

THE COMPANIES ACT 2006

**MEMORANDUM & ARTICLES OF ASSOCIATION**

**ASSOCIATION OF DRAINAGE AUTHORITIES**

Incorporated 19th March 2014

COMPANY NUMBER: 8948603

**WILKIN CHAPMAN COMPANY SECRETARIAL SERVICES**

The Maltings, 11-15 Brayford Wharf East, Lincoln, LN2 1DR

Telephone 01522 512345 Fax 01522 545803

COMPANY FORMATIONS AND ADMINISTRATION

No 8948603

The Companies Act 2006  
Company Limited by Guarantee and Not Having a Share Capital  
MEMORANDUM OF ASSOCIATION  
of  
ASSOCIATION OF DRAINAGE AUTHORITIES

(Adopted pursuant to a special resolution passed on 31 March 2014)

Each subscriber of this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

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Name of each subscriber

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Authentication of each subscriber

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RUSSELL EKE

Dated 18th March 2014

No 8948603

The Companies Act 2006  
Company Limited By Guarantee And Not Having A Share Capital  
ARTICLES OF ASSOCIATION  
of  
ASSOCIATION OF DRAINAGE AUTHORITIES

(Adopted pursuant to a special resolution passed on 31 March 2014)

**Name**

1. The name of the company (hereinafter called "ADA") is Association of Drainage Authorities.

**Interpretation**

- 2 In these Articles:

"THE ACT" the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force

"ADVISORY GROUP" any such group formed by Natural Resources Wales or successor bodies, to provide local and expert advice regarding one or more internal drainage district in Wales.

"APPOINTING BODY" any one of the Branches in the case of a Branch Director, any one of the Committees in the case of a Committee Director and any one of those bodies listed in Article 51(a) in the case of a Non Branch Director

"THE ARTICLES" the Articles of ADA

"BOARD" the board of Directors of ADA

"BRANCH" a locally constituted function of ADA (created by ADA subject to the provisions of article 47(e)) operating under these articles, limited to a maximum of ten Branches.

and BRANCHES means all of them

"BRANCH DIRECTOR" a Director appointed by any one of the Branches in accordance with Article 49

"CLEAR DAYS" in relation to the period of a notice means 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

"CHIEF EXECUTIVE" a chief executive of ADA appointed in accordance with Article 80

"COMMITTEE DIRECTOR" a director appointed by one of the Technical Committees in accordance with Article 50

"DEPARTMENT FOR INFRASTRUCTURE RIVERS" the statutory drainage and flood defence authority for Northern Ireland derived from the Drainage (Northern Ireland) Order 1973 (as amended from time to time) or such successor body or organisation having equivalent duties, responsibilities and powers in respect of Northern Ireland

"DIRECTORS" the Directors for the time being of ADA or (as the context shall require) any of them acting as the board of Directors of ADA

"DRAINAGE BODY" a body having responsibility for land drainage as defined by section 72 Land Drainage Act 1991

"DRAINAGE COMMISSION" refers directly to the Pow of Inchaffray Drainage Commission as defined by the Pow of Inchaffray Drainage Commission (Scotland) Act 2019 and any other body or organisation having with equivalent duties, responsibilities and powers in respect of Scotland.

"ELECTRONIC COMMUNICATION" and "COMMUNICATION" have the meaning given by the Electronic Communications Act 2000

"ENVIRONMENT AGENCY" the Environment Agency of England or such successor public body having responsibility for protecting and improving the environment in England.

"EXECUTED" includes any mode of execution

"IDB" a statutory drainage authority being an internal drainage board, as defined in section 1 Land Drainage Act 1991

"IN WRITING" includes, without limitation, electronic communications

"Local Authority" any local authority including a lead local flood authority as constituted by section 14A Flood and Water Management Act 2010 (or any such successor body or organisation having duties and responsibility of one or more of the regional flood and coastal committee) or any county, district borough or city council or any London or metropolitan borough.

"MEMBER" persons who are members of ADA in accordance with the provisions of articles 9 and 10.

"MEMBERSHIP YEAR" the period from 1 January to 31 December in each calendar year

"NATURAL RESOURCES WALES" the successor body to the Environment Agency for Wales together with such successor public body having equivalent duties, responsibilities and powers for protecting and improving the environment in Wales

"NON BRANCH DIRECTOR" a Director appointed by any one of those bodies set out in Article 51 or co-opted onto the Board on behalf of any such body in each case in accordance with Article 51

"OFFICE" the registered office of ADA

"RIVER BASIN DISTRICT" shall have the meaning as defined in River Basin Management Plans prepared by the Environment Agency being an area of land and sea, made up of one or more neighbouring river basins together with their associated

groundwaters and coastal waters, identified under Article 3(1) of Directive 2000/60/EC as the main unit for management of river basins.

“RFCC” a regional flood and coastal committee as constituted by section 22 Flood and Water Management Act 2010 or any such successor body or organisation having duties and responsibilities of one or more of the regional flood and coastal committees

“THE SEAL” the common seal of ADA

“SECRETARY” the Secretary of ADA or any other person appointed to perform the duties of the Secretary of ADA, including a joint, assistant or deputy secretary

“COMMITTEES” meaning any committee of ADA comprising Directors and non Directors, each constituted and having the terms of reference allocated to them in accordance with Article 55(a)

“THE UNITED KINGDOM” Great Britain and Northern Ireland

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

### **Liability of Members**

- 3 The liability of the members is limited.
- 4 Every Full-Member of ADA undertakes to contribute to the assets of ADA, in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of ADA contracted before they cease to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

### **Objects**

5. The objects for which ADA is established are:
  - (a) to champion and campaign for a collaborative delivery of water level and catchment management, fully embracing the principles of environmental conservation and enhancement set out in Flooding & Coastal Erosion Risk Management Network policy and strategy, and environmental legislation;
  - (b) to promote the concepts of adaptation, resilience and mitigation in respect of climate change
  - (c) to promote the principles of good organisational governance;
  - (d) to inform the public about the essential water management work of the Members of ADA;
  - (e) to watch over, represent and protect the interests, rights, authority, legal powers and privileges of Drainage Bodies and Flood Risk Management Authorities and to facilitate the exchange of ideas and promote discussions upon common problems and visits to suitable places of interest;
  - (f) to provide a central organisation to monitor the interests of Drainage Bodies and Flood Risk Management Authorities in relation to Bills in Parliament and measures of a legislative nature or any other matter whatsoever raising questions which may affect Drainage Bodies and Flood Risk Management Authorities;

- (g) to take all steps, including the promotion of and opposition to a bill in Parliament and/or representation at any local or other inquiry as may be considered necessary or desirable for carrying into effect any or all of the objects of ADA;
- (h) to offer Members guidance, leadership and support, to provide means of assistance upon technical and administrative matters to Members, to obtain and disseminate information on matters of importance and interest to Members, to build connections between Members, and to organise events and meetings for the benefit of Members;
- (i) to consult and co-operate on matters and questions of common interest to Members and from time to time to take such action or indicate such common policy as may be desirable;
- (j) to amalgamate or combine or act temporarily or otherwise in conjunction with any other body or institution having the like objects or with which it may be advantageous to ADA to co-operate;
- (k) to publish periodically such reports, bulletins, information and other matters as the board of Directors may determine;

### **Powers**

6. ADA shall have the power to do anything which is calculated to further its Objects or which is conducive or incidental to doing so, including (but not limited to) ADA the following powers:

- (a) to purchase, take on lease, or in exchange, hire or otherwise acquire real or personal property and rights or privileges, and to construct, maintain and alter buildings or erections;
- (b) to sell, let or mortgage, dispose of or turn to account all or any of the property or assets of ADA;
- (c) to purchase or otherwise acquire plant and machinery including, without limitation, computer hardware and software, furniture, fixtures, fittings and all other effects of every description and to apply for registration of any patents, rights, copyrights, licences and the like;
- (d) to borrow or raise money on such terms and on such security as may be thought fit with such consents as are required by law;
- (e) to take and accept any gift of money, property or other assets whether subject to any special trust or not;
- (f) to issue appeals, hold public meetings and take such other steps as may be required for the purpose of procuring contributions to the funds of ADA in the shape of donations, subscriptions or otherwise;
- (g) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank accounts;
- (h) to invest moneys of ADA not immediately required for its purposes 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;
- (i) to make any donations in cash or assets or establish or support or aid in the establishment or support of and to lend money (with or without security) to or for any charitable associations or institutions;

- (j) to undertake and execute charitable trusts;
- (k) to engage and pay any person or persons whether on a full-time or part-time basis or whether as consultant or employee to supervise, organise, carry on the work of and advise ADA and, subject to the provisions of Article 7 hereof, to make any reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees or former employees and their wives, husbands and other dependants;
- (l) to amalgamate or enter into joint ventures and/or projects with any companies, institutions, societies or associations;
- (m) to pay out of funds of ADA the costs, charges and expenses of and incidental to the formation and registration of ADA;
- (n) to do all such other lawful things as shall further the attainment of the objects of ADA or any of them.

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

7. The income and property of ADA shall be applied solely towards the promotion of its objects as set forth in Article 5 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 ADA, PROVIDED THAT nothing herein shall prevent any payment in good faith by ADA:

- (a) of reasonable and proper remuneration to any member of ADA for any services rendered to ADA and of travelling, hotel and other expenses necessarily incurred by any member of ADA in carrying out any of its duties or by any other person at the request of ADA;
- (b) of interest on money lent by a member of ADA at a rate per annum not exceeding two percentage points less than the base lending rate for the time being of ADA's clearing bankers or 3% whichever is the greater;
- (c) of fees, remuneration or other benefit in money or money's worth to a company of which a member of ADA may be a member holding not more than one hundredth part of the capital of such company;
- (d) of reasonable and proper rent for premises demised or let by any member of ADA.

8. If upon the winding up or dissolution of ADA 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 ADA, but shall be given or transferred to some other body or bodies having objects similar to the objects of ADA, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on ADA under or by virtue of Article 7 hereof, such body or bodies to be determined by the members of ADA at or before the time of dissolution, and if so far as effect cannot be given to such provision, then to some other body.

### **Members**

9 The subscribers to the Memorandum of Association of ADA and such other persons as are admitted to membership in accordance with the Articles shall be members of ADA. Save for the subscribers to the Memorandum of Association of ADA, no person shall be admitted a member of ADA unless they satisfy the membership requirements as set out under Article 10 below and in addition their application for membership of ADA approved by the Directors. Every person who wishes to become a member shall deliver to ADA an application for membership in such form as the Directors require executed by them.

10 Any person or body who (in the sole opinion of the Directors) has a material interest in water level, land drainage and flood risk management is eligible to apply to become a Member of ADA.

10A The Directors may define, change or create different categories of Members as is approved from time to time by the Directors.

10B Subject to Article 10A, at the date of adoption of these articles there shall be the following categories of Members in ADA;

- (a) An Internal Drainage Board, Advisory Group, or Drainage Commission operating in any part of the United Kingdom;
- (b) Local Authority – this category includes for all forms of Local Authority throughout the United Kingdom;
- (c) National Agency – being a body that operates across all or multiple River Basin Districts;
- (d) Water Company - companies that deliver water and sewerage services in England and Wales;
- (e) Associate – being a body, manufacturer or supplier of goods and services to the flood defence and land drainage industry meeting the criteria laid down from time to time by the Directors;
- (f) Individual – this category includes for honorary or life members as determined from time to time by the Directors.

10A Additionally, there is a category of Affiliate Member specifically attributed to Regional Flood & Coastal Committees. An Affiliate Member will retain all the requirements and advantages a Member but will not be bound by the action taken by ADA regarding the Objects of the Association as stated in Article 5.

11 Members of ADA shall pay the an annual subscription which has been determined by the Directors from time to time (subject to the provisions of Article 11(d))., Subject to any variation in accordance with the foregoing provisions of this Article 11, the annual subscription fees shall be calculated on the following basis following:

- (a) The subscription fees for those Members who are IDBs, Advisory Groups or Drainage Commissions shall be determined by reference to their respective Area Annual Value Factor (calculated by reference to the area of land for which the relevant IDB, Advisory Group or Drainage Commission is responsible and annual value of such land determined from time to time by the relevant IDB, Advisory Group or Drainage Commission)

Subscription Area – Annual Value Factor
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0-999
1,000-1,999
2,000-2,999
3,000-3,999
4,000-4,999
5,000-5,999
6,000-6,999
7,000-7,999
8,000-8,999
9,000-9,999
10,000-19,999
20,000-29,999
30,000-39,999
40,000-49,999
50,000-59,999
60,000-69,999
70,000-79,999
80,000-89,999
90,000-99,999
100,000-133,333
166,667-199,999
200,000-299,999
300,000-399,999
400,000-499,999
500,000-599,999
600,000-699,999
700,000-799,999
800,000-899,999
900,000-999,999
1,000,000-1,099,999
1,100,000-1,199,999
1,200,000-1,299,999
1,300,000-1,399,999
1,400,000-1,499,999
1,500,000 and over

- (b) The Subscription Fees for those Members who are not IDBs, Advisory Groups or Drainage Commissions shall be determined by the directors from time to time by reference to their membership category.
  
- (e) The Board may at any time prior to the 30 September in any Membership Year by notice to the Members, vary the subscription fees for Members for the following Membership Year.
  
- (d) The Subscription fees are stated as being exclusive of VAT. Any VAT payable shall be due in addition.

12 Any Member of ADA may terminate Membership on giving to the Secretary written notice of its desire, but shall continue to be liable to pay the proportion of subscription or arrears of subscription accrued due up to the end of the Membership Year in which such notice expires.

13 Members of ADA shall be entitled to be represented at, and take part in, all General Meetings of ADA but only representatives of Members not in arrears with any fee for a period of more than thirty days on the date of the meeting will be entitled to vote.

14 The Directors may cancel the membership of any Members whose subscription fee or any other fees are more than three months in arrears, but the Directors may reinstate such Member upon payment of the arrears.

### **General meetings**

15 ADA shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one annual general meeting of ADA and that of the next. The annual general meeting in each year shall be held at such time and place as the Directors shall appoint. All general meetings other than annual general meetings shall be called general meetings. The business of the annual general meeting shall include the following matters:

- (a) to receive a report from the Directors on the activities and proceedings since the last annual general meeting;
- (b) to receive the approved accounts of ADA made up to the end of the preceding financial period, being such period as may from time to time be determined by the Directors;
- (c) to elect a President, and receive a report on the appointment of Vice-Presidents whose appointments may be decided from time to time by the Directors;
- (c) to receive a report on the election of Directors to the Board;
- (d) to appoint an internal auditor to report on the adequacy of ADA's governance, risk and control procedures, and to engage an external accountant to assist the compliant preparation of the Financial Statements to be submitted to the Annual General Meeting. Both the internal auditor and external accountant shall hold office upon such terms as the Directors shall from time to time determine.
- (e) to deal with all matters of which notice has been received in accordance with Article 17(a) and/or such other matters as, in the opinion of the Chairperson, may be considered necessary or desirable;

16 The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting for a date not later than 8 weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any member of ADA may call a general meeting.

16A Except where inconsistent with any legal obligation, a general meeting may be held by suitable electronic means (including but not limited to a video conference, an internet video facility or similar method allowing simultaneous visual and audio participation) agreed by the directors in which each participant may see, hear and communicate with each of the other participants. For the purposes of these articles of association, 'present' and 'present in person' includes being present by such suitable electronic means agreed by the directors in which each participant may see, hear and communicate with each of the other participants of the meeting.

### **NOTICE OF GENERAL MEETINGS**

**17(a) Annual general meetings.**

Subject to Article 17(c), not less than 40 Clear Days before the date of the annual general meeting, notice of the date and place thereof and such other information as the Directors shall direct, shall be sent to each Member of ADA. Any Member of ADA who desires to submit any motion or amendment, or to place any matter on the Agenda for discussion, shall send written particulars thereof to the Chief Executive not less than 30 Clear Days before the date of the annual general meeting- Not less than 20 Clear Days before the date of the annual general meeting the Chief Executive shall circulate to each Member of ADA a statement of the business to be transacted, together with a copy of any such particulars, reports, nominations and accounts as will be considered.

**17(b) Other general meetings**

Subject to Article 17(c), the Directors shall, as necessary, announce other general meetings giving, not less than 20 Clear Days before the date of the Meeting, notice of the date and place (or electronic method in accordance with article 16A) thereof and such other information as the Directors shall direct shall be sent to each Member of ADA. Not less than 20 Clear Days before the date of the general meeting the Chief Executive shall circulate to each Member of ADA a statement of the business to be transacted, together with a copy of any such particulars, reports, nominations and accounts as will be considered.

17(c) A general meeting may be called by shorter notice if it is so agreed:

- (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (ii) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all the members.

17(d) The notice of general meeting (including annual general meeting) shall comply with the provisions of section 325 of the Act (notice of general meeting to contain statement of right to appoint a proxy) and shall specify the time and place (or electronic method in accordance with article 16A)), of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

17(e) The notice shall be given to all the members and to the Directors and auditors.

18 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**Proceedings at general meetings**

19 No business shall be transacted at any meeting unless a quorum is present. Twelve persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, being a Member, shall be a quorum.

20 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time as the Directors may determine.

21 The Chairperson, or, if they are absent, the Vice-Chairperson, shall preside as Chairperson of the meeting, but if neither the Chairperson nor the Vice-Chairperson be present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chairperson and, if there is only one Director present and willing to act, they shall be Chairperson.

22 If no Director is willing to act as Chairperson, or if no Director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chairperson.

23 A Director shall, notwithstanding that they are not a member, be entitled to attend and speak (but not vote) at any general meeting.

24 The Chairperson of the relevant meeting may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place (or electronic method in accordance with article 16A), but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven Clear Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

25 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

- (a) by the Chairperson of the relevant meeting; or
- (b) by at least three members having the right to vote at the meeting; or
- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

26 Unless a poll is duly demanded a declaration by the Chairperson that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

27 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairperson of the relevant meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

28 A poll shall be taken as the Chairperson of the relevant meeting directs and they may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

29 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the relevant meeting shall be entitled to a casting vote in addition to any other vote they may have.

30 A poll demanded on the election of a Chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such other time and place as the Chairperson of the relevant meeting directs not being more than 30 Clear Days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

31 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.

32 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

### Votes of members

33 On a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporate body) is present by a representative or proxy shall have one vote. On a poll, each Member who (being an individual) is present in person or by proxy or (being a corporate body) is present by representative or proxy shall be entitled to vote and:

- (a) the number of votes to which each such Member being an IDB or Drainage Commission shall be entitled on a poll shall be determined by reference to their respective Area Annual Value Factors for the relevant Membership Year as follows:-

Subscription Area – Annual Value Factor	Number of Votes
0-7,499	2
7,500-9999	3
10,000-20,999	4
21,000-34,999	5
35,000-49,999	6
50,000-79,999	7
80,000-94,999	8
95,000-134,999	9
135,000-399,999	10
400,000+	11

- (b) the number of votes to which each Member, not being an IDB or Drainage Commission shall be entitled on a poll shall be:-

Members	Number of Votes
Local Authority	1
Affiliate (RFCC)	7

National Agencies	2
Water Companies	2
Associate	2
Individual	2
Other	1
	1
	1

(c) a Voting Card shall be issued by the Chief Executive to each Member which has notified its intention of being represented at the annual or other general meeting and such Voting Cards shall be marked with the appropriate number of votes as mentioned in this Article.

34 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairperson whose decision shall be final and conclusive.

35 An appointment of a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of the above-named Company, hereby appoint  
of \_\_\_\_\_ or failing them \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to vote in my/our name[s] and on my/our behalf at the  
annual/extraordinary general meeting of ADA to be held on \_\_\_\_\_ and at any  
adjournment thereof.  
Signed on \_\_\_\_\_

36 Where it is desired to afford members an opportunity of instructing the proxy how they shall act the appointment of a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of the above-named Company, hereby appoint  
of \_\_\_\_\_ or failing them \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to vote in my/our name[s] and on my/our behalf at the  
annual/extraordinary general meeting of ADA, to be held on \_\_\_\_\_, and at an  
adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 †for †against

Resolution No 2 †for †against

† strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as they think fit or abstain from voting.

Signed this            day of

37     The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

- (a)     in the case of an instrument in writing be deposited at the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by ADA in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b)     in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
  - (i)     in the notice convening the meeting, or
  - (ii)    in any instrument of proxy sent out by ADA in relation to the meeting, or
  - (iii)   in any invitation contained in an electronic communication to appoint a proxy issued by ADA in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (c)     in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d)     where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairperson or to the Secretary or to any Director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid. In this Article and in the next, "address" in relation to electronic communications includes any number or address used for the purpose of such communications.

38     A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by ADA at the Office or at such other place at which the instrument of proxy was duly deposited or where the appointment of the proxy was contained in an electronic communication at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

#### **Number of Directors**

39     Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than one and shall not exceed sixteen.

#### **Alternate Directors, Representatives and Observers**

40 No Director may appoint an alternate director. In the event that any Director is unable to attend any meeting of the Directors a representative of that Director's Appointing Body may attend in that Director's stead. Such representative shall be entitled to speak at such meeting of the Directors but shall not be counted as part of the quorum of the meeting or have the right to vote at any such meeting or receive notice of any future meeting of the Directors. Such representative shall not be deemed to be a Director.

41 The Department for the Environment Food and Rural Affairs may appoint one observer to attend meetings of the Directors. Such observer shall be entitled to speak at such meeting of the Directors but shall not be counted as part of the quorum of the meeting or have the right to vote at any such meeting or receive notice of any future meeting of the Directors. Such observer shall not be deemed to be a Director.

42 Any person attending a meeting of the Directors, whether as a representative of an absent Directors Appointing Body or observer, shall comply with such rules relating to declaration of interests and confidentiality as the Board may from time to time determine.

43 The Chairperson may if they deem appropriate in the interests of ADA, exclude all or some of the representatives referred to in Article 40 and/or observers from all or part of any meeting of the Directors.

### **Powers of Directors**

44 Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of ADA shall be managed by the Directors who may exercise all the powers of ADA. No alteration of the Memorandum of Association or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

45 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of ADA for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of their powers.

### **Delegation of Directors' powers and Chief Executive**

46 The Directors may delegate to any managing or other Director holding executive office or Chief Executive such of their powers as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. The Chief Executive shall be entitled to attend and speak at both Board and general Meetings of ADA but shall not be counted as part of the quorum at either such meeting and shall have no right to vote at either such meeting.

### **Branches**

47 All Members and Affiliate Members are eligible to be members of their local Branch, subject to Members agreeing to the constitution and terms of reference of that Branch as set out in Articles 47(b) and 47(c).

- (a) Subject to the provisions of Article 47(c), the role of Branches is to:
- (i) represent the interests of water level management bodies at the local level;
  - (ii) raise awareness of the work of IDBs;
  - (iii) bring together other bodies involved in water management;



- (iv) set up and coordinate partnerships to pool resources to deliver integrated water management more cost effectively;
  - (v) pass up local views and issues to the Board, and pass down to members the decisions of the Board; and
  - (vi) work with Committees to develop and communicate best practice.
- (b) The constitution of each of the Branches, together with any amendment shall be produced by the Branch and approved by the Board.
  - (c) The term of reference of each of the Branches shall be determined from time to time by the Board.
  - (d) In the event of the merger, amalgamation or dissolution of any one or more of the Branches, the Directors appointed by any such merged, amalgamation or dissolved Branch or Branches shall retire at the next following annual general meeting of ADA. Such Directors shall, subject to the provision of the last sentence of Article 53(a), be eligible for re-election.
  - (e) Any changes to the number or identity of the Branches as a result of any merger, amalgamation or dissolution of any of the Branches shall be subject to the approval of the Members at the annual general meeting following any such merger, amalgamation or dissolution

### **Appointment of Directors**

48 The Board shall consist of ten Branch Directors as appointed in Article 49, two Committee Directors appointed in accordance with Article 50, up to three Directors appointed in accordance with Article 51, and if the Chairperson is not elected from amongst the Directors, the Chairperson.

49 Subject to the provisions of Article 52 each of the Branches shall be entitled to appoint one Branch Director in accordance with the provisions of their applicable constitution and terms of reference.

50 Subject to the provisions of Article 52 each of the Committees shall be entitled to appoint one Committee Director in accordance with the provisions of their applicable constitution and terms of reference.

51

- (a) Subject to the provisions of Article 52 each of the following may appoint one Non Branch Director and by notice in writing to the Chairperson remove and/or replace any such Non Branch Director appointed by them in each case in accordance with such rules of procedure as apply to such body:-
  - Environment Agency;
  - those Local Authorities who are Members between them; and
  - those RFCCs who are Affiliate Members between them at the annual meeting of their national group
- (b) In default of the RFCCs who are Affiliate Members between them appointing a director by the first Board Meeting following each annual general meeting of ADA the Board shall endeavour to co-opt to the Board one person willing to act from a RFCC which is an Affiliate Member

- (c) In default of the Local Authorities who are Members between them appointing a director by the first Board Meeting following each annual general meeting of ADA the Board shall endeavour to co-opt to the Board one person willing to act from a Local Authority which is a Member.
- (d) Any Director co-opted onto the Board in accordance with either of Article 51(b) and/or 51(c) shall, unless removed and/or replaced beforehand by their Appointing Body, resign at the next following annual general meeting.
- (e) In the event of a dispute between any one or more of either the Local Authorities and/or the RFCCs as to the appointment of their respective Non Branch Directors, the decision of the Board as to who is appointed a Director by the Local Authorities or RFCC, as the case may be, shall be final.

52 In the event that the Chairperson shall be elected from amongst the Directors, their relevant Appointing Body shall be entitled to appoint one other Director.

### 53 **Term of office**

- (a) Subject to the provisions of Article 47(d), each of the Branch Directors shall hold office for a term of three years. Any such Director retiring may be reappointed by their respective Appointing Body save that no Branch Director may serve as a Director for more than three consecutive terms.
- (b) Each of the Committee Directors shall hold office for two years. One of the Committee Directors shall retire annually commencing at the second annual general meeting following ADA's incorporation. In the absence of agreement the Committee Director retiring at that annual general meeting shall be determined by lots. Any such Director retiring may be reappointed by their respective Appointing Body save that no Committee Director may serve as a Director for more than three consecutive terms.
- (c) Subject to Article 51(e), the Non Branch Directors may be removed and/or replaced by their respective Appointing Bodies by notice in writing to the Chairperson.

### 54 **Powers and duties**

- (a) The Board, save as otherwise provided by ADA's Memorandum and Articles of Association, shall be vested with full power to manage all the affairs of ADA.
- (b) Without prejudice to the statutory and common law duties of the Directors, the role of the Directors is to act in the best interests of ADA; it is not merely to represent the views of their Appointing Body.

### 55 **Committees**

- (a) The Directors shall delegate such of its powers to the Committees as shall from time to time be within the terms of reference of each such Committee. The terms of reference and constitution of each of the Committees, together with any amendment thereto, shall be determined from time to time by the Board.
- (b) The Board may appoint such Committees as it may deem necessary and may delegate such of its powers as it may think fit upon such terms and conditions as shall be deemed expedient. Subject to any such conditions, the proceedings of a Committee shall be governed by the Articles of Association regulating the proceedings of Directors so far as they are capable of applying. Such Committees shall consist of such Directors and other persons as the Board may think fit. The Chairperson and Chief Executive shall be ex-officio members of all such Committees. Membership of the Committees will be ratified annually by the Board.

## 56 **Disqualification and removal of Directors**

The office of a Director shall be vacated if:

- (a) They cease to be a Director by virtue of any provision of the Act or they become prohibited by law from being a Director; or
- (b) They become bankrupt or makes any arrangement or composition with their creditors generally; or
- (c) he resigns their office by notice to ADA; or
- (d) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that their office be vacated; or
- (e) in the case of a Non Branch Director they are removed or replaced by their Appointing Body; or
- (f) in the case of a Branch Director they cease to be a member of or employed or engaged, whether as an employee or consultant by an IDB or other Branch Member within the Branch which is their Appointing Body; or
- (g) in the case of a Committee Director they cease to be a Member of the relevant Committee which is their Appointing Body.

## **Remuneration of Directors**

57 Subject to the provisions of Article 7, the Directors shall be entitled to such remuneration as ADA may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

## **Directors' expenses**

58 The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committee of Directors or general meetings or separate meetings of the holders of debentures of ADA or otherwise in connection with the discharge of their duties.

## **Directors' appointments and interests**

59 Subject to the provisions of the Act and Article 7, and without prejudice to the appointment of a Chief Executive, the Directors may appoint one or more of their number to the office of managing Director or to any other executive office under ADA and may enter into an agreement or arrangement with any Director for their employment by ADA or for the provision by them of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for their services as they think fit. Any appointment of a Director to an executive office shall terminate if they cease to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and ADA.

60 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with ADA:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with ADA or in which ADA is otherwise (directly or indirectly) interested;

- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which they are interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which they are interested;
- (d) may act by themselves or their firm in a professional capacity for ADA (otherwise than as auditor) and their firm shall be entitled to remuneration for professional services as if they were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which ADA is otherwise (directly or indirectly) interested; and
- (f) shall not, save as they may otherwise agree, be accountable to ADA for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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 their duty under section 176 of the Act.

61 For the purposes of regulation 60:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect them to have knowledge shall not be treated as an interest of theirs.

62 Subject to the provisions of Article 7 the Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with ADA or with any body corporate which is or has been a subsidiary of ADA or a predecessor in business of ADA or of any such subsidiary, and for any member of their family (including spouse and a former spouse) or any person who is or was dependent upon them, and may (as well before as after they cease to hold such office or employment) contribute to any fund and pay premiums for the purchase of provision of any such benefit.

### **Proceedings of Directors**

63 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairperson shall have a second or casting vote. Save as otherwise provided each Director shall have one vote.

64 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be seven Directors of whom not fewer than five shall be Branch Directors.

65 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.

66 The Chairperson, or, if they are absent, the Vice-Chairperson, shall preside at every meeting of Directors at which they are present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within 5 minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be Chairperson of the meeting.

67 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

68 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors as (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

69 A Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which they have, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of ADA unless their interest or duty arises only because the case falls within one or more of the following paragraphs:

- (a) the resolution relates to the giving to them of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by them for the benefit of, ADA or any of its subsidiaries;
- (b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of ADA or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) Their interest arises by virtue of them subscribing or agreeing to subscribe for any debentures of ADA or any of its subsidiaries or by virtue of them being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such debentures by ADA or any of its subsidiaries for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on ADA), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of their appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

70 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.

71 ADA may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.

72 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with ADA or any body corporate in which ADA is interested the proposals may be divided and considered in relation to each Director separately and (provided they are not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning their own appointment.

73 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairperson of the meeting and their ruling in relation to any Director other than themselves shall be final and conclusive.

### **Secretary**

74 Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

### **Minutes**

75 The Directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the Directors; and
- (b) of all proceedings at meetings of ADA, and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.

### **The seal**

76 The Seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by two Directors.

## **OFFICERS**

### **77 President and Vice-President**

ADA may appoint a President, who shall be nominated by the Board and elected at the annual general meeting, and shall be entitled to attend all meetings of the members and the Board, shall have no vote at such meetings but shall be entitled to speak. No individual will serve as President for more than 9 consecutive years. ADA may also appoint Vice-Presidents who shall be nominated by the Board and notified to the Annual General Meeting, and shall be entitled to attend all meetings of members and Board, shall have no vote at such meetings, but shall be entitled to speak. Each Vice-President shall hold office for a term of three years and may be re-appointed by the Board save that no Vice-President may serve for more than three consecutive terms.

### **78 Chairperson**

The Chairperson of ADA who need not be a Director shall be elected by the Board. The Chairperson's term of office shall be limited to three years. No Chairperson may serve for more than three consecutive terms. The Chairperson shall be an employee of ADA and receive a salary, to be agreed and reviewed annually by the Board.

## 79 **Vice Chairperson**

ChairpersonTwo Vice Chairmen shall be appointed by the Board and shall be the Chairs of the Committees as set out in Article 50. The Vice Chairperson's term of office shall be limited to two years in line with their Committee appointments. No Vice Chairperson may serve for more than three consecutive terms.

## 80 **Chief Executive**

The Chief Executive shall be appointed by the Board and shall carry out the duties of the office on such terms and conditions as the Board shall, from time to time, determine.

## **Accounts**

81 No member shall (as such) have any right of inspecting any accounting records or other book or document of ADA except as conferred by statute or authorised by the Directors or by ordinary resolution of ADA.

## **Notices**

82 Any notice to be given to or by any person pursuant to the Articles shall be in writing.

83 ADA may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member (in the case of a Member, addressed to or for the attention of the Clerk/Manager of the relevant Member) at their registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to ADA by the member. In this Article and in Articles 84 and 86, "address" in relation to electronic communications includes any number or address used for the purpose of such communications. A member whose registered address is not within the United Kingdom and who gives to ADA an address within the United Kingdom at which notices may be given to them shall be entitled to have notices given to them at that address, but otherwise no such member shall be entitled to receive any notice from ADA.

84 All notices and other communications for ADA shall be addressed to the Chief Executive at the address of such Chief Executive, or such other address as the Board shall decide and advise Members thereof.

85 A member present, either in person or by proxy, at any meeting of ADA shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

86 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent to the Member's address shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

## **Directors' Indemnity**

87 Subject to article 87(a), but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of ADA's assets against all costs, charges, losses, expenses and liabilities incurred by them as a relevant officer in the actual or purported execution and/or discharge of their duties, or in relation to them including any liability incurred by them in defending any civil or criminal proceedings in which judgment is given in their favour or in which they are acquitted or the proceedings are otherwise disposed of without any finding or admission of any

material breach of duty on their part or in connection with any application in which the court grants them, in their capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to ADA's (or any associated company's) affairs; and

- (b) ADA may provide any relevant officer with funds to meet expenditure incurred or to be incurred by them in connection with any proceedings or application referred to in Article 87(c) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

88 Article 84 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

89 In Article 87 and 90, companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

### **Insurance**

90 The directors may decide to purchase and maintain insurance, at the expense of ADA, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to ADA, any associated company or any pension fund or employees' share scheme of ADA or associated company.

### **Winding Up**

91 In the event of consideration being given to dissolve and wind up ADA, the following procedure will be adopted;

- (a) the Board will so recommend to the annual general meeting or another general meeting;
- (b) the annual general meeting or other general meeting will vote and such a resolution will be carried with a majority in favour of not less than three quarters of the votes cast at the meeting;
- (c) subject to the provisions of Article 8 the disposal of assets or the covering of liabilities will be approved by the annual general meeting or other general meeting.

### **Adoption and Alteration of these Articles**

92 These Articles having been approved and adopted shall not be altered except at an annual general meeting or another general meeting for which notice must be served in accordance with Article 17.