



Chatham Maritime Trust

Articles of Association

Company limited by guarantee and not having a share capital

Company number: 02913375

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Articles of Association of

Chatham Maritime Trust

1 Objects

The Objects of the Charity are:

- 1.1 To provide or to assist in the provision of amenities primarily for the benefit of citizens of Medway Council in the County of Kent and generally for the benefit of the public and without prejudice to the generality of the foregoing to undertake management and maintenance responsibilities of the Chatham Maritime Estate (**Development**);
- 1.2 To provide or to assist in providing facilities for recreation or other leisure time occupation in or in connection with the Development and its neighbourhood, such facilities being provided with the object of improving the conditions of life for the inhabitants of the local community
- 1.3 To educate and assist young persons and other members of the community of the Medway Towns and its neighbourhood through their leisure time activities so as to develop their physical, mental and spiritual capacities and so that their conditions of life may be improved and in furtherance of that object to provide at the facilities to be provided by the Charity, lectures, classes and training facilities which will be made available to the public using such facilities.
- 1.4 To undertake such other charitable purposes which are exclusively charitable according to the law of England and Wales as the Trustees may from time to time determine.

2 Powers

The Charity has the following powers, which may be exercised only in promoting the Objects:

- 2.1 to control and maintain the appliances and amenities of the Development and to construct, maintain and repair landscaping, parks and other public areas, roads, flood warning systems, water management systems, lighting installations, walls, gates, barriers, landscaped areas, marinas, bridges, locks, dams, sewers and draining installations and other appurtenances and amenities on the Development and to keep the same in good order and condition,
- 2.2 to provide advice or information,
- 2.3 to carry out research,
- 2.4 to co-operate with other bodies,
- 2.5 to support, administer or set up other charities,
- 2.6 to accept gifts and to raise funds (but not by means of taxable trading),
- 2.7 to borrow money,

- 2.8 to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act),
- 2.9 to acquire or hire property of any kind,
- 2.10 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act),
- 2.11 to set aside funds for special purposes or as reserves against future expenditure,
- 2.12 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification),
- 2.13 to delegate the management of investments to a financial expert, but only on terms that:
 - 2.13.1 the investment policy is set down in writing for the financial expert by the Trustees,
 - 2.13.2 timely reports of all transactions are provided to the Trustees,
 - 2.13.3 the performance of the investments is reviewed regularly with the Trustees,
 - 2.13.4 the Trustees are entitled to cancel the delegation arrangement at any time,
 - 2.13.5 the investment policy and the delegation arrangement are reviewed at least every three years,
 - 2.13.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt, and
 - 2.13.7 the financial expert must not do anything outside the powers of the Charity,
- 2.14 to arrange for investments or other property of the Charity to be held in the name of a nominee company acting under the direction of the Trustees or controlled by a financial expert acting under their instructions, and to pay any reasonable fee required,
- 2.15 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as custodian, and to pay any reasonable fee required,
- 2.16 to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required,
- 2.17 subject to Article 6, to employ paid or unpaid agents, staff or advisers,
- 2.18 to enter into contracts to provide services to or on behalf of other bodies,
- 2.19 to establish or acquire subsidiary companies, and
- 2.20 to do anything else within the law which promotes or helps to promote the Objects.

3 The Trustees

- 3.1 The Trustees as charity trustees have control of the Charity and its property and funds.

- 3.2 The Trustees when complete consist of at least five and not more than 14 individuals over the age of 18, all of whom the Trustees are satisfied support the Objects and demonstrate a commitment or connection to the area in which the Charity operates.
- 3.3 Trustees shall be appointed by the continuing Trustees in accordance with a policy relating to the recruitment and selection of Trustees set by the Trustees from time to time.
- 3.4 Medway Council shall be entitled to nominate up to two people to be appointed as Trustees.
- 3.5 Up to two people shall be nominated by a body (which does not necessarily need to be a limited liability body) recognised by the Trustees as representing a majority of the interests of residents in the Development to be appointed as Trustees. This is currently represented by SMIRA.
- 3.6 Up to two people shall be nominated by a body (which does not necessarily need to be a limited liability body) recognised by the Trustees as representing a majority of the interests of commercial organisations in the Development to be appointed as Trustees. This is currently represented by SouthCo Commercial.
- 3.7 Homes England shall be entitled to nominate one person to be appointed as a Trustee for such time as it is directly involved in the Development (being either an owner of part of the land or a service charge payer) or until it notifies the Charity in writing that it no longer wishes to exercise this right (whichever is earlier).
- 3.8 Trustees from the recognised bodies referred to in Article 3.4, 3.5 and 3.6 should together always be a minority of the total number of Trustees.
- 3.9 A Trustee may not act as a Trustee unless he/she has signed a written declaration of willingness to act as a charity trustee of the Charity.
- 3.10 Trustees must retire after 4 years' service, those longest in office retiring first and the choice between any of equal service being made by drawing lots.
- 3.11 A retiring Trustee who is eligible under Article 3.2 may be reappointed provided that no Trustee may serve a maximum term of more than eight consecutive years (unless the Trustees consider that there are exceptional circumstances that justify the Trustee staying for a longer period). A Trustee who has served eight consecutive years (or a longer period in exceptional circumstances) shall not be eligible for reappointment until three years have passed since their retirement.
- 3.12 A Trustee's term of office as such automatically terminates if he/she:
- 3.12.1 is disqualified under the Charities Act from acting as a charity trustee,
 - 3.12.2 is incapable, whether mentally or physically, of managing his/her own affairs,
 - 3.12.3 is absent without permission from all meetings of the Trustees held in a six month period and is asked by a majority of the other Trustees to resign,
 - 3.12.4 resigns by written notice to the Trustees (but only if at least three Trustees will remain in office),

3.12.5 in the case of a Trustee nominated by another body under Articles 3.4 to 3.7, that nominating body removes the Trustee, or

3.12.6 is removed by the Trustees.

3.13 Where a Trustee nominated by a body under Articles 3.4 to 3.7 ceases to be a Trustee for any reason, the relevant nominating body shall be entitled to nominate a replacement.

3.14 Where a body entitled to nominate a Trustee under Articles 3.4 to 3.7 does not make a nomination, the Trustees may co-opt any individual who is eligible under Article 3.2 as a Trustee to fill that vacancy until such time as the relevant body makes a nomination.

3.15 A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

4 Trustees' proceedings

4.1 The Trustees must hold at least three meetings each year.

4.2 A quorum at a meeting of the Trustees is at least six or one half of the Trustees (if greater).

4.3 A meeting of the Trustees may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants.

4.4 The Chair or (if the Chair is unable or unwilling to do so) the vice-chair presides at each meeting. If the vice-chair is also unavailable then the Trustees present shall choose another person to chair the meeting.

4.5 Any issue may be determined by a simple majority of the votes cast at a meeting, but a resolution in writing agreed by all the Trustees (other than any Conflicted Trustee who has not been authorised to vote) is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than one document.

4.6 Every Trustee has one vote on each issue but, in case of equality of votes the chair of the meeting has a second or casting vote.

4.7 A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

5 Trustees' powers

The Trustees have the following powers in the administration of the Charity in their capacity as Trustees:

5.1 To appoint (and remove) any person (who may be a Trustee) to act as Secretary in accordance with the Companies Act.

5.2 To appoint a Chair, a vice-chair and other honorary officers from among their number.

5.3 The Chair can be, if agreed on by Trustees, recruited externally.

- 5.4 To delegate any of their functions to committees consisting of three or more individuals appointed by them. At least three members of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees.
- 5.5 To make standing orders consistent with the Articles and the Companies Act to govern proceedings at general meetings.
- 5.6 To make rules consistent with the Articles and the Companies Act to govern their proceedings and proceedings of committees.
- 5.7 To make regulations consistent with the Articles and the Companies Act to govern the administration of the Charity and the use of its seal (if any).
- 5.8 To establish procedures to assist the resolution of disputes or differences within the Charity.
- 5.9 To exercise any powers of the Charity which are not reserved to them in their capacity as Members.

6 **Benefits**

- 6.1 The property and funds of the Charity must be used only for promoting the Objects and do not belong to the Members but:

- 6.1.1 Subject to compliance with Article **Error! Reference source not found.:**

- (a) Members (all of whom are Trustees) and Connected Persons may be paid interest at a reasonable rate on money lent to the Charity,
- (b) Members (all of whom are Trustees) and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Charity, and
- (c) Members (all of whom are Trustees) and Connected Persons may receive charitable benefits on the same terms as any other members of the beneficial class.

- 6.2 A Trustee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:

- 6.2.1 as mentioned in Articles 6.1 or 6.3,
- 6.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Charity,
- 6.2.3 the benefit of indemnity insurance as permitted by the Charities Act,
- 6.2.4 an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings),
- 6.2.5 in exceptional cases, other payments or benefits (but only with the written consent of the Commission in advance and where required by the Companies Act the approval or affirmation of the Members).

6.3 No Trustee or Connected Person may be employed by the Charity except in accordance with Article 6.2.5, but any Trustee or Connected Person may enter into a written contract with the Charity, as permitted by the Charities Act, to supply goods or services in return for a payment or other material benefit but only if:

6.3.1 the goods or services are actually required by the Charity, and the Trustees decide that it is in the best interests of the Charity to enter into such a contract,

6.3.2 the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article **Error! Reference source not found.**, and

6.3.3 fewer than half of the Trustees are subject to such a contract in any financial year.

7 **Conflict of interest**

7.1 Subject to article 7.2 and 7.3, any Trustee who becomes a Conflicted Trustee in relation to any matter must:

7.1.1 declare the nature and extent of his or her interest before discussion begins on the matter,

7.1.2 withdraw from the meeting for that item after providing any information requested by the Trustees,

7.1.3 not be counted in the quorum for that part of the meeting, and

7.1.4 be absent during the vote and have no vote on the matter.

7.2 When any Trustee is a Conflicted Trustee, the Trustees who are not Conflicted Trustees, if they form a quorum without counting the Conflicted Trustee and are satisfied that it is in the best interests of the Charity to do so, may by resolution passed in the absence of the Conflicted Trustee authorise the Conflicted Trustee, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Trustee, to:

7.2.1 continue to participate in discussions leading to the making of a decision and/or to vote, or

7.2.2 disclose to a third party information confidential to the Charity, or

7.2.3 take any other action not otherwise authorised which does not involve the receipt by the Conflicted Trustee or a Connected Person of any payment or material benefit from the Charity or

7.2.4 refrain from taking any step required to remove the conflict.

7.3 A Trustee shall not have an interest for the purpose of Article 7.1 by virtue of their having been nominated as a Trustee by another body in accordance with Articles 3.4 to 3.7.

7.4 This provision may be amended by special resolution but, where the result would be to permit any material benefit to a Trustee or Connected Person, only with the prior written consent of the Commission.

8 Records and Accounts

8.1 The Trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies and the Commission of information required by law including:

- 8.1.1 annual returns,
- 8.1.2 annual reports, and
- 8.1.3 annual statements of account.

8.2 The Trustees must also keep records of:

- 8.2.1 all proceedings at meetings of the Trustees,
- 8.2.2 all resolutions in writing,
- 8.2.3 all reports of committees, and
- 8.2.4 all professional advice obtained.

8.3 Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours.

8.4 A copy of the Articles and latest available statement of account must be supplied on request to any Trustee. Copies of the latest accounts must also be supplied in accordance with the Charities Act to any other person who makes a written request and pays the Charity's reasonable costs.

9 Membership

9.1 The Charity must maintain a register of Members.

9.2 The Trustees from time to time shall be the Members and shall each have the same duties, rights and responsibilities as Members and Trustees. Trustees shall become Members on appointment as Trustees and shall cease to be Members when they cease to be Board Trustees.

9.3 Membership is not transferable.

10 General Meetings

10.1 A general meeting of the Members may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants.

10.2 Members are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is in writing and notified to the Charity before the commencement of the meeting).

- 10.3 General meetings are called on at least 14 and not more than 28 clear days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) at least 28 clear days' written notice setting out the terms of the proposed special resolution.
- 10.4 A quorum at a general meeting of the Members is at least six or one half of the Members (if greater).
- 10.5 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by ordinary resolution.
- 10.6 Every Member present in person or by proxy has one vote on each issue. In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
- 10.7 Except where otherwise provided by the Articles or the Companies Act, a written resolution (whether an ordinary or a special resolution) is as valid as an equivalent resolution passed at a general meeting. For this purpose the written resolution may be set out in more than one document.
- 10.8 Members must annually:
- 10.8.1 receive the accounts of the Charity for the previous financial year,
 - 10.8.2 receive a written report on the Charity's activities,
 - 10.8.3 be informed of the retirement of those Trustees who wish to retire or who are retiring by rotation,
 - 10.8.4 appoint reporting accountants or auditors for the Charity,
- 10.9 Members may also from time to time
- 10.9.1 confer on any individual (with his/her consent) the honorary title of Patron, President or Vice-President of the Charity, and
 - 10.9.2 determine any issues of policy or deal with any other business put before them by the Trustees.
- 10.10 A general meeting may be called by the Trustees at any time and must be called within 21 days of a written request from one or more Members.
- 10.11 A technical defect in the appointment of a Member of which the Members are unaware at the time does not invalidate a decision taken at a general meeting or a Written Resolution.
- 11 **Limited Liability**
- The liability of Members is limited.
- 12 **Guarantee**
- Every Member promises, if the Charity is dissolved while he/she remains a Member or within one year after he/she ceases to be a member, to pay up to £10 towards:

12.1 payment of those debts and liabilities of the Charity incurred before he/she ceased to be a Member,

12.2 payment of the costs, charges and expenses of winding up, and

12.3 the adjustment of rights of contributors among themselves.

13 **Communications**

13.1 Notices and other documents to be served on Members or Trustees under the Articles or the Companies Act may be served:

13.1.1 by hand,

13.1.2 by post,

13.1.3 by suitable electronic means, or

13.1.4 through publication in the Charity's newsletter or on the Charity's website.

13.2 The only address at which a Member is entitled to receive notices sent by post is an address in the U.K. shown in the register of Members.

13.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

13.3.1 24 hours after being sent by electronic means, posted on the Charity's website or delivered by hand to the relevant address,

13.3.2 two clear days after being sent by first class post to that address,

13.3.3 three clear days after being sent by second class or overseas post to that address,

13.3.4 immediately on being handed to the recipient personally, or, if earlier,

13.3.5 as soon as the recipient acknowledges actual receipt.

13.4 A technical defect in service of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

14 **Dissolution**

If the Charity is wound up or dissolved and after all its debts and liabilities have been satisfied there remains any property it shall not be paid to or distributed among the members of the Charity, but shall be given or transferred to some other charity or charities having objects similar to the Objects which prohibits the distribution of its or their income and property to an extent at least as great as is imposed on the Charity by Article 6 above, chosen by the members of the Charity at or before the time of dissolution and if that cannot be done then to some other charitable object.

15 **Interpretation**

15.1 The Articles are to be interpreted without reference to the model articles under the Companies Act, which do not apply to the Charity.

15.2 In the Articles, unless the context indicates another meaning:

the Articles means the Charity's Articles of Association and 'Article' refers to a particular Article,

Chair means the chair of the Trustees,

the Charity means the company governed by the Articles,

the Charities Act means the Charities Act 2011,

charity trustee has the meaning prescribed by the Charities Act,

clear day does not include the day on which notice is given or the day of the meeting or other event,

the Commission means the Charity Commission for England and Wales or any body which replaces it,

the Companies Act means the Companies Acts 2006,

Conflicted Trustee means a Trustee in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Trustee or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Charity, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity,

Connected Person means, in relation to a Trustee, a person with whom the Trustee shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the Trustee's family or household or a person or body who is a business associate of the Trustee, and (for the avoidance of doubt) does not include a company with which the Trustee's only connection is an interest consisting of no more than 1% of the voting rights,

custodian means a person or body who undertakes safe custody of assets or of documents or records relating to them,

Development has the meaning given in the Objects;

electronic means refers to communications addressed to specified individuals by telephone, fax or email or, in relation to meetings, by telephone conference call or video conference,

financial expert means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000,

financial year means the Charity's financial year,

firm includes a limited liability partnership,

Homes England means the Homes and Communities Agency (trading as Homes England) the body corporate established under Section 1 of the Housing and Regeneration Act 2008 (and any successor body or agency carrying out the same or similar functions in whole or in part),

indemnity insurance has the meaning prescribed by the Charities Act,

Local Ward Councillor means a person that is an active elected councillor of Medway Council for the electoral area which covers all or part of the Development;

material benefit means a benefit, direct or indirect, which may not be financial but has a monetary value,

Medway Council means the Medway Towns Council as defined in the Statutory Instrument 1996 No 1876 Local Government England and Wales The Kent (Borough of Gillingham and City of Rochester upon Medway)(Structural Change) Order 1996;

Medway Towns means the district of the Medway Towns as defined by Statutory Instrument 1996 No 1876 Local Government England and Wales The Kent (Borough of Gillingham and City of Rochester upon Medway)(Structural Change) Order 1996;

Member and **Membership** refer to company Membership of the Charity,

month means calendar month,

nominee company means a corporate body registered or having an established place of business in England and Wales which holds title to property for another,

the Objects means the Objects of the Charity as defined in Article 1,

Resolution in writing means a written resolution of the Trustees,

Secretary means a company secretary,

SMIRA means St Mary's Island Residents Association Limited (company number 3170866);

SouthCo Commercial means South Maritime Residents Limited (company number 3174082);

taxable trading means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax,

Trustee means a director of the Charity and 'Trustees' means the directors,

written or **in writing** refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper,

written resolution refers to an ordinary or a special resolution which is in writing,

year means calendar year.

- 15.3 Expressions not otherwise defined which are defined in the Companies Act have the same meaning.
- 15.4 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.