

**ARTICLES OF ASSOCIATION  
OF  
THE INLAND WATERWAYS ASSOCIATION**

As adopted by Special Resolution passed 8<sup>th</sup> July 1972, and amended by Special Resolutions passed 15<sup>th</sup> September 1973, 22<sup>nd</sup> September 1979, 20<sup>th</sup> September 1980, 30<sup>th</sup> September 1989, 3<sup>rd</sup> October 1992, 2<sup>nd</sup> October 1993, 25<sup>th</sup> September 1999, 27<sup>th</sup> September 2008, 12<sup>th</sup> April 2014 and 24<sup>th</sup> September 2016

- 1 **The company's name is The Inland Waterways Association** (and in this document it is called the 'charity').

**Interpretation**

- 2 In the articles:

'address' means a postal address or, for the purposes of electronic communication an e-mail address;

'the articles' means the charity's articles of association;

'the charity' means the company intended to be regulated by the articles;

'clear days' in relation to the period of a notice means a 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;

'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 charity;

'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;

'officers' includes the trustees and the secretary (if any);

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

'the trustees' means the directors of the charity. The directors are charity trustees as defined by section 177 of the Charities Act 2011;

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

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

Unless the context otherwise requires words or expressions contained in the articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when this constitution becomes binding on the charity.

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.

### **Liability of members**

- 3 The liability 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 charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:
- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member; and
  - (2) payment of the costs, charges and expenses of winding up.

### **Objects**

- 4 The objects for which the Association is established are:
- (1) To take over the whole assets of and liabilities of The Inland Waterways Association and to enter into such agreements and to take all such steps as may be necessary for that purpose.
  - (2) For the public benefit to advocate the conservation use maintenance and development of the inland waterways of the British Isles the works relating thereto and any craft or buildings or structures now or previously associated therewith, to advocate and promote the restoration and the maintenance in good condition of such waterways and associated craft and buildings and structures and advocate and promote their fullest use for appropriate commercial and recreational purposes.
  - (3) To educate the public and other bodies about the use and benefits of such waterways whether by the production of leaflets, magazines, the conduct of seminars or workshops or such other means as the Association may from time to time determine.
  - (4) To promote and commission research into inland waterways and publication of the results of such research.

### **Powers**

- 5 In furtherance of the above objects but not further or otherwise the Association shall have the following powers:
- (a) To enter into such contracts, agreements licences or other lawful arrangements as may be necessary for any objects of the Association.

- (b) To assist other charitable, local, or national organisations, whether by way of advice grant or such other lawful means as the Association may think fit as may be necessary for the objects of the Association.
- (c) To promote the public use of inland waterways whether through meetings, conferences, exhibitions, lectures and displays as well as by the maintenance of a library and of a museum on the means by which waterways may be more effectively used or brought into public use by their conservation, restoration and development.
- (d) To publish surveys, leaflets, books, films, and information on matters concerning the restoration, conservation and development of inland waterways.
- (e) Subject to such consents as may be required by law to borrow and raise money for the objects of the Association in such manner and on such security as the Association may think fit.
- (f) To raise funds and to invite and receive contributions from any person or persons whatsoever by means of subscription, donation or otherwise provided that this shall be without prejudice to the ability of the Association to disclaim any gift, legacy or bequest in whole or in part in such circumstances as the Association may think fit and provided also that the Association shall not undertake any permanent trading activities in raising funds for the above mentioned charitable objects.
- (g) To lend money and give credit to, to take security for such loans or credit from, and to guarantee and become or give security for the performance of contracts and obligations by, any person or company.
- (h) To draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, and other negotiable, transferable, or mercantile instruments.
- (i) To subscribe for either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other securities or obligations in any other company.
- (j) To invest the moneys of the Association not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.
- (k) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter any buildings or erections which the Association may think necessary for the promotion of its objects.
- (l) Subject to such consents as may be required by law, to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Association with a view to the furtherance of its objects.
- (m) Subject to article 6 hereof to employ and pay any person or persons as are necessary for the furtherance of the objects of the Association.
- (n) To make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their widows and dependents.

- (o) To insure and arrange insurance cover for and to indemnify its officers, servants and voluntary workers and those of its members from and against all such risks incurred in the course of the performance of their duties as may be thought fit.
- (p) To subscribe to, become a member of, amalgamate or co-operate with other charitable organisation, institution, society or body not formed or established for purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Association and which by its constitution prohibits the distribution of income and property amongst its members to an extent at least as great as is imposed on the Association under or by virtue of article 5 hereof and to purchase or otherwise acquire and undertake all such part of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Association of any such charitable organisation, institution, society or body.
- (q) To establish and support or aid the establishment and support of any charitable trusts, associations or institutions and to subscribe or guarantee money for charitable purpose in any way connected with or calculated to further any of the objects of the Association.
- (r) To do all or any of the things herein before authorised either alone or in conjunction with any other charitable organisation, institution, society or body with which the Association is authorised to amalgamate.
- (s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Association.
- (t) To establish where necessary local branches (whether autonomous or not).
- (u) To provide indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Association: Provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Association.
- (v) To do all such other lawful things as are necessary for the attainment of the above objects or any of them.

Provided that:

- (i) In case the Association shall take or hold any property which may be subject to any trusts, the Association shall only deal with or invest the same in such manner as allowed by law having regard to such trusts.
- (ii) The objects of the Association shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
- (iii) In case the Association shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Association shall not sell mortgage charge or lease the same

without such authority approval or consent as may be required by law, and as regards any such property the trustees shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would have been if no incorporation of the Association had been effected, and the incorporation of the Association shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over such trustees but they shall as regards any such property be subject jointly or separately to such control or authority as if the Association were not incorporated.

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

6 The income and property of the Association shall be applied solely towards the promotion of its objects as set forth in article 4 and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to members of the company and no trustee shall be appointed to any office of the Association paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Association.

Provided that nothing herein shall prevent any payment in good faith by the Association:

- (i) Of reasonable and proper remuneration to any member officer or servant of the Association (not being a trustee) for any services rendered to the Association;
- (ii) Of interest on money lent by any member of the Association or its trustees at a reasonable and proper rate per annum not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the trustees;
- (iii) Of reasonable and proper rent for the premises demised or let by any member of the Association or of its trustees;
- (iv) Of fees remuneration or other benefit in money or moneys worth to any company of which a trustee may also be a member holding not more than 1/100 part of the capital of that company; and
- (v) To any trustee of reasonable out of pocket expenses.
- (vi) Of any premium in respect of indemnity insurance to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Association: Provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty which was committed by the trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of an unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Association.

## **Benefits and payments to charity trustees and connected persons**

- 7 No trustee or connected person may:
- (a) buy any goods or services from the charity on terms preferential to those applicable to members of the public;
  - (b) sell goods, services, or any interest in land to the charity;
  - (c) be employed by, or receive any remuneration from, the charity; or
  - (d) receive any other financial benefit from the charity.

## **Declaration of trustees' interests**

- 8 A trustee must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the charity or in any transaction or arrangement entered into by the charity which has not previously been declared. A trustee must absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the charity and any personal interest (including but not limited to any personal financial interest).

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

- 9 (1) If a conflict of interests arises for a trustee 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 trustees may authorise such a conflict of interests where the following conditions apply:
- (a) the conflicted trustee is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;
  - (b) the conflicted trustee does not vote on any such matter and is not to be counted when considering whether a quorum of trustees is present at the meeting; and
  - (c) the unconflicted trustees consider it is in the interests of the charity to authorise the conflict of interests in the circumstances applying.
- (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 trustee or to a connected person.

## **Members**

- 10 (1) Membership is open to individuals or organisations who apply to the charity in the form required by the trustees, subject to approval by the trustees or those delegated to undertake such approval by the trustees.

- (2) The trustees may direct that an application for membership is refused only if acting reasonably and properly they consider that it is in the best interests of the charity to refuse that application, provided that (a) the trustees inform the applicant in writing the reasons for that decision within 21 days, (b) the trustees consider a written representation, if the applicant wishes to make one, before a final decision is reached.
- (3) Membership is not transferable.
- (4) The trustees must keep a register of names and addresses of the members.

### **Classes of membership**

- 11 (1) The trustees may establish new, and amalgamate existing, classes of membership provided that no member shall suffer any lesser rights and obligations as a consequence, save for the rate of membership fees.
- (2) The trustees may not directly or indirectly alter the rights or obligations attached to a class of membership, save for the rate of membership fees.
- (3) The class rights and obligations of members may only be varied if a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation, save for the rate of membership fees.
- (4) The provisions in the articles about general meetings shall apply to any class meeting relating to the variation of the rights of members of that class.
- (5) The trustees may reduce or increase the rate for any class of membership fee.

### **Termination of membership**

12 Membership is terminated if:

- (1) the member dies or, if it is an organisation, ceases to exist;
- (2) the member resigns by written notice to the charity unless, after the resignation, there would be less than two members;
- (3) any sum due from the member to the charity is not paid in full within four months of it falling due;
- (4) the member is removed from membership by a resolution of the trustees that it is in the best interests of the charity that his or her 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 in writing of the meeting of the trustees 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 charity) has been allowed to make representations to the meeting.

If a membership is terminated in accordance with article 12(4) then that member shall remain liable to pay any subscription or other sums owed by them to the Association.

### **General meetings**

- 13 An annual general meeting must be held in each year and not more than fifteen months may elapse between successive annual general meetings.
- 14 (1) The trustees may call a general meeting at any time.
  - (2) In addition to the legal right, under the Companies Acts, for members holding at least 5% of the voting rights to requisition the directors to hold a general meeting, a general meeting may also be convened by a signed requisition of not less than one hundred members (if fewer than that required under the Companies Acts). Such requisition shall state the business to be discussed at such meeting, but this shall not prevent the trustees from determining any such other business that may also be discussed at the meeting.

### **Notice of general meetings**

- 15 (1) The minimum period of notice required to hold a general meeting of the charity is twenty-one clear days.
  - (2) 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 22.
  - (3) The notice must be given to all the members and to the trustees and auditors.
- 16 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 charity.

### **Proceedings at general meetings**

- 17 (1) No business shall be transacted at any general meeting unless a quorum is present.
  - (2) A quorum is twenty members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.
  - (3) The authorised representative of a corporate member shall be counted in the quorum.

- 18 (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 trustees shall determine.
- (2) The trustees 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.
  - (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.
- 19 (1) General meetings shall be chaired by the person who has been appointed to chair meetings of the trustees, or such other eminent member of the Association as the trustees may decide.
- (2) If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting a trustee nominated by the trustees present shall chair the meeting.
  - (3) If there is only one trustee present and willing to act, he or she shall chair the meeting.
  - (4) If no trustee 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.
- 20 (1) Not less than ten members may petition the trustees for a members' resolution to be discussed at an annual general meeting provided that the petition is delivered to the registered office not less than fourteen days before the meeting.
- (2) Discussion and debate of a members' resolution at an annual general meeting shall be held to inform trustees of members' views but shall not be binding on trustees or the charity.
  - (3) No resolution that is defamatory (unless demonstrated to be true) or unlawful shall be discussed.
- 21 (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 chairing the meeting; or
  - (b) by at least two members present in person or by proxy and having the right to vote at the meeting; or
- (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 charity but the number or proportion of votes cast need not be recorded.
- (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.
- (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).
- (b) The result of the poll must be announced at the meeting and shall be deemed to be the resolution of the meeting at which the poll is demanded.
- (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 immediately.
- (c) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

### **Proxy notices**

- 22 (1) Proxies may only validly be appointed by a notice in writing (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 trustees may determine; and
  - (d) is delivered to the registered office not less than 48 hours before commencement of the meeting and in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The charity may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (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.

- (4) Unless a proxy notice indicates otherwise, it must be treated as:
  - (a) 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.
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as to the meeting itself.

### **Delivery of proxy notices**

- 23 (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the charity by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the charity a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (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.

### **Votes of members**

- 24 (1) The trustees may determine that certain classes of membership, for example a joint membership, may comprise not more than two members, each entitled to a separate vote.
- (2) Otherwise, every member, whether an individual or an organisation, shall have one vote.
- 25 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.
- 26 (1) Any organisation or corporate body that is a member of the charity may nominate any person to act as its representative at any meeting of the charity.
- (2) The organisation or corporate body must give written notice to the charity of the name of its representative. The representative shall not be entitled to represent the organisation at any meeting unless the notice has been received by the charity at least 48 hours prior to commencement of the meeting. The representative may continue to represent the organisation until written notice to the contrary is received by the charity.
- (3) Any notice given to the charity will be conclusive evidence that the representative is entitled to represent the organisation or that his or her authority has been revoked. The charity shall not be required to consider whether the representative has been properly appointed by the organisation.

## **Trustees**

- 27 (1) A trustee must be a natural person aged 16 years or older.
- (2) No one may be appointed a trustee if he or she would be disqualified from acting under the provisions of article 39.
- 28 (1) The minimum number of trustees shall be five. The maximum number shall be seventeen, save for the circumstances outlined in articles 36 and 37.
- (2) All trustees must be a member of the charity; if any trustee ceases to be a member of the charity then they cease to be a trustee simultaneously.
- (3) A member shall only be eligible to be appointed or reappointed as a trustee if that member has not served as a trustee, or previously been elected to serve as a trustee, for a total period of twelve or more years in the preceding fifteen years.
- 29 Any member who is the chairman of a specified committee, as defined by the trustees from time to time, must be eligible to be a trustee and shall be appointed a trustee coincident with their appointment as chairman of that specified committee and shall cease to be a trustee coincident with their retirement as chairman of that specified committee unless otherwise elected or appointed, and shall cease to be chairman of the specified committee if they are no longer eligible to serve as a trustee.
- 30 A trustee may not appoint an alternate trustee or anyone to act on his or her behalf at meetings of the trustees.

## **Powers of trustees**

- 31 (1) The trustees shall manage the business of the charity and may exercise all the powers of the charity, as set out in article 5, unless they are subject to any restrictions imposed by the Companies Acts, the articles or any special resolution.
- (2) No alteration of the articles or any special resolution shall have retrospective effect to invalidate any prior act of the trustees.
- (3) Any meeting of trustees at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the trustees.

## **Retirement of trustees**

- 32 No trustee shall serve as a trustee for a period longer than forty-two months without being elected or re-elected as a trustee or appointed as a consequence of being a chairman of a specified committee.
- 33 If a trustee 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.

## **Appointment of trustees**

- 34 The trustees shall draw up a scheme for the election of trustees with such regulations, rules and procedures as the trustees may think fit from time to time, but such regulations, rules and procedures shall ensure that all provisions of these articles are observed at all times.
- 35 Any person who is elected as trustee at a general meeting shall become a trustee effective upon the conclusion of the meeting.
- 36 Notwithstanding all other articles, the trustees may at any time co-opt and appoint as a trustee any member who is not presently a trustee for the purpose of being the charity's financial director or treasurer provided that the trustees are satisfied that no other trustee is suitably qualified and willing to take on such role.
- 37 In the event of the co-option of a trustee as outlined in article 36, the maximum number of trustees of the charity shall be eighteen.
- 38 Save for the circumstances outlined in articles 36 and 37, the appointment of a trustee, whether by the charity in general meeting or by appointment as the chairman of a national committee, must not cause the number of trustees to exceed the number fixed in article 28(1) as the maximum number of trustees.

## **Disqualification and removal of trustees**

- 39 A trustee shall cease to hold office if he or she:
- (1) ceases to be a trustee by virtue of any provision in the Companies Acts or is prohibited by law from being a trustee; or
  - (2) is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions); or
  - (3) ceases to be a member of the charity; or
  - (4) in the written opinion, given to the company, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a trustee and may remain so for more than three months; or
  - (5) resigns as a trustee by notice to the charity (but only if at least two trustees will remain in office when the notice of resignation is to take effect); or
  - (6) is absent without the permission of the trustees from all their meetings held within a period of six consecutive months and the trustees resolve that his or her office be vacated; or
  - (7) is deemed to be unfit to be a trustee by a resolution of not less than 75% of the trustees (whether or not present at a meeting where the resolution is proposed), notice of the resolution having appeared

on the agenda of the meeting and having been delivered to all trustees not less than seven days in advance of the meeting.

### **Remuneration of trustees**

40 The trustees must not be paid any remuneration.

### **Proceedings of trustees**

- 41 (1) The trustees may regulate their proceedings as they think fit, subject to the provisions of the articles.
- (2) A meeting of the trustees may be called for by any four trustees giving not less than seven days notice to the company secretary. Such meeting must be held within 28 days.
- (3) Questions arising at a meeting shall be decided by a majority of votes.
- (4) In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.
- (5) A meeting may be held by suitable electronic means agreed by the trustees in which each participant may communicate with all the other participants
- 42 (1) No decision may be made by a meeting of the trustees unless a quorum is present at the time the decision is purported to be made. 'Present' includes being present by suitable electronic means if agreed by the trustees in which a participant or participants may communicate with all the other participants.
- (2) The quorum shall be three.
- (3) A trustee shall not be counted in the quorum present when any decision is made about a matter upon which that trustee is not entitled to vote.
- 43 If the number of trustees is less than the number fixed as the quorum, the continuing trustees or trustee may act only for the purpose of filling vacancies or of calling a general meeting.
- 44 (1) The trustees shall appoint a trustee to chair their meetings and may at any time revoke such appointment.
- (2) If no-one has been appointed to chair meetings of the trustees or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the trustees present may appoint one of their number to chair that meeting.
- (3) The person appointed to chair meetings of the trustees shall have no functions or powers except those conferred by the articles or delegated to him or her by the trustees.

- 45 (1) A resolution in writing or in electronic form agreed by all of the trustees entitled to receive notice of a meeting of the trustees and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the trustees duly convened and held.
- (2) The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more trustees has signified their agreement

### **Delegation**

- 46 (1) The trustees may delegate any of their powers or functions to such committees, regions, branches, employees or other parts of the charity as the trustees shall see fit but the terms of such delegation must be recorded in the minute book.
- (2) The trustees may impose conditions when delegating, including the conditions that:
- (a) the relevant powers are to be exercised exclusively by the committee to whom they delegate;
  - (b) no expenditure may be incurred on behalf of the charity except in accordance with a budget previously agreed with the trustees.
- (3) The trustees may revoke or alter any delegation.
- (4) All acts and proceedings of any committees must be fully and promptly reported to the trustees.

### **Validity of trustees' decisions**

- 47 (1) Subject to article 47(2), all acts done by a meeting of trustees shall be valid notwithstanding the participation in any vote of a trustee:
- (a) who was disqualified from holding office;
  - (b) who had previously retired or who had been obliged by the constitution 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 trustee; and
  - (e) that trustee being counted in the quorum;
- the decision had been made by a majority of the trustees at a quorate meeting.

- (2) Article 47(1) does not permit a trustee or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the trustees or of a committee of trustees if, but for article 47(1), the resolution would have been void, or if the trustee has not complied with article 8.

## **Minutes**

48 The trustees must keep minutes of all:

- (1) appointments of officers made by the trustees;
- (2) proceedings at meetings of the charity;
- (3) meetings of the trustees including:
  - (a) the names of the trustees present at the meeting;
  - (b) the decisions made at the meetings; and
  - (c) where appropriate the reasons for the decisions.

49 The trustees must ensure that all committees, regions, branches, employees or other parts of the charity to whom matters are delegated keep full and proper records of all

- (1) appointments of any officers;
- (2) proceedings at meetings;
- (3) meetings including:
  - (a) the names of those present at the meeting;
  - (b) the decisions made at the meetings; and
  - (c) where appropriate the reasons for the decisions.

## **Accounts**

- 50 (1) The trustees must prepare for each financial year accounts as required by the Companies Acts. 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.
- (2) The trustees must keep accounting records as required by the Companies Act.

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

- 51 (1) The trustees 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.
- (2) The trustees must notify the Commission promptly of any changes to the charity's entry on the Central Register of Charities.

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

- 52 (1) Subject to the articles, anything sent or supplied by or to the charity 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 charity.
- (2) 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 by which that trustee has asked to be sent or supplied with such notices or documents for the time being.
- 53 Any notice to be given to or by any person pursuant to the articles:
- (1) must be in writing; or
  - (2) must be given in electronic form.
- 54 (1) The charity 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 her 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.
  - (e) by placing the notice on a website and providing the person with a notification in writing 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.

- (2) A member who does not register an address with the charity or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the charity.
- 55 A member present in person at any meeting of the charity shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 56 (1) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- (2) Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- (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 an electronic form of communication, 48 hours after it was sent.

### **Indemnity**

- 57 (1) The charity will indemnify a relevant trustee against any liability incurred in that capacity, to the extent permitted by article 6 and sections 232 to 234 of the Companies Act 2006.
- (2) In this article a 'relevant trustee' means any trustee or former trustee of the charity.

### **Rules**

- 58 (1) The trustees may from time to time make, amend or cancel such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the charity.
- (2) The bye laws may regulate the following matters but are not restricted to them:
- (a) the conduct of members of the charity in relation to one another, and to the charity's employees and volunteers;
- (b) the setting aside of the whole or any part or parts of the charity's premises at any particular time or times or for any particular purpose or purposes;
- (c) the procedure at general meetings and meetings of the trustees in so far as such procedure is not regulated by the Companies Acts or by the articles;
- (d) generally, all such matters as are commonly the subject matter of company rules.
- (3) The charity in general meeting has the power to alter, add to or repeal the rules or bye laws.

- (4) The trustees must adopt such means as they think sufficient to bring the rules and bye laws to the notice of members of the charity.
- (5) The rules or bye laws shall be binding on all members of the charity. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the articles.

## **Disputes**

59 If a dispute arises between members of the charity about the validity or propriety of anything done by the members of the charity 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.

## **Dissolution**

60 If on the winding-up or dissolution of the Association there remains after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Association, but shall be given or transferred to some other charitable institution or institutions having objects similar to the objects of the Association and which shall prohibit the distribution of its or their income and property to the extent at least as great as is imposed on the Association under or by virtue of article 6 hereof, such institution or institutions to be determined by the members of the Association at or before the time of dissolution and in so far as effect cannot be given to such provision, then to some other charitable object.

## **Interpretation**

61. In article 7, sub-clause (2) of article 9 and sub-clause (2) of article 47 'connected person' means:

- (1) a child, parent, grandchild, grandparent, brother or sister of the trustee;
- (2) the spouse or civil partner of the trustee or of any person falling within sub-clause (1) above;
- (3) a person carrying on business in partnership with the trustee or with any person falling within sub-clause (1) or (2) above;
- (4) an institution which is controlled
  - (a) by the trustee or any connected person falling within sub-clause (1), (2), or (3) above; or
  - (b) by two or more persons falling within sub-clause 4(a), when taken together
- (5) a body corporate in which
  - (a) the trustee or any connected person falling within sub-clauses (1) to (3) has a substantial interest;or

- (b) two or more persons falling within sub-clause (5)(a) who, when taken together, have a substantial interest.
- (c) Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this article.

### **Subsidiary Companies**

62. The charity shall not own a majority share in nor control any active trading subsidiary company unless the board of trustees of such company resolves:

- (a) that no trustee or person otherwise concerned in the management of the charity shall hold any salaried office or employment in the company;
- (b) that no trustee or person otherwise concerned in the management of the charity shall enter into any contract with the company, other than a contract which, if entered into with the Association would not have involved any infringement of article 6;

And that any auditors of such company shall be asked to include with their annual report a statement showing that to the best of their knowledge and belief the above provisions have been complied with.

### **The Companies (Model Articles) Regulations 2008**

63 For the avoidance of doubt, the model articles for private companies limited by guarantee contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 do not apply.