

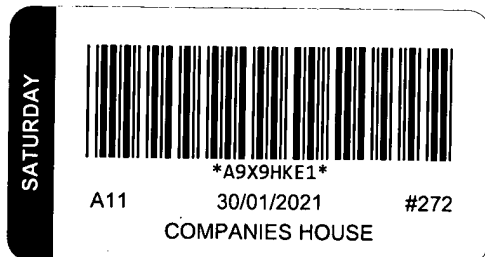
The Companies Act 2006

Community Interest Company Limited by Shares

Articles of Association
of
Canal & River Trading CIC

Company Number: 08069602

As adopted by Special Resolution passed on 27 January 2021



The Companies Act 2006

Community Interest Company Limited by Shares

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The Companies Act 2006
Articles of Association
of
Canal & River Trading CIC

INTERPRETATION

1. Defined terms

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

COMMUNITY INTEREST COMPANY AND ASSET LOCK

2. Community Interest Company

The Company shall be a community interest company.

3. Asset Lock

3.1 The Company shall not transfer any of its assets other than for full consideration.

3.2 Provided the conditions in Article 3.3 are satisfied, Article 3.1 shall not apply to:

3.2.1 the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body; and

3.2.2 the transfer of assets made for the benefit of the community other than by way of a transfer of assets into an asset-locked body.

3.3 The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum and Articles of the Company.

3.4 If:

3.4.1 the Company is wound up under the Insolvency Act 1986; and

3.4.2 all its liabilities have been satisfied

any residual assets shall be given or transferred to the asset-locked body specified in Article 3.5 below.

3.5 For the purposes of this Article 3, the following asset-locked body is specified as a potential recipient of the Company's assets under Articles 3.2 and 3.4:

Name: Canal & River Trust

Company Registration Number: 07807276

Registered Office: 64 Clarendon Road, Watford, WD17 1DA

4. Not for profit

The Company is not established or conducted for private gain: any profits or assets are used principally for the benefit of the community.

OBJECTS, POWERS AND LIMITATION OF LIABILITY

5. Objects

The objects of the Company are to benefit the community by carrying on business as a general commercial company in order to procure profits for the purpose of paying them to Canal & River Trust (registered company number 7807276) or any other charitable body which succeeds to its charitable purposes, including (but without limitation) the carrying out or participation in property development and trading and also any general trading activities connected or associated with inland waterways.

The company shall pay such profits and gains at such times and after making such retention for the purposes of the company's continuing trade and development as the directors think fit.

6. Powers

To further its objects the Company may do all such lawful things as may further the Company's objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds.

7. Liability of shareholders

The liability of the Trust as sole shareholder is limited to the amount, if any, unpaid on the shares held by it.

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

8. Directors' general authority

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

9. Shareholder's reserve power

9.1 The Trust as sole shareholder may, by special resolution of the Company, direct the Directors to take, or refrain from taking, specific action.

9.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

10. Chair

The Trust may appoint one of the Directors to be the chair of the Directors for such term of office as it may determine and may at any time remove the chair of Directors

from office. In the absence of an appointment by the Trust the Directors may appoint one of their number as chair of the directors.

11. Directors may delegate

11.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles or the implementation of their decisions or day to day management of the affairs of the Company:

11.1.1 to such person or committee;

11.1.2 by such means (including by power of attorney);

11.1.3 to such an extent;

11.1.4 in relation to such matters or territories; and

11.1.5 on such terms and conditions;

as they think fit.

11.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

11.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

DECISION-MAKING BY DIRECTORS

12. Directors to take decisions collectively

Any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 18.

13. Calling a Directors' meeting

13.1 Two Directors may (and the Secretary, if any, must at the request of two Directors) call a Directors' meeting.

13.2 A Directors' meeting must be called by at least seven Clear Days' notice unless either:

13.2.1 all the Directors agree; or

13.2.2 urgent circumstances require shorter notice.

13.3 Notice of Directors' meetings must be given to each Director.

13.4 Every notice calling a Directors' meeting must specify:

13.4.1 the day and time of the meeting;

13.4.2 the place of the meeting if a physical meeting is to take place;

- 13.4.3 the general nature of the business to be considered at such meeting; and
- 13.4.4 if it is anticipated that Directors participating in the meeting will not be in the same place or that the meeting will take place virtually by electronic facility or facilities, how it is proposed that they should communicate with each other during the meeting.
- 13.5 Notice of Directors' meetings need not be in Writing.
- 13.6 Notice of Directors' meetings may be sent by Electronic Means to an Address provided by the Director for the purpose.
- 14. Participation in Directors' meetings**
- 14.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' 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 Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other provided that they may communicate with one another simultaneously.
- 14.3 If all the Directors 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 or that the meeting not be held at any particular place.
- 15. Quorum for Directors' meetings**
- 15.1 At a Directors' 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 Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two or one-third of the total number of Directors, whichever is the greater.
- 15.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - 15.3.1 to appoint further Directors; or
 - 15.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.
- 16. Chairing of Directors' meetings**
- The Chair, if any, or in his or her absence another Director nominated by the Directors present shall preside as chair of each Directors' meeting.
- 17. Decision making at meetings**

- 17.1 Questions arising at a Directors' meeting shall be decided by a majority of votes.
- 17.2 In all proceedings of Directors each Director must not have more than one vote.

18. Decisions without a meeting

- 18.1 The Directors may take a unanimous decision without a Directors' meeting by indicating to each other by any means, including without limitation by Electronic Means, that they share a common view on a matter. Such a decision may, but need not, take the form of a resolution in Writing, copies of which have been signed by each Director or to which each Director has otherwise indicated agreement in Writing.

19. Transactions or other arrangements with the Company

- 19.1 Subject to Article 19.2, if a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is in any way, directly or indirectly, interested, that director is not to be counted as participating in the decision making process for quorum, voting or agreement purposes.

- 19.2 A director who is in any way, directly or indirectly, interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process and is entitled to vote on or agree to a proposal relating to it if he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act and either:

- (a) the Company by ordinary resolution resolves that article 19.1 shall not apply;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a Conflict of Interest; or
- (c) the director's Conflict of Interest arises solely from him being a Canal & River Trustee or employed by or otherwise involved with the Canal & River Trust

and in such case subject, where applicable to any terms and conditions as may be imposed by the directors, the director:
 - (d) may be a party to, or otherwise interested in, the transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - (e) shall not be accountable to the Company for any benefit which he (or a person connected with him (as defined by section 252 of the Companies Act 2006)) derives from any such transaction or arrangement; and
 - (f) no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006.

20. Directors' Conflicts of Interest

- 20.1 The directors may, in accordance with the requirements set out in this article 20, authorise the Conflict of Interest proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest.
- 20.2 Any authorisation under this article 20 will be effective only if:
- (a) to the extent permitted by the Companies Act 2006, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 20.3 Any authorisation of a Conflict under this article 20 may (whether at the time of giving the authorisation or subsequently) impose on the Interested Director such conditions or limitations or be granted subject to terms, as the directors may think fit for the purposes of dealing with the Conflict of Interest and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions.
- 20.4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation.
- 20.5 A director may be a director or other officer of, or employed by the Canal & River Trust or any body corporate promoted by the Company or in which the Company is otherwise interested provided that no director who is also a Canal & River Trustee shall be remunerated or receive other benefits in respect of such employment or office unless permitted in accordance with the Canal & River Trust's constitution or the Charities Act 2011 and no further authorisation under Article 20.5 shall be necessary in respect of any such interest.
- 20.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director) to account to the Company for any remuneration, profit or other benefit that he derives from or in connection with a relationship involving a Conflict of Interest which has been authorised by the directors in accordance with these Articles, by the Company or by the Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

21. Register of Directors' interests

The Directors shall cause a register of Directors' interests to be kept. A Director 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 Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

APPOINTMENT AND RETIREMENT OF DIRECTORS

22. Methods of appointing Directors

22.1 Those persons notified to the Registrar of Companies as the first Directors of the Company shall be the first Directors.

22.2 Directors shall be appointed and may be removed by the Trust.

23. Termination of Director's appointment

23.1 A person ceases to be a Director as soon as:

23.1.1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006, or is prohibited from being a Director by law;

23.1.2 a bankruptcy order is made against that person, or an order is made against that person in individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

23.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

23.1.4 the Directors reasonably believe he or she is suffering from mental disorder and incapable of acting and they resolve that he or she be removed from office;

23.1.5 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least two Directors will remain in office when such resignation has taken effect); or

23.1.6 the Director fails to attend three consecutive meetings of the Directors and the Directors resolve that the Director be removed for this reason; or

23.1.7 the Trust serves notice in writing on the Company that the Director be removed from office.

24. Directors' remuneration

24.1 Directors may undertake any services for the Company that the Directors decide.

24.2 Directors are entitled to such remuneration as the Directors (with the consent of the Trust) determine:

24.2.1 for their services to the Company as Directors; and

24.2.2 for any other service which they undertake for the Company.

24.3 Subject to the Articles, a Director's remuneration may:

24.3.1 take any form; and

24.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

24.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

24.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

25. Directors' expenses

25.1 The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

25.1.1 meetings of Directors or committees of Directors;

25.1.2 general meetings; or

25.1.3 separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

SHARES

26. Issue of shares

26.1 Subject to the provisions of the Companies Acts any share may be issued with such rights or restrictions as the company may by ordinary resolution determine. The Directors are prohibited from exercising any power to allot shares, grant rights to subscribe for or to convert any security into shares.

27. Share transfers

27.1 No share shall be transferred except with the consent of the Trust who may in its absolute discretion and without giving any reason decline to register any transfer of any share.

27.2 The Directors may refuse to register the transfer of a share to a person of whom they do not approve.

27.3 They may also refuse to register the transfer unless it is lodged at the registered office of the Company or at such other place as the Directors may appoint and is accompanied by such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and by such other information, as they may reasonably require.

- 27.4 If the Directors refuse to register such a transfer, they shall, within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 27.5 The provisions of this Article apply in addition to any restrictions on the transfer of a share which maybe set out elsewhere in the Memorandum or Articles of the Company.

DECISION-MAKING BY SHAREHOLDERS

28. Meetings

- 28.1 The Directors may call a general meeting at any time.
- 28.2 Such meetings must be held in accordance with the provisions regarding such meetings in the Companies Act.
- 28.3 A person who is not a shareholder of the Company shall not have any right to vote at a general meeting of the Company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.
- 28.4 The Trust may as the sole shareholder pass resolutions of the Company in writing as written resolutions or otherwise in accordance with the Companies Act 2006.

ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS

29. Means of communication to be used

29.1 Subject to the Articles:

29.1.1 anything sent or supplied by or to the Company under the Articles; and

29.1.2 anything sent or supplied by the Company under 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 or to the Company (as the case may be).

- 29.2 Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or Documents for the time being.
- 29.3 A Director may agree with the Company that notices or Documents sent to that Director in a particular way are to be deemed to have been received within an agreed time of their being sent, and for the agreed time to be less than 48 hours.

30. 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 referred to in the

notice unless a provision of the Companies Acts specifies that such informality, irregularity or want of qualification shall invalidate it.

31. Minutes

31.1 The Directors must cause minutes to be made in books kept for the purpose:

31.1.1 of all appointments of officers made by the Directors;

31.1.2 of all resolutions of the Company and of the Directors (including, without limitation, decisions of the Directors made without a meeting); and

31.1.3 of all proceedings at meetings of the Company and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting;

and any such minute, if purported to be signed (or in the case of minutes of Directors' 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 shareholder or Director of the Company, be sufficient evidence of the proceedings.

31.2 The minutes must be kept for at least ten years from the date of the meeting, resolution or decision.

32. Records and accounts

32.1 The Directors shall comply with the requirements of the Companies Acts as to maintaining a shareholders' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Regulator of:

32.1.1 annual reports;

32.1.2 annual returns; and

32.1.3 annual statements of account.

32.2 Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

33. Indemnity

33.1 Subject to Article 33.2, a relevant Director of the Company or an associated company may be indemnified out of the Company's assets against:

33.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

33.1.2 any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an

occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and

33.1.3 any other liability incurred by that Director as an officer of the Company or an associated company.

33.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

33.3 In this Article:

33.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

33.3.2 a “relevant Director” means any Director or former Director of the Company or an associated company.

34. Insurance

34.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.

34.2 In this Article:

34.2.1 a “relevant Director” means any Director or former Director of the Company or an associated company;

34.2.2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company; and

34.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

35. Exclusion of model articles

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

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 "Articles"	means the Company's articles of association;
1.3 "asset-locked body"	means (i) a community interest company or a charity or a Permitted Industrial and Provident Society; or (ii) a body established outside the United Kingdom that is equivalent to any of those;
1.4 "bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
1.5 "Chair"	has the meaning given in Article 10;
1.6 "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;
1.7 "community"	is to be construed in accordance with section 35(5) of the Companies (Audit, Investigations and Community Enterprise) Act 2004;
1.8 "Companies Acts"	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;
1.9 "Company"	Canal & River Trading CIC;
1.10 "Conflict of Interest"	any direct or indirect interest of a Director (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) that conflicts or might conflict with the interests of the Company;
1.11 "Director"	means a director of the Company, and includes any person occupying the position of director, by

	whatever name called;
1.12 “Document”	includes, unless otherwise indicated, 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 “Hard Copy Form”	has the meaning given in section 1168 of the Companies Act 2006;
1.15 “holder”	in relation to shares means the person whose name is entered in the register of shareholders as the holder of the shares;
1.16 “Memorandum”	the Company’s memorandum of association;
1.17 “paid”	means paid or credited as paid;
1.18 “participate”	in relation to a Directors’ meeting, has the meaning given in Article 14;
1.19 “Permitted Industrial and Provident Society”	means an industrial and provident society which has a restriction on the use of its assets in accordance with regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006 or regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations (Northern Ireland) 2006;
1.20 “the Regulator”	means the Regulator of Community Interest Companies;
1.21 “the Regulations”	means the Community Interest Company Regulations 2005 (as amended);
1.22 “Secretary”	the secretary of the Company (if any);
1.23 “shareholder”	means a person who is the holder of a share;
1.24 “shares”	means shares in the Company;
1.25 “specified”	means specified in the Memorandum or Articles of association of the Company for the purposes of this paragraph;
1.26 “subsidiary”	has the meaning given in section 1159 of the Companies Act 2006;
1.27 “transfer”	includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or right

over, any property;

1.28 "Trust"

means the sole shareholder of the Company, namely Canal & River Trust registered company number 07807273, whose registered office is at 64 Clarendon Road, Watford, WD17 1DA;

1.29 "Writing"

means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

2. Subject to clause 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, other words or expressions contained in these Articles bear the same meaning as in the Companies Acts as in force on the date when these Articles become binding on the Company.