

THE COMPANIES ACT 2006

**PRIVATE COMPANY LIMITED BY GUARANTEE AND NOT
HAVING SHARE CAPITAL**

ARTICLES OF ASSOCIATION

OF

**THE INSTITUTE OF RESIDENTIAL PROPERTY MANAGEMENT
LIMITED (“Institute”)**

(Adopted by Special Resolution of the Members passed on [1])

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006 as amended or extended by any other enactment;

Affiliate: means those members of the Institute who are not Members, Associates or Fellows of the Institute and who has been determined as such pursuant to article 2.3

Agent: a person, firm, partnership or company that carries out or otherwise supports the business of managing property (whether or not it is their main or principal business) and who has been determined as such pursuant to article 2.3;

AGM: means a duly convened and held annual general meeting of the Members of the Institute;

Articles: means the Institute’s articles of association adopted by the Members of the Institute and for the time being in force;

Associates: means those members of the Institute who are not Members, Affiliates or Fellows of the Institute and who has been determined as such pursuant to article 2.2;

Board of Directors: means the Executive Committee and the additional Directors of the Institute who shall be duly appointed in accordance with these Articles and shall include the WG Directors each of whom who shall be responsible for management for the time being of the Institute;

Business Day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Chairman: means the duly appointed chairman from time to time of the Institute

Chief Executive: means the duly appointed chief executive officer(s) from time to time of the Institute who shall be a paid employee(s);

Code of Conduct: means the code of conduct as decided by the Directors from time to time, to which The Membership adhere to for the duration of their membership

Conflict: has the meaning given in article 11.1;

Director: means a duly appointed director of the Institute who is a Member and who has been appointed by the Members in General Meeting, or by the Board of Directors and who may, with the approval of the Board of Directors be a consultant to the Institute engaged on such terms and upon such remuneration as the Board of Directors may reasonably determine;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of Directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

Executive Committee: means those Directors who hold the positions of the Chairman, the Vice-Chairman or the Immediate Past Chairman and the Chief Executive(s) of the Institute from time to time or as the Board of Directors may reasonably determine

Fellow: means a member of the Institute who is a senior professional in their field and demonstrates a contribution to the residential property management sector and who has been determined as such pursuant to article 2.3;

General Meeting: means a duly convened and held general meeting of the eligible members of the Institute

Immediate Past Chairman: means the person elected as Chairman of the Institute in the years immediately preceding the current Chairman

Incapacitated: means a registered medical practitioner who is treating that person gives a written opinion to the Institute stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months

Institute: The Institute of Residential Property Management Limited

member: means any member of The Membership who at that time satisfies the criteria for membership in accordance with article 2.1

Member: means those members of the Institute who are not Affiliates, Associates or Fellows of the Institute and who has been determined as such pursuant to article 2.3;

Memorandum: means the memorandum of association of the Institute adopted upon its incorporation and detailing the purposes for which the Institute is established;

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles;

Rules: means the rules and byelaws of the Institute, the Terms of Conditions and the Code of Conduct as determined by the Board of Directors from time to time

Secretary: means any person appointed to perform the duties of the company secretary of the Institute;

Terms and Conditions: means the terms and conditions of The Membership of the Institute from time to time

The Membership: means all of the Affiliates, Members, Fellows and Associates which make up the entire membership of the Institute

United Kingdom: means England, Wales, Scotland, Northern Ireland and Eire;

Vice Chairman: means the person elected as Vice- Chairman from time to time by the Institute

Voting Members: has the meaning given to it in article 16.1.

- 1.2 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.3 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 The current objects for which the Institute is established are:-
 - (a) to promote the general public's interest in the Sector.
 - (b) to promote and stimulate the improvement of the technical and general knowledge of individuals engaged in property management (hereafter referred to as 'the Sector').
 - (c) to confer a recognised professional status on individuals in the sector.
 - (d) to encourage the provision of training relative to the Sector by such other means as may be approved by the Board of Directors.
 - (e) to promote opportunities for individuals to enter the residential property management profession and obtain relevant education, training and qualifications.

- (f) to make awards to individuals in the sector in recognition of their achievement in, or contribution to, the advancement of the sector.
- (g) to publish in relevant media from time to time information to promote awareness of the objects and activities of the Institute and to publish papers by Members or others contributing to the practice of the sector.
- (h) to make such rules and regulations as the Institute shall think fit to govern the conduct of The Membership and to provide for sanctions in the event of their infringement.
- (i) to set up such disciplinary and regulatory procedures as the Institute shall think fit for the investigation of alleged breaches of such rules and regulations, for the imposition of sanctions, where appropriate, and for the hearing and final disposal of appeals by a member against any findings that he has committed a breach of such rules and regulations and/or against any sanction imposed in respect of such breach.
- (j) to safeguard all members and the public against restrictive practices within the profession.
- (k) to encourage, promote and maintain a high ethical standard of practice within the sector.
- (l) to provide a representative members' organisation for individual members for the protection of the collective interests of the sector.
- (m) to do such things as may be necessary or expedient to sustain or raise the status of individual members engaged in the business of residential property management.
- (n) create, acquire, hold and distribute content and media as approved by the Directors from time to time.
- (o) to provide education, training, and professional accreditations to members.
- (p) to co-operate with other trade and professional organisations having similar objects and to establish, promote and assist or federate with such organisations.
- (q) to transfer all or any of the property, assets, liabilities and business of the Institute to such organisations having similar objects with which the Institute may co-operate, federate or merge.
- (r) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them as the Board of Directors shall deem fit.

1.6 The provisions contained in the Model Articles shall not apply to the Institute.

1.7 The income and property of the Institute shall be applied solely towards the promotion of the above-mentioned objects of the Institute and no amount

shall be paid or transferred by dividends, bonus or otherwise howsoever by way of any distribution to all or any of the members.

- 1.8 The liability of each member is limited. Every member undertakes to contribute to the assets of the Institute in the event of its being wound up while he is a member or within one year afterwards for payment of the debts and liabilities of the Institute contracted before he ceases to be a member and the costs charges and expenses of winding up and for the adjustment of the rights of contributories among themselves such amount as may be required not exceeding One Pound (£1.00).

2. MEMBERS

- 2.1 The members of the Institute shall be such individuals who carry on, or are otherwise engaged in, or support the business of managing property in United Kingdom and who:

- (a) apply for membership of the Institute;
- (b) satisfy the appropriate criteria set by the Board of Directors in the Rules; and
- (c) are admitted to membership of the Institute by election by the Board of Directors.

- 2.2 The Board of Directors may in determining the Rules of the Institute from time to time designate different classes of membership and the relevant criteria and qualifications of individuals for such classes. The respective voting rights for each different class of membership shall be as prescribed by the Board of Directors from time to time and the Board shall have discretion to vary the classes, qualifications and voting rights of members at any time.

- 2.3 The Board of Directors may undertake all enquiries as it deems necessary and stipulate such criteria for admission to membership of the Institute as it deems appropriate. Any criteria for admission to membership of a particular class or category of membership shall be determined by the Board of Directors.

- 2.4 The Board of Directors may also from time to time consider whether an existing member continues to meet the membership criteria then in force and may upon giving reasonable notice remove from membership or re-classify the membership category of any member who does not continue to satisfy the standards or criteria prescribed by the Board of Directors.. Any decision of the Board of Directors made in connection with the removal or reclassification of a member pursuant to this Article shall be final. The Board of Directors may delegate its powers under this Article to an appropriate committee appointed by the Board of Directors.

- 2.5 Every member of the Institute shall be deemed to consent to becoming a member as appropriate by applying for or renewing his membership of the Institute and by doing so shall also be deemed to agree to abide by the Rules and any related disciplinary procedures of the Institute as prescribed by the Board of Directors in their absolute discretion from time to time.

- 2.6 Affiliates will be accepted as full members of the Institute only when they meet the criteria set by the Board of Directors. Any person wishing to become a member of the Institute and who is not an Affiliate shall submit an application in a form approved by the Board of Directors. The Board of Directors may require the applicant to be proposed and seconded by a member of the Institute.
- 2.7 An applicant for membership of the Institute shall for each full or part year he remains a member pay the annual subscription fee as determined by the Board of Directors from time to time, together with all other sums as may be payable by a Member in accordance with any Rules as prescribed by the Board of Directors from time to time having regard to such consideration in different classes of cases or individual cases as the Board of Directors shall in their absolute discretion think fit.
- 2.8 A member shall not be entitled to exercise any of the rights or privileges of membership until all monies due from him to the Institute upon becoming a Member and each annual renewal have been paid in full on the due date.
- 2.9 A member shall automatically cease to be a member of the Institute if that member:
- (a) should have a trustee in bankruptcy, or liquidator appointed over part or the whole of his assets;
 - (b) is expelled by the Board of Directors under these Articles or any Rules;
 - (c) dies or becomes Incapacitated;
 - (d) resigns from the Institute;
 - (e) no longer continues to meet the necessary criteria or qualifications for membership of the Institute or any condition for continued membership;
 - (f) fails to pay any renewal subscriptions or fees to the Institute within the prescribed time;
 - (g) has in the reasonable opinion of the Board of Directors by his conduct, or behaviour, brought the sector and/or the Institute into disrepute.
- 2.10 Notwithstanding the provisions of article 2.9, the Directors may terminate the membership of any member by giving that member not less than 30 days' notice.
- 2.11 A member shall automatically cease to be a member of the Institute if there is a disposal by the Institute of all, or a substantial part of, the business and assets of the Institute to a trade and professional organisation having similar objects to the Institute provided that the Institute procures that a member who shall cease to be a member in accordance with this Article 2.11 is able to apply for membership of such organisation.

- 2.12 A member who ceases to be a member shall not, following termination of his membership, in any way hold himself out to be a member of the Institute and if he does so then the Institute may take such action (including legal proceedings) against him as it deems to be necessary. The Institute shall be entitled to publish lists of current member, the name of the employer or firm, their membership status, IRPM qualifications, and professional pathway or sector of expertise and likewise those who have ceased to be member as it thinks fit and to notify members of the public and clients that the ex- member has ceased to be a member of the Institute, howsoever caused.
- 2.13 No right or privilege of any member shall be in any way transferable or transmissible but all such rights and privileges shall cease upon the member ceasing to be such.

3. DECISIONS OF THE BOARD OF DIRECTORS

- 3.1 A decision of the Board of Directors at a Board meeting (face to face or the conference meeting) is taken in accordance with this article when the majority of all Directors indicate to each other by any means that they share a common view on a matter.
- 3.2 Subject to Article 3.1, such a decision may take the form of a resolution in writing, including by email, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 3.3 A decision may not be taken with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

4. DIRECTORS MAY DELEGATE

- 4.1 Subject to the articles, the Directors may delegate any of the powers which are conferred on them under the articles—
- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;
- as they think fit.
- 4.2 If the Directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 4.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

5. COMMITTEES

- 5.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 5.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

6. CALLING OF MEETINGS OF THE BOARD OF DIRECTORS

- 6.1 Any Director may call a meeting of the Board of Directors by giving not less than five Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the Secretary (if any) to give such notice.
- 6.2 Any notice shall be given to each and every Director in writing by post or personal delivery, or by e-mail delivered to such postal or e-mail address as may be notified in writing by the relevant Director to the Secretary or as the Board of Directors may reasonably determine. Notice of a directors' meeting must indicate its proposed date and time, where it is to take place, and if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting. The Secretary or such person as may be nominated by the Directors present at such meeting shall take minutes of the meeting and shall circulate the minutes to all Directors within 10 days of the date of the meeting.
- 6.3 Notice of a meeting of the Board of Directors need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Institute not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 6.4 Subject to the Articles, Directors participate in a meeting of the Board of Directors, or part of a meeting, when:
 - (a) the meeting has been called and takes place in accordance with the Articles, and
 - (b) they can each communicate to the others (including by telephone or video conference) any information or opinions they have on any particular item of the business of the meeting.
- 6.5 In determining whether Directors are participating in a meeting, it is irrelevant where any Director is or how they communicate with each other. 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.

7. BOARD COMPOSITION, QUORUM AND PROCEEDINGS OF THE BOARD OF DIRECTORS

- 7.1 The number of members of the Board of Directors shall be not less than five Eligible Directors and not more than fourteen Eligible Directors but must include at least two persons from the Executive Committee.
- 7.2 For the purposes of any meeting (or part of a meeting) held to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director. Subject to this Article, at any meeting of the Board of Directors, unless a quorum is participating, no proposal is to be voted on except a proposal to call another meeting.
- 7.3 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- (a) to appoint further directors; or
 - (b) to call a General Meeting so as to enable the Members to appoint further directors.
- 7.4 The Board of Directors shall be responsible for the management of the business and affairs of the Institute, for which purpose they may exercise all the powers of the Institute as set out in the objects contained in Article 1.6 above. The business of the Institute shall be managed by the Board of Directors who may exercise all powers of the Institute that are not required by the Act or these Articles to be exercised by the Board of Directors or the Institute in General Meeting.
- 7.5 The eligible members may, by special resolution, direct the Board of Directors to take, or refrain from taking, specified action. No special resolution passed by the Voting members in any General Meeting shall invalidate any prior act or decision of the Board of Directors.
- 7.6 The Board of Directors may meet, adjourn or otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business.
- 7.7 The quorum required for a meeting of the Board of Directors shall be at least five and at least two of those Directors shall be from the Executive Committee.
- 7.8 If within half an hour of the time at which the meeting was to start a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may decide, and if at the adjourned meeting a quorum is not present within half an hour from the time at which the meeting was to start, the Directors present shall be a quorum for the purpose only of calling a general meeting and adjourning the directors' meeting until immediately after that general meeting has been held.

- 7.9 The Chairman shall chair their meetings. The Board of Directors may terminate the Chairman's appointment at any time. In his absence, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Vice-Chairman or Immediate Chair shall, if present, preside as chairman for the purposes of that meeting, and in the absence of the Chairman and the Vice-Chairman, the members of the Board of Directors present shall choose one of the Directors present to be chairman of that meeting.
- 7.10 Subject to the requirements for members of the Board of Directors to retire by rotation pursuant to Article 8, the Board of Directors may from time to time elect from their number a Chairman or such other officer as they shall think fit and may determine the respective duties of such officers.
- 7.11 All payments of money made by the Institute and all receipts of moneys paid to the Institute, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, but the Institute shall not make any payment or commitment of monies of:
- (a) £50,000 or more except with the prior authority of the Board of Directors;
 - (b) £20,000 or more but less than £50,000 except with the prior authority of two members of the Executive Committee; or
 - (c) £10,000 or more but less than £20,000 except with the prior authority of the CEO.
- or as determined from time to time by resolution of the Board of Directors.
- 7.12 The Board of Directors may act notwithstanding any vacancy in their body; provided always that, in case the Board of Directors shall at any time be reduced in number to less than the minimum prescribed by or in accordance with these Articles, it shall be lawful for them to act as the Board of Directors for the purposes of filling up vacancies in their body, or of calling a General Meeting, but not for any other purpose.
- 7.13 All bona fide acts done and decisions made by any meeting of the Board of Directors, or by any person acting on the Board of Directors shall notwithstanding it being discovered afterwards that there was some defect in the appointment or continuance in office of any such member or person, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Board of Directors.
- 7.14 The Board of Directors may delegate any of their powers or functions to the Executive Committee consisting of such representatives or covering such geographic area in the United Kingdom or such other geographical area as the Board of Directors may from time to time decide.
- 7.15 The Board of Directors may also delegate any of its powers or functions to disciplinary and investigatory committees.

8. TERM OF DIRECTORS

- 8.1 Each Director on the Board of Directors shall serve from the date of his or her election at a General Meeting or Annual General Meeting. A Director shall be entitled to resign his or her appointment on giving to the Institute not less than one month's notice in writing to that effect unless another such notice period is agreed by the Board of Directors.
- 8.2 Unless otherwise agreed by the Board of Directors:
- (a) the Chairman shall be appointed and shall remain in office for two years from the date of the Annual General Meeting at which he is appointed;
 - (b) the elected Vice-Chairman shall succeed the Chairman at the end of the Chairman's two year term; and
 - (c) after serving his two year term as Chairman of the Institute, the ex-Chairman shall then serve one year in office as Immediate Past Chairman.
- 8.3 Unless otherwise agreed by the Directors the maximum term that the following positions may be served shall be as follows:
- (a) in the case of the Chairman, he may hold the position for 2 years and shall hold office as Vice Chairman of the Institute for one year before commencement of his or her term as Chairman of the Institute;
 - (b) in the case of Vice Chairman he may hold the position for one year which is immediately prior to the year in which he is Chairman;
 - (c) in the case of any other Director not holding the position of Chairman or Vice-Chairman, he may hold the position for an initial 3 years but it may be extended for a further 3 years at the discretion of the Board of Directors by a simple majority (but excluding the vote of the Director concerned).
- 8.4 In the event of the Chairman not wishing (or able) to complete their two year term of office for any reason, the Institute may appoint the Vice Chair to succeed to the role of Chairman, or if the Vice Chair does not wish to take up the role, the Board of Directors shall be entitled to appoint any member of the Membership who is entitled to vote at a General Meeting instead. Alternate Directors may also fill the relevant vacancies.
- 8.5 Where there are no volunteers to stand as Chairman or Vice-Chairman of the Institute, the Board of Directors may at their absolute discretion resolve to appoint one any person on the Board of Directors to act as interim Chairman or Vice-Chairman until such time a Chairman and/or Vice-Chairman is formally appointed.
- 8.6 Upon leaving the Board of Directors, no person shall be eligible for re-election to the Board of Directors for at least one year from the termination of his term of office as a Director and in the case of a Director serving as a Director (including a role within the Executive Committee) for a period of 6 years in

total, that Director cannot be re-elected until the expiry of a 12 month period after that 6 year period has ended.

- 8.7 If the Institute, at the meeting at which a member of the Board of Directors retires, does not fill any vacant position of the retiring member of the Institute, shall at the option of the Board of Directors either declare a proposal to decrease the total number of Directors of the Institute, or that the retiring member of the Board of Directors shall be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy.
- 8.8 No person other than a member of the Board of Directors shall be appointed or reappointed to the Board of Directors at any General Meeting or Annual General Meeting unless –
- (a) he or she is recommended by the Board of Directors; or
 - (b) not less than fourteen and not more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Institute for the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Institute's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
- 8.9 The Board of Directors shall only be made up of Fellows, Members or Associates of the Institute who shall from time to time be elected by the members of the Institute at a General Meeting or Annual General Meeting of the Institute or by the Board of Directors to fill vacancies pending their formal approval at the next General Meeting.
- 8.10 The Board of Directors may co-opt by simple majority vote other persons as the Board of Directors may think fit to act as ex-officio members of the Board of Directors from time to time but such co-option shall only be valid for one year.

9. CASTING VOTE

- 9.1 If the numbers of votes for and against a proposal at a meeting of the Directors are equal, the Chairman or other director chairing the relevant meeting shall have a second and casting vote.

10. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE INSTITUTE

- 10.1 All actual and potential conflicts of interest shall be disclosed by members of the Board of Directors to the Chairman of the Institute through an annual disclosure form and/or whenever a conflict arises. The disinterested members of the Board of Directors shall make a determination as to whether an actual or potential conflict exists and what subsequent action is appropriate (if any). The Board of Directors shall retain the ultimate authority with respect to the interpretation and application of this policy.

- 10.2 In the event that members of the Board of Directors consider that they, or a related party, are able to provide a more cost effective or better solution to the Institute than any other third party supplier, agent, or contractor, either as contractor of the Institute or as subcontractor to another contractor of the Institute, then the following rules will apply:
- (a) If the value of the services being offered to the Institute is less than £5,000 the Board of Directors shall obtain at least two other competitive quotes and present them all to the disinterested members of the Board of Directors. The disinterested members of the Board of Directors should only accept these services if they are cost effective and offer the best solution for the benefit of Members and Affiliates.
 - (b) If the value of the services being offered to the Institute is in excess of £5,000, or such other limit as determined by the Members in General Meeting, then the proposal for the services should be put to a vote of the Members of the Institute at a duly convened General Meeting.
 - (c) The value of any such services or related party services shall be disclosed in the annual audited accounts, which are sent to all Members.
- 10.3 All payments of money made by the Institute and all receipts of moneys paid to the Institute pursuant to this article 10 shall be subject to the same monetary thresholds for approval as detailed in article 7.11.
- 10.4 On an annual basis, all members of the Board of Directors shall be provided with a copy of the agreed form of Conflict of Interest Policy and Disclosure Form and shall be required to complete and sign the acknowledgment and disclosure form and return the same to the Chairman within one month of receipt. All completed forms shall be provided to and reviewed by the Chairman, as well as all other conflict information, if any, provided by members of the Board of Directors.
- 10.5 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his 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 the Institute:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Institute or in which the Institute is otherwise (directly or indirectly) interested;
 - (b) shall be an eligible director for the purposes of any proposed decision of the Board of Directors in respect of such contract or proposed contract in which he is 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 he is interested;

- (d) may act by himself or his firm in a professional capacity for the Institute (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director; and
- (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, anybody corporate in which the Institute is otherwise (directly or indirectly) interested.

11. DIRECTORS' CONFLICTS OF INTEREST

11.1 The Board of Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director that would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

11.2 Any authorisation under this Article 11 will be effective only if:

- (a) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (b) 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.

11.3 Any authorisation of a Conflict under this Article 11 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Institute) information that is confidential to a third party, he will not be obliged to disclose that information to the Institute, or to use it in relation to the Institute's affairs where to do so would amount to a breach of that confidence; and

- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 11.4 Where the Board of Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Board of Directors in relation to the Conflict.
- 11.5 The Board of Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 11.6 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 Institute for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Institute in General Meeting (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.

12. RECORDS OF DECISIONS OF THE BOARD OF DIRECTORS

- 12.1 The Board of Directors shall cause minutes to be made for the purpose:
 - (a) of all appointments and resignations of officers made by the Board of Directors;
 - (b) of the names of the members of the Board of Directors present at each meeting of the Board of Directors; and
 - (c) of all resolutions and proceedings at all meetings of the Institute,
- 12.2 Where decisions of the Board of Directors are taken by electronic means, such decisions shall be recorded by the Secretary or the Directors present in permanent form.
- 12.3 Except as provided by law or authorised by the Board of Directors or an ordinary resolution of the Members of the Institute, no person is entitled to inspect any of the Institute's records (other than accounting records) or documents merely by virtue of being a member.
- 12.4 In any case where, as a result of death or bankruptcy, the Institute has no directors, the eligible members shall have the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a Director.

13. TERMINATION OF DIRECTOR'S APPOINTMENT

- 13.1 Notwithstanding the provisions of Articles 7 and 8 , a person shall cease to be a Director as soon as:

- (a) 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;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Institute stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Institute from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (g) he is removed from office by special resolution of the eligible members in General Meeting; and
- (h) if he is directly or indirectly interested in any contract with the Institute and fails to declare the nature of his interest in the manner required by the Board of Directors or the Act and the Board of Directors deem this a sufficient breach of duty.

14. GENERAL MEETINGS

- 14.1 The Institute shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Institute and the next.
- 14.2 All General Meetings other than Annual General Meetings shall be called General Meetings. The Institute may, whenever it thinks fit and deems appropriate, convene a General Meeting of its members.
- 14.3 General Meetings (including Annual General Meetings) shall be held at such time and place as the Board of Directors shall decide and may be held in person as a physical meeting or electronically as a virtual meeting or a combination of in person and electronically as a hybrid meeting provided in each case all the members attending the General Meeting (or Annual General Meeting) can hear the proceedings, speak and be heard at the meeting, and vote in real time.
- 14.4 Subject to the provisions of the Act, at least 20% of members who have voting rights and who each have been a member for more than three years may by requisition in writing require the Board of Directors to convene a General Meeting to consider and pass proposed resolutions of the members of the Institute.

- 14.5 Subject to the provisions of the Act, an Annual General Meeting and any meeting called for the passing of a special resolution shall be called by at least twenty one days' notice in writing and any General Meeting of the Members of the Institute other than an Annual General Meeting or a meeting for the passing of an ordinary resolution shall be called by at least fourteen days' notice in writing.
- 14.6 Any notice of a General Meeting shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time and place, the day and venue of the meeting and nature of the business, and shall be given in such manner as may be prescribed by the Board of Directors to the members and the Affiliates and such persons as are entitled to receive such notices from the Institute.
- 14.7 Any ordinary resolution proposed to be passed at any General Meeting of the members of the Institute shall be passed upon a vote in favour of a simple majority of those members entitled to vote and are present at the General Meeting in person or by proxy. Any special resolution proposed to be passed at any General Meeting of the members of the Institute shall be passed upon a vote in favour of 75% or more of those members entitled to vote and are present at the general meeting in person or by proxy.
- 14.8 All business that is transacted at any General Meeting or Annual General Meeting shall be deemed special with the exception of the consideration of the accounts, balance sheets, and the reports of the Board of Directors and auditors, the election of members of the Board of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
- 14.9 An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution if:
- (a) notice of the proposed amendment is given to the Institute in writing by a person entitled to vote at the General Meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution.

A special resolution to be proposed at a General Meeting may be amended by ordinary resolution, if

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error shall not invalidate the vote on that resolution.

15. VOTING, ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 15.1 Subject to article 2.2 and any decision made by the Board of Directors, only those persons who are Fellows, Members and Associates are able to exercise the right to vote at a General Meeting (“**Voting members**”).
- 15.2 For the avoidance of doubt, Affiliates shall have no voting rights but they can receive notice of such meeting and have the right to speak at said meeting.
- 15.3 A Voting member is able to exercise the right to vote at a general meeting when:
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person’s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 15.4 The Directors may in their absolute discretion make whatever arrangements they consider appropriate to enable Voting members attending a General Meeting to exercise their rights to speak or vote at it.

16. QUORUM FOR GENERAL MEETINGS

- 16.1 Subject to article 18, no business other than the appointment of the Chairman of the meeting is to be transacted at a General Meeting unless and until the number of Voting members attending in person or by proxy shall be twenty or more. Any attendance in person or by proxy by a number of persons that is less than twenty shall not constitute a quorum.

17. CHAIRING GENERAL MEETINGS

- 17.1 (a) If the Directors have appointed a Chairman, the Chairman shall chair General Meetings if present and willing to do so.
- (b) If the Directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within fifteen minutes of the time at which a meeting was due to start
- (i) the directors present, or
 - (ii) (if no directors are present), the meeting

must appoint a Director or member to chair the meeting, and the appointment of the Chairman of the meeting must be the first business of the meeting.

18. ADJOURNMENT

- 18.1 If the eligible persons attending a General Meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the

meeting must adjourn it to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board of Directors may determine.

18.2 The Chairman of the meeting may adjourn a General Meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment, or
- (b) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (c) The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (d) When adjourning a general meeting, the chairman of the meeting must:
 - (i) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (ii) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (e) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Institute must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - (i) to the same persons to whom notice of the Institute's general meetings is required to be given, and
 - (ii) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (f) No business may be transacted at an adjourned General Meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

18.3 If at an adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be adjourned for the second time and the Institute shall follow the same provisions as detailed in this article 18 for re-arranging a further meeting (**Second Adjourned Meeting**).

18.4 If, at the Second Adjourned Meeting there is not a quorum present, the quorum shall be the number of Voting members in attendance either in person or by way of proxy.

19. VOTING AT GENERAL MEETINGS

- 19.1 Every Voting member present in person or by proxy shall have one vote. Votes may be given either personally or by proxy.
- 19.2 A resolution put to the vote of a General Meeting of the Voting members must be decided on a show of hands or by proxy in accordance with the articles unless a poll is (before or on the declaration of the result of the show of hands and subject to article 20.3 below) demanded by the Chairman or by at least 20 members present in person or by proxy.
- 19.3 Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minutes of proceedings of the Institute shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
- 19.4 If a poll is demanded, it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 19.5 In the case of equality of votes, whether on a show of hands and counting by proxy, or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
- 19.6 Subject to the provisions of the Act, a written resolution of the Members of the Institute for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Institute duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more members, and duly authorised in writing.

20. ERRORS AND DISPUTES

- 20.1 (a) No objection may be raised to the qualification of any person voting at a General Meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (b) Any such objection must be referred to the Chairman of the meeting whose decision is final.

21. POLL VOTES

- 21.1 A poll on a resolution may be demanded:
- (a) in advance of the General Meeting where it is to be put to the vote, or
- (b) at a General Meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) the Directors; or
- (c) twenty or more persons having the right to vote on the resolution and present at the meeting in person or by proxy; or

A demand for a poll may be withdrawn if the poll has not yet been taken and the chairman of the meeting consents to the withdrawal. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

22. CONTENT OF PROXY NOTICES

- 22.1 (a) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which:
- (i) states the name and address of the member appointing the proxy;
 - (ii) identifies the person appointed to be that member’s proxy and the General Meeting in relation to which that person is appointed;
 - (iii) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - (iv) is delivered to the Institute in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the General Meeting to which they relate.
- (b) The Institute may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (c) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (d) Unless a proxy notice indicates otherwise, it must be treated as:
- (i) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (ii) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- (e) A person attending a General Meeting who has also submitted a proxy vote for the same General Meeting shall not be entitled to have his votes counted twice when determining a resolution of the members.

23. DELIVERY OF PROXY NOTICES

- 23.1 (a) A person who is entitled to attend, speak or vote at a General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Institute by or on behalf of that person.
- (b) An appointment under a proxy notice may be revoked by delivering to the Institute a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (c) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (d) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

24. ACCOUNTS & AUDIT

- 24.1 The Board of Directors shall cause proper books of account to be kept to give a true and fair view of the state of affairs of the Institute and its transactions with respect to all sums of money received and expended by the Institute, the matters in respect of which such receipt and expenditure takes place, and all sales and purchases of goods by the Institute, and the assets and liabilities of the Institute.
- 24.2 The books of account shall be kept at such place as the Board of Directors think fit, and shall always be open to the inspection of the Board of Directors, and by any member on reasonable notice.
- 24.3 At every Annual General Meeting in every year the Board of Directors shall lay before The Membership an income and expenditure account for the period since the last preceding account in accordance with Section 424(2) of the Act together with a balance sheet made up as at the same date. Every such balance sheet shall be accompanied by reports of the Board of Directors and the auditors and copies of such account, balance sheet and reports and any other documents required by law to be attached or to accompany the same shall not less than twenty one clear days before the date of the meeting be sent to the auditors and made available by internet access on the Institutes Website to all other persons entitled to receive notices of General Meetings.
- 24.4 Once at least in every year the accounts of the Institute shall be audited by one or more properly qualified independent auditors.

25. SECRETARY

The Board of Directors may appoint (but at their discretion need not appoint) any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Board of Directors so decide, appoint a replacement, in each case by a decision of the Board of Directors.

26. MEANS OF COMMUNICATION TO BE USED

26.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 2 business days after it was posted (or five business days after posting either to an address outside the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means including email, at the time of transmission; and

26.2 For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

26.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

27. INDEMNITY

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant Director or representative shall be indemnified out of the Institute's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Institute's affairs; and
- (b) the Institute may provide any relevant Director or representative with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 21(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

27.2 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.

28. INSURANCE

The Directors, shall maintain insurance, at the expense of the Institute, for the benefit of any Director, or representative in respect of any loss or liability which has been or may be incurred by a Director, or representative in connection with that Director's, or representative's duties or powers in relation to the Institute.

21. DISSOLUTION

If upon the winding-up or dissolution of the Institute there remains, after satisfaction of all the debts and liabilities of the Institute and providing for the costs of winding up, any property whatsoever, the same shall be paid to or distributed among the persons who shall be members of the Institute at the commencement of the winding up in proportion to the last subscription paid by them to the Institute.