from office; and

23.5.2 if applicable, the annual general meeting following the annual general meeting at which his or her break from office commenced.

For the purposes of this Article 23.5 a term of office shall not include a term for which the Trustee was co-opted by a decision of the Trustees pursuant to Article 22.4 (nor any term of office which the Trustee served prior to the adoption of these Articles).

23.6 A Trustee who holds office as the Chair at the date when he or she would otherwise be required to retire from office pursuant to Article 23.5 may be reappointed for one additional consecutive term as a Trustee before he or she must vacate office as Trustee in accordance with Article 23.5.

Timing of retirement

23.7 A Trustee who retires at an annual general meeting and who is not reappointed shall retain office until either:

23.7.1 the meeting appoints someone in his or her place; or

23.7.2 (if no one is appointed in his or her place and he or she is not deemed to be reappointed pursuant to Article 23.4) until the end of the meeting.

General

23.8 A Trustee may not appoint an alternate director or anyone to act on his or her behalf at meetings of the Trustees.

24. Disqualification and removal of Trustees

A Trustee shall cease to hold office if:

- 24.1 he or she reaches the end of his or her term of office as prescribed in the Rules and is not reappointed;
- 24.2 he or she ceases to be a director by virtue of any provision of the Companies Act 2006, or is prohibited from being a director by law;
- 24.3 he or she is disqualified under the Charities Act 2011 from acting as a trustee of a charity;
- 24.4 a bankruptcy order is made against him or her, or an order is made against him or her in individual insolvency proceedings in a jurisdiction other than England and Wales which have an effect similar to that of bankruptcy;
- 24.5 a composition is made with his or her creditors generally in satisfaction of his or her debts;
- 24.6 the Trustees reasonably believe he or she has become physically or mentally incapable of managing his or her own affairs and they resolve that he or she be removed from office;
- 24.7 notification is received by the Trust from him or her that he or she is resigning from office, and such resignation has taken effect in accordance with its terms;
- 24.8 he or she fails to attend all of the Trustees' meetings held within a period of six months and the Trustees resolve that he or she be removed for this reason;
- 24.9 at a general meeting of the Trust, a resolution is passed that he or she be removed from office, provided the meeting has invited his or her views and considered the matter in the light of such views; or
- 24.10 he or she is removed from office by the B Member exercising the Special Powers.

PATRONS

25. Patrons

- 25.1 The Trustees may appoint and remove any individual(s) as patron(s) of the Trust on such terms as they shall think fit. The appointment of a Patron shall normally be for a fixed period of time specified by the Trustees on appointment, but may be renewed for further terms at the Trustees' discretion.
- 25.2 A patron (if not a Member) shall have the right to be given notice of, to attend and speak (but not vote) at any general meeting of the Trust and shall also have the right to receive accounts of the Trust when available to Members.

ADVISORY BODIES

26. Advisory Bodies

- 26.1 The Trustees shall recommend rules to the Council for establishing a structure of advisory Waterways Partnerships by reference to particular functions or particular geographical territories to provide advice and support to the Trust's management of those functions or territories.
- 26.2 The Trustees or chief executive may also establish other advisory committees or groups as they think fit to provide other technical support or advice to the Trust's management.

APPOINTMENTS COMMITTEE

27. Appointments Committee

- 27.1 There shall be an Appointments Committee which shall be a joint committee of the Board and the Council comprising an equal number of Trustees and A Members (being no fewer than two of each).
- 27.2 The role of the Appointments Committee shall be, through an open and transparent process to:
 - 27.2.1 identify from time to time appropriate constituencies which shall be invited to nominate or elect persons to serve on the Council pursuant to Article 29.3;
 - 27.2.2 recommend from time to time whether the Rules should provide for the Council seats in respect of a particular stakeholder constituency to be filled by an election process or through nominations (or a combination of the two), and in the case of nominations, identify appropriate stakeholder bodies or groups which shall be invited to make the nominations;
 - 27.2.3 identify and co-opt no more than five persons or 10% of the total membership of the Council (whichever is the less) onto the Council to promote a suitable balance of knowledge, experience and representative qualities on the Council;
 - 27.2.4 manage the recruitment process for the Board of Trustees and make recommendations to the Council pursuant to Article 22.2; and
 - 27.2.5 appoint the chairs of Waterways Partnerships, who shall become A Members and join the Council on appointment *ex officio*.

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

28. Classes of Member

28.1 There shall be two classes of Members, as follows:

28.1.1 “A Members” shall be those individuals who serve on the Council, appointed in accordance with Article 29 and the Rules, and collectively the A Members shall be known as the Council.

28.1.2 The “B Member” who shall be the Secretary of State for Environment, Food and Rural Affairs;

29. The Council

29.1 The first Council shall comprise those individuals who are recognised as A Members in the resolutions passed by the subscribers to the Memorandum to adopt these Articles of Association. They shall each become an A Member on confirming in writing their willingness to be appointed as such.

29.2 Thereafter, a person shall become an A Member on being appointed or elected to the Council and confirming his or her willingness to become an A Member. There shall be no more than 50 A Members.

29.3 The Council shall comprise those individuals who are nominated or elected in accordance with Article 27 and the Rules. The Rules shall be formulated in such a way that the Council provides a fair reflection of the diversity of the beneficiaries of the Trust and other stakeholder bodies or electorates interested in the Trust’s affairs. The Rules shall provide that certain members of the Council shall be nominated (and such nominations will be undertaken by the bodies identified by the Appointments Committee as specified in Article 27) and certain members shall be directly elected by the relevant electorates, with up to 50% of the members of the Council being elected to their positions. Members appointed under Article 27.2.3 shall be considered nominated Members for these purposes.

29.4 In addition to exercising their role as A Members for the purposes of the Companies Act and the Articles the Council shall have an advisory capacity to act as the long term guardian of the values of the Trust. Although the Council shall not determine policy or strategy, nor may it fetter the discretion of the Trustees to exercise their powers as set out in Article 7, the Council shall assist the Trustees in the formulation of policy and strategy by:

29.4.1 debating important points of principle to provide guidance and perspective from different beneficiary and stakeholder groups to the Trustees;

29.4.2 suggesting issues of concern for the Trustees to pursue; and

- 29.4.3 acting as a sounding board for the Trustees in relation to the development of proposals and policies.
- 29.5 The meetings of the Council need not be formally constituted general meetings convened in accordance with the Companies Acts and the Articles, except if the meeting concerned is the Annual General Meeting or if company law or these Articles require the meeting to be a general meeting for any business to be transacted at the meeting. For the avoidance of doubt, meetings of the Council convened in furtherance of its role described in Article 29.4 are not required by these Articles to be convened as general meetings and the requirements of the Articles relating to proxies shall not apply to such meetings.
- 29.6 Membership is not transferable.
- 29.7 An A Member shall cease to be a Member:
- 29.7.1 if he or she dies;
 - 29.7.2 if he or she has a bankruptcy order made against him or her, or has an order made against him or her in individual insolvency proceedings in a jurisdiction other than England and Wales which have an effect similar to that of bankruptcy;
 - 29.7.3 resigns from the Council (subject to any conditions or procedures the Rules may impose in relation to resignation);
 - 29.7.4 he or she is removed by the B Member exercising the Special Powers;
 - 29.7.5 on the expiry of his or her term on the Council in accordance with Article 29.8 (but only if he or she is not reappointed for a further term on the Council); or
 - 29.7.6 if he or she is removed from the Council in accordance with any procedures the Rules may specify for such removal.
- 29.8 A Members shall serve on the Council for a term of four years. An A Member who has been nominated to the Council by a stakeholder body or organisation may be reappointed for one further term of four years, but after serving two consecutive terms of office he or she must vacate office and may not be reappointed. An A Member who has been elected to the Council may be re-elected for further terms of four years and there shall be no limit on the number of consecutive terms he or she may serve.
- 29.9 The Appointments Committee may (but is not obliged to) appoint or invite the nomination of individuals to fill any vacancy which arises on the Council from time to time. Any such appointee or nominee shall serve on the Council only until the expiry of the term of office of the individual he or she is replacing on the Council and shall then vacate office if not reappointed in accordance with Article 29.8.

30. The B Member

30.1 Subject to Article 30.2, the B Member shall have the Special Powers prescribed in Article 30.4.

Invoking the Special Powers

30.2 The Special Powers may only be exercised by the B Member if they have been brought into effect as follows:

30.2.1 circumstances have arisen such that the B Member has become entitled to serve written notice on the Trust terminating its trusteeship of the Waterways Infrastructure Trust pursuant to the terms of the Trust Settlement (whether or not the B Member intends to, or does, serve such notice of termination of trusteeship on the Trust); and

30.2.2 the B Member has notified the Trust in writing of such circumstances and that the Special Powers are being brought into effect by the B Member.

Suspending the Special Powers

30.3 If the Special Powers have been brought into effect pursuant to Article 30.2 and the circumstances which led to the Special Powers being brought into effect are considered by the B Member to cease to exist, the B Member may determine that the Special Powers are no longer to be in effect, and shall notify the Trust in writing accordingly. The B Member shall have due regard to any request from the Trust that the Special Powers should cease to have effect pursuant to this Article 30.3. If the Special Powers cease to have effect pursuant to this Article 30.3 this shall not prevent the B Member from invoking the Special Powers again on future occasions in accordance with Article 30.2.

Exercise of the Special Powers

30.4 The Special Powers are as follows:

30.4.1 the B Member may remove any or all of the Trustees of the Trust and may make such replacement appointments as the B Member considers fit by serving notice on the Trust in writing (“the Trustee Replacement Power”);

30.4.2 the B Member may remove any or all of the A Members and may make such replacement appointments as the B Member considers fit by serving notice on the Trust in writing (“the A Member Replacement Power”); and

30.4.3 the B Member may direct that the Protected Assets (subject to attendant liabilities) shall be transferred to another institution which is regarded as charitable under the law of England and Wales with objects compatible with those of the Trust or to be held upon trust for the objects of the Trust by a person or institution which has been appointed as trustee of the Waterways

Infrastructure Trust on such terms as the B Member thinks fit (subject to the requirements of charity law) (“the Transfer of Assets Power”).

- 30.5 The B Member may exercise the Trustee Replacement Power at any time once the Special Powers have been brought into effect pursuant to Article 30.2. In addition the B Member may exercise either the A Member Replacement Power or the Transfer of Assets Power, but he or she shall not be permitted to exercise both the A Member Replacement Power and the Transfer of Assets Power simultaneously (as the A Member Replacement Power and the Transfer of Assets Power are intended to provide alternative options for the B Member to facilitate the ongoing application of the Protected Assets in furtherance of the objects for the public benefit).
- 30.6 For the avoidance of doubt, the exercise of the Special Powers by the B Member shall not be subject to any rights or powers or require the consent of any of the A Members, but in determining whether the B member has become entitled to exercise the Special Powers or in exercising them, the B Member must act in the way that he or she reasonably and in good faith considers to best further the objects of the Trust for public benefit.

Ceasing to be the B Member

- 30.7 The B Member shall cease to be a Member if he or she:
- 30.7.1 resigns by serving written notice on the Trust; or
- 30.7.2 has completed the exercise of the Transfer of Assets Power
- and if the B Member ceases to be a Member the provisions of these Articles which apply in respect of the B Member shall automatically cease to be effective.

31. Register of Members

- 31.1 The names of the Members of the Trust must be entered in the register of Members.

32. Associate Members

The Trustees may establish such classes of associate membership with such description and with such rights and obligations (including without limitation the obligation to pay a subscription) as they think fit and may admit and remove such associate members in accordance with such regulations as the Trustees shall make, provided that no such associate members shall be Members of the Trust for the purposes of the Articles or the Companies Acts.

ORGANISATION OF GENERAL MEETINGS

33. Annual general meetings

The Trust must hold an annual general meeting within 18 months of incorporation and afterwards once in every calendar year and not more than 15 months shall pass

between one annual general meeting and the next. It shall be held at such time and place as the Trustees think fit.

34. Other general meetings

- 34.1 The Trustees may call a general meeting at any time.
- 34.2 The Trustees must call a general meeting if required to do so by the Members under the Companies Acts.

35. Length of notice

All general meetings must be called by either:

- 35.1 at least 14 Clear Days' notice; or
- 35.2 shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote at that meeting. Any such majority must together represent at least 90% of the total voting rights at that meeting of all the Members.

36. Contents of notice

- 36.1 Every notice calling a general meeting must specify the place, day and time of the meeting and the general nature of the business to be transacted.
- 36.2 If a special resolution is to be proposed, the notice must include the proposed resolution and specify that it is proposed as a special resolution.
- 36.3 In every notice calling a meeting of the Trust there must appear with reasonable prominence a statement informing the Member of his or her rights to appoint another person as his or her proxy at a meeting of the Trust.
- 36.4 If the Trust gives an electronic Address in a notice calling a meeting, it will be deemed to have agreed that any Document or information relating to proceedings at the meeting may be sent by Electronic Means to that Address (subject to any conditions or limitations specified in the notice).

37. Service of notice

Notice of general meetings must be given to every Member, to the Trustees and to the auditors of the Trust.

38. Attendance and speaking at general meetings

- 38.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 38.2 A person is able to exercise the right to vote at a general meeting when:

- 38.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 38.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 38.3 The Trustees may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 38.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 38.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

39. Quorum for general meetings

- 39.1 No business (other than the appointment of the chair of the meeting) may be transacted at a general meeting unless a quorum is present.
- 39.2 The quorum shall be one third of the total membership (represented in person or by proxy).
- 39.3 If a quorum is not present within half an hour from the time appointed for the meeting:
- 39.3.1 the chair of the meeting may adjourn the meeting to such day, time and place as he or she thinks fit; and
 - 39.3.2 failing adjournment by the chair of the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the Trustees may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting those present and entitled to vote shall be a quorum.

40. Chairing general meetings

- 40.1 The Chair (if any) or in his or her absence some other Trustee nominated by the Trustees shall preside as chair of every general meeting.
- 40.2 If neither the Chair nor any Trustee nominated in accordance with Article 40.1 is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Trustees present shall elect one of their number to chair the meeting and, if there is only one Trustee present and willing to act, he or she shall be chair of the meeting.

40.3 If no Trustee is present and willing to act as chair of the meeting within fifteen minutes after the time appointed for holding the meeting, the Members present in person or by proxy and entitled to vote must choose one of the Members present in person to be chair of the meeting. For the avoidance of doubt, a proxy holder who is not a Member entitled to vote shall not be entitled to be appointed chair of the meeting under this Article 40.3.

41. Attendance and speaking by Trustees and non-Members

41.1 Trustees may attend and speak at general meetings, but shall not be Members.

41.2 The chair of the meeting may permit other persons who are not Members of the Trust (or otherwise entitled to exercise the rights of Members in relation to general meetings) to attend and speak at a general meeting.

42. Adjournment

42.1 The chair of the meeting may adjourn a general meeting at which a quorum is present if:

42.1.1 the meeting consents to an adjournment; or

42.1.2 it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

42.2 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

42.3 When adjourning a general meeting, the chair of the meeting must:

42.3.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Trustees; and

42.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

42.4 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Trust must give at least 7 Clear Days' notice of it:

42.4.1 to the same persons to whom notice of the Trust's general meetings is required to be given; and

42.4.2 containing the same information which such notice is required to contain.

42.5 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

43. Voting: general

43.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

43.2 On a vote on a resolution at a meeting on a show of hands, unless a poll is duly demanded, a declaration by the chair of the meeting that the resolution:

43.2.1 has or has not been passed; or

43.2.2 passed with a particular majority;

is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry in respect of such a declaration in minutes of the meeting recorded in accordance with Article 55 is also conclusive evidence of that fact without such proof.

43.3 The B Member shall not have a vote, except in the circumstances where the Articles prescribe that for any decision or resolution to be passed the B Member must vote in favour of it, in which case the B Member shall have one vote. (For the avoidance of doubt, the exercise of the Special Powers shall not be regarded as voting pursuant to this Article 43.3.)

44. Votes

Votes on a show of hands

44.1 On a vote on a resolution which is carried out by a show of hands, the following persons have one vote each:

44.1.1 each A Member present in person; and

44.1.2 (subject to Article 49.3) each proxy present who has been duly appointed by one or more A Members;

provided that if a person attending the meeting falls within both of the above categories, he or she is not entitled to cast more than one vote but shall instead have a maximum of one vote.

Votes on a poll

44.2 On a vote on a resolution which is carried out by a poll, the following persons have one vote each:

44.2.1 every A Member present in person; and

44.2.2 every A Member present by proxy (subject to Article 49.3).

General

44.3 In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall not be entitled to a casting vote in addition to any other vote he or she may have.

45. Errors and disputes

45.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

45.2 Any such objection must be referred to the chair of the meeting whose decision is final.

46. Poll votes

46.1 A poll on a resolution may be demanded:

46.1.1 in advance of the general meeting where it is to be put to the vote; or

46.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

46.2 A poll may be demanded by:

46.2.1 the chair of the meeting;

46.2.2 two or more persons having the right to vote on the resolution;

46.2.3 any person, who, by virtue of being appointed proxy for one or more Members having the right to vote on the resolution, holds two or more votes; or

46.2.4 a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

46.3 A demand for a poll may be withdrawn if:

46.3.1 the poll has not yet been taken; and

46.3.2 the chair of the meeting consents to the withdrawal.

47. Procedure on a poll

47.1 Subject to the Articles, polls at general meetings must be taken when, where and in such manner as the chair of the meeting directs.

Results

- 47.2 The chair of the meeting may appoint scrutineers (who need not be Members) and decide how and when the result of the poll is to be declared.
- 47.3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

Timing

- 47.4 A poll on:
- 47.4.1 the election of the chair of the meeting; or
 - 47.4.2 a question of adjournment;
- must be taken immediately.
- 47.5 Other polls must be taken within 30 days of their being demanded.
- 47.6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.

Notice

- 47.7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 47.8 In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.

48. Proxies

Power to appoint

- 48.1 A Member is entitled to appoint another person as his, her or its proxy to exercise all or any of his, her or its rights to attend and speak and vote at a meeting of the Trust. A proxy must vote in accordance with any instructions given by the Member by whom the proxy is appointed.

Manner of appointment

- 48.2 Proxies may only validly be appointed by a notice in Writing (a "Proxy Notice") which:
- 48.2.1 states the name and address of the Member appointing the proxy;
 - 48.2.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

48.2.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Trustees may determine; and

48.2.4 is delivered to the Trust in accordance with the Articles and any instructions contained in the notice of general meeting to which they relate.

48.3 The Trust may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

48.4 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.

48.5 Unless a Proxy Notice indicates otherwise, it must be treated as:

48.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

48.5.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

49. Delivery of Proxy Notices

49.1 The Proxy Notification Address in relation to any general meeting is:

49.1.1 the registered office of the Trust; or

49.1.2 any other Address or Addresses specified by the Trust as an Address at which the Trust or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in Hard Copy Form or Electronic Form; or

49.1.3 any electronic Address falling within the scope of Article 49.2.

49.2 If the Trust gives an electronic Address:

49.2.1 in a notice calling a meeting;

49.2.2 in an instrument of proxy sent out by it in relation to the meeting; or

49.2.3 in an invitation to appoint a proxy issued by it in relation to the meeting;

it will be deemed to have agreed that any Document or information relating to proxies for that meeting may be sent by Electronic Means to that Address (subject to any conditions or limitations specified in the notice). In this Article 49.2, Documents relating to proxies include the appointment of a proxy in relation to a meeting, any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy, and notice of the termination of the authority of a proxy.

Attendance of Member

- 49.3 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Trust by or on behalf of that person. If the person casts a vote in such circumstances, any vote cast by the proxy appointed under the Proxy Notice is not valid.

Timing

- 49.4 Subject to Articles 49.5 and 49.6, a Proxy Notice must be received at a Proxy Notification Address not less than 48 hours before the general meeting or adjourned meeting to which it relates.
- 49.5 In the case of a poll taken more than 48 hours after it is demanded, the Proxy Notice must be received at a Proxy Notification Address not less than 24 hours before the time appointed for the taking of the poll.
- 49.6 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be:
- 49.6.1 received in accordance with Article 49.4; or
- 49.6.2 given to the chair, Secretary (if any) or any Trustee at the meeting at which the poll was demanded.

Interpretation

- 49.7 Saturdays, Sundays, and Public Holidays are not counted when calculating the 48 hour and 24 hour periods referred to in this Article 49.

Revocation

- 49.8 An appointment under a Proxy Notice may be revoked by delivering a notice in Writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given to a Proxy Notification Address.
- 49.9 A notice revoking the appointment of a proxy only takes effect if it is received before:
- 49.9.1 the start of the meeting or adjourned meeting to which it relates; or
- 49.9.2 (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.

Execution

- 49.10 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.

WRITTEN RESOLUTIONS

50. Written resolutions

General

50.1 Subject to this Article 50 a written resolution agreed by:

50.1.1 Members representing a simple majority; or

50.1.2 (in the case of a special resolution) Members representing not less than 75%;

of the total voting rights of eligible Members shall be effective.

50.2 On a written resolution each A Member shall have one vote. The B Member shall not have a vote, except in the circumstances where the Articles prescribe that for any decision or resolution to be passed the B Member must vote in favour of it, in which case the B Member shall have one vote.

50.3 A written resolution is not a special resolution unless it stated that it was proposed as a special resolution.

50.4 A Members' resolution under the Companies Acts removing a Trustee or auditor before the expiry of his or her term of office may not be passed as a written resolution.

Circulation

50.5 A copy of the proposed written resolution must be sent to every eligible Member together with a statement informing the Member how to signify his or her or agreement and the date by which the resolution must be passed if it is not to lapse.

50.6 In relation to a resolution proposed as a written resolution of the Trust the eligible Members are the A Members who would have been entitled to vote on the resolution on the Circulation Date of the resolution, and the B Member, but only if the resolution is one in relation to which the B Member has a vote pursuant to Article 50.2.

50.7 The required majority of eligible Members must signify their agreement to the written resolution within the period of 28 days beginning with the Circulation Date.

50.8 Communications in relation to written resolutions must be sent to the Trust's auditors in accordance with the Companies Acts.

Signifying agreement

- 50.9 A Member signifies his or her agreement to a proposed written resolution when the Trust receives from him or her an authenticated Document:
- 50.9.1 identifying the resolution to which it relates; and
 - 50.9.2 indicating the Member's agreement to the resolution.
- 50.10 For the purposes of Article 50.9:
- 50.10.1 a Document sent or supplied in Hard Copy Form is sufficiently authenticated if it is signed by the person sending or supplying it; and
 - 50.10.2 a Document sent or supplied in Electronic Form is sufficiently authenticated if:
 - (a) the identity of the sender is confirmed in a manner specified by the Trust; or
 - (b) where no such manner has been specified by the Trust, if the communication contains or is accompanied by a statement of the identity of the sender and the Trust has no reason to doubt the truth of that statement.
- 50.11 If the Trust gives an electronic Address in any Document containing or accompanying a written resolution, it will be deemed to have agreed that any Document or information relating to that resolution may be sent by Electronic Means to that Address (subject to any conditions or limitations specified in the Document).

ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS

51. Communications by the Trust

Methods of communication

- 51.1 Subject to the Articles and the Companies Acts, any Document or information (including any notice, report or accounts) sent or supplied by the Trust under the Articles or the Companies Acts 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 the Trust, including without limitation:
- 51.1.1 in Hard Copy Form;
 - 51.1.2 in Electronic Form; or
 - 51.1.3 by making it available on a website.

- 51.2 Where a Document or information which is required or authorised to be sent or supplied by the Trust under the Companies Acts is sent or supplied in Electronic Form or by making it available on a website, the recipient must have agreed that it may be sent or supplied in that form or manner or be deemed to have so agreed under the Companies Acts (and not revoked that agreement). Where any other Document or information is sent or supplied in Electronic Form or made available on a website the Trustees may decide what agreement (if any) is required from the recipient.
- 51.3 Subject to the Articles, any notice or Document to be sent or supplied to a Trustee in connection with the taking of decisions by Trustees may also be sent or supplied by the means which that Trustee has asked to be sent or supplied with such notices or Documents for the time being.

Deemed delivery

- 51.4 A Member present in person or by proxy at a meeting of the Trust shall be deemed to have received notice of the meeting and the purposes for which it was called.
- 51.5 Where any Document or information is sent or supplied by the Trust to the Members:
- 51.5.1 where it is sent by post it is deemed to have been received 48 hours (including Saturdays, Sundays, and Public Holidays) after it was posted;
- 51.5.2 where it is sent or supplied by Electronic Means, it is deemed to have been received on the same day that it was sent;
- 51.5.3 where it is sent or supplied by means of a website, it is deemed to have been received:
- (a) when the material was first made available on the website; or
 - (b) if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

- 51.6 Subject to the Companies Acts, a Trustee or any other person (other than in their capacity as a Member) may agree with the Trust that notices or Documents sent to that person in a particular way are deemed to have been received within a specified time, and for the specified time to be less than 48 hours.

Failed delivery

- 51.7 Where any Document or information has been sent or supplied by the Trust by Electronic Means and the Trust receives notice that the message is undeliverable:
- 51.7.1 if the Document or information has been sent to a Member or Trustee and is notice of a general meeting of the Trust, the Trust is under no obligation to send a Hard Copy of the Document or information to the Member's or

Trustee's postal address as shown in the Trust's register of Members or Trustees, but may in its discretion choose to do so;

51.7.2 in all other cases, the Trust shall send a Hard Copy of the Document or information to the Member's postal address as shown in the Trust's register of Members (if any), or in the case of a recipient who is not a Member, to the last known postal address for that person (if any); and

51.7.3 the date of service or delivery of the Documents or information shall be the date on which the original electronic communication was sent, notwithstanding the subsequent sending of Hard Copies.

Exceptions

51.8 Copies of the Trust's annual accounts and reports need not be sent to a person for whom the Trust does not have a current Address.

51.9 Notices of general meetings need not be sent to a Member who does not register an Address with the Trust, or who registers only a postal address outside the United Kingdom, or to a Member for whom the Trust does not have a current Address.

52. Communications to the Trust

The provisions of the Companies Acts shall apply to communications to the Trust.

53. Secretary

A Secretary may be appointed by the Trustees for such term, at such remuneration and upon such conditions as they may think fit, and may be removed by them. If there is no Secretary:

53.1 anything authorised or required to be given or sent to, or served on, the Trust by being sent to its Secretary may be given or sent to, or served on, the Trust itself, and if addressed to the Secretary shall be treated as addressed to the Trust; and

53.2 anything else required or authorised to be done by or to the Secretary of the Trust may be done by or to a Trustee, or a person authorised generally or specifically in that behalf by the Trustees.

54. Irregularities

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

55. Minutes

The Trustees must cause minutes to be made:

- 55.1 of all appointments of officers made by the Trustees;
- 55.2 of all resolutions of the Trust and of the Trustees (including, without limitation, decisions of the Trustees made without a meeting); and
- 55.3 of all proceedings at meetings of the Trust and of the Trustees, and of committees of Trustees, including the names of the Trustees present at each such meeting;

and any such minute, if purported to be signed (or in the case of minutes of Trustees' meetings signed or authenticated) by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as against any Member or Trustee of the Trust, be sufficient evidence of the proceedings.

56. Records and accounts

- 56.1 The Trustees shall comply with the requirements of the Companies Acts and of the Charities Act 2011 as to maintaining a Members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Charity Commission of:

56.1.1 annual reports;

56.1.2 annual returns; and

56.1.3 annual statements of account.

- 56.2 Except as provided by law or authorised by the Trustees or an ordinary resolution of the Trust, no person is entitled to inspect any of the Trust's accounting or other records or Documents merely by virtue of being a Member.

57. Exclusion of model articles

The relevant model articles for a company limited by guarantee are hereby expressly excluded.

58. Changes to the Articles

Entrenchment of the B Member's rights

- 58.1 Subject to Article 58.2, no change may be made to Articles 11.2, 24.10, 28, 29.7.4, 30, 43.3, 50.2, 50.6, 59.2 or this Article 58 unless the B Member votes in favour of the special resolution(s) to amend the relevant Articles.

- 58.2 The entrenchment provision in Article 58.1 shall cease to apply on the B Member completing the exercise of the Special Power set out in Article 30.4.3 (the Transfer of

Assets Power) and following the exercise of such power the A Members may amend any or all of the Articles specified in Article 58.1 by special resolution without the B Member being entitled or required to vote on or agree to such resolution.

- 58.3 For the avoidance of doubt, subject to Articles 58.1 and 58.2 and the requirements of the Charities Act 2011, any other provision in the Articles may be amended by special resolution of the A Members and the B Member shall not be entitled or required to vote on or agree to such special resolution.

WINDING UP

59. Winding up

- 59.1 The A 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:-

59.1.1 directly for the objects; or

59.1.2 by transfer to any charity or charities for purposes similar to the objects; or

59.1.3 to any charity or charities for use for particular purposes that fall within the objects.

- 59.2 The A Members may not resolve to dissolve the Trust without the prior written consent of the B Member.

- 59.3 Subject to any such resolution of the A Members of the Trust, the Trustees 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 dissolution of the Trust be applied or transferred:-

59.3.1 directly for the objects; or

59.3.2 by transfer to any charity or charities for purposes similar to the objects; or

59.3.3 to any charity or charities for use for particular purposes that fall within the objects.

- 59.4 In no circumstances shall the net assets of the Trust be paid to or distributed among the Members and if not such resolution is passed by the Members or Trustees in accordance with Article 59.1 or 59.3, the net assets of the Trust shall be applied for charitable purposes as directed by the Court or the Charity Commission.

SCHEDULE
INTERPRETATION

Defined terms

1. In the Articles, unless the context requires otherwise, the following terms shall have the following meanings:

Term	Meaning
1.1 "Address"	includes a number or address used for the purposes of sending or receiving documents by Electronic Means;
1.2 "A Member"	has the meaning given in Article 28.1.1;
1.3 "Appointments Committee"	has the meaning given in Article 27;
1.4 "Articles"	the Trust's articles of association;
1.5 "B Member"	has the meaning given in Article 28.1.2
1.6 "Chair"	has the meaning given in Article 8;
1.7 "Circulation Date"	in relation to a written resolution, has the meaning given to it in the Companies Acts;
1.8 "Clear Days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
1.9 "Companies Acts"	the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Trust;
1.10 "Connected"	any person falling within one of the following categories: (a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of a Trustee; or (b) the spouse or civil partner of any person in (a); or (c) any other person in a relationship with a Trustee which may reasonably be regarded as equivalent to such a relationship as is

- mentioned at (a) or (b); or
- (d) any company, partnership or firm of which a Trustee is a paid director, Member, partner or employee, or shareholder holding more than 1% of the capital;
- 1.11 “Council” has the meaning given in Article 28.1.1;
- 1.12 “Document” includes summons, notice, order or other legal process and registers and includes, unless otherwise specified, any document sent or supplied in Electronic Form;
- 1.13 “Electronic Form” and “Electronic Means” have the meanings respectively given to them in Section 1168 of the Companies Act 2006;
- 1.14 “Expert” means either a Financial Expert, who must be an individual, company or firm who, or which, is authorised to give investment advice under the Financial Services and Markets Act 2000 or such other practitioner or adviser whom the Trustees reasonably believe has appropriate expertise in relation to the class of assets comprising the investments concerned;
- 1.15 “Hard Copy” and “Hard Copy Form” have the meanings respectively given to them in the Companies Act 2006;
- 1.16 “Inland Waterway” includes (whether or not owned or held in trust by the Trust) any river, canal, inland navigation, feeder channel, reservoir, dock, basin or harbour (in any case whether or not tidal or artificial) together with any associated land and works (including paths) and land formerly used for all such purposes;
- 1.17 “navigation” includes navigation by any ship or boat used for the carriage of freight and by any ship or boat used also for human habitation;
- 1.18 “Protected Assets” shall have the meaning given in the preamble to the Trust Settlement;
- 1.19 “Proxy Notice” has the meaning given in Article 48;
- 1.20 “Proxy Notification Address” has the meaning given in Article 49;

1.21	“Public Holiday”	means Christmas Day, Good Friday and any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the company is registered;
1.22	“Secretary”	the secretary of the Trust (if any);
1.23	“Special Powers”	has the meaning given in Article 30;
1.24	“Subsidiary Company”	any company in which the Trust holds more than 50% of the shares, controls more than 50% of the voting rights attached to the shares or has the right to appoint a majority of the board of the company;
1.25	“sustainable development”	means development which meets the needs of the present without compromising the ability of future generations to meet their own needs;
1.26	“Trust”	Canal & River Trust;
1.27	“Trustee”	a director of the Trust, and includes any person occupying the position of director, by whatever name called;
1.28	“Trust Settlement”	the Trust Settlement establishing the Waterways Infrastructure Trust to which the Trust and the B Member shall be parties (as it may from time to time be amended or varied);
1.29	“Waterways Infrastructure Trust”	the permanent endowment of infrastructure property relating to inland waterways established by the Trust Settlement;
1.30	“Waterways Partnerships”	advisory bodies to be established in relation to functions or territories pursuant to Article 26.1 and the Rules (which for the avoidance of doubt are advisory groups which do not have the legal status, characteristics or liabilities of a partnership as the term is defined in the Partnership Act 1890);
1.31	“Writing”	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

2. Subject to paragraph 3 of this Schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
3. Unless the context otherwise requires, words or expressions contained in the Articles which are not defined in paragraph 1 above bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles became binding on the Trust.