

INSTITUTE OF INTERIM MANAGEMENT

**(Name changed by Special Resolution
passed on 24 May 2004)**

Memorandum and Articles of Association

**31 October 2002
As subsequently amended**

Adopted by Special Resolution on 6 June 2011

Registered in England and Wales, No 4589083

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INSTITUTE OF INTERIM MANAGEMENT

A Company Limited by Guarantee and Not Having a Share Capital

Memorandum of Association

- 1 The name of the Company (hereinafter called "the Institute") is "INSTITUTE OF INTERIM MANAGEMENT".
- 2 The registered office of the Institute is to be situated in England and Wales.
- 3 The liability of the members is limited.

We, the subscribers to this Memorandum of Association, wish to be formed into a company pursuant to this Memorandum.

Name and Address of Subscribers:

PAUL LESLIE VOUSDEN
The Compass Consultancy Ltd
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Dated: 31 October 2002

Witness to the above signatures:

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INSTITUTE OF INTERIM MANAGEMENT

A Company Limited by Guarantee and Not Having a Share Capital

Articles of Association

1 INTERPRETATION

- 1.1 Words shown in italics in these *Articles* shall have the meaning ascribed to them in the following table:

Words	Meaning
Act	The Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force.
Articles	The Articles of Association of the <i>Institute</i> .
Chairman	The Chairman of the <i>Institute</i> appointed in accordance with <i>Article</i> 11.3, including any person appointed as co-Chairman in accordance with <i>Article</i> 11.3.
Clear days	In relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it takes effect.
Electronic communication	Any communication sent in <i>electronic form</i> such as email or fax, or which is made available in <i>electronic form</i> on the <i>Institute's</i> website. The words 'communicate electronically' shall be similarly construed.
Electronic form	As defined in s 1168 of the <i>Act</i>
Execution	Any mode of execution. The word 'execute' shall be similarly construed.
Hard copy	As defined in s 1168 of the <i>Act</i>
Institute	The Institute of Interim Management.
Management Board	The Management Board of the <i>Institute</i> .
Member	Any person who is an Associate Member, Member or Fellow of the <i>Institute</i> . The word 'Membership' shall be similarly construed.
Office	The registered office of the <i>Institute</i> .
Seal	The common seal of the <i>Institute</i> .
Secretary	The Secretary of the <i>Institute</i> appointed in accordance with <i>Article</i> 11.3, or any other person appointed to perform the duties of the secretary of the <i>Institute</i> , including a joint, assistant or deputy secretary.
Treasurer	The Treasurer of the <i>Institute</i> appointed in accordance with <i>Article</i> 11.3.

- 1.2 In these *Articles*, words in the singular only shall include the plural, and vice versa, and words in the masculine gender only shall include the feminine gender.

2 OBJECTS OF THE INSTITUTE

- 2.1 The *Institute* may carry on all the lawful functions of an incorporated body.
- 2.2 Without prejudice in any way whatsoever to the generality of the objects set out in *Article* 2.1, the *Institute* may:
- (a) maintain the *Institute* so as to strengthen and promote Interim management as a recognised profession to organisations and amongst those accredited to practice it.
 - (b) stimulate interest in the importance of Interim management as a tool to effective management, by the promotion of the exchange of information between the *Institute* and Interim managers, and organisations.
 - (c) enable Interim managers, whether *Members* or otherwise, and the directors and senior management of organisations to communicate, meet, and exchange information, by such means as conferences, meetings, lectures, seminars, and discussions.
 - (d) publish, or assist in the publication of, literature, booklets, and other forms of communication, whether *hard copy* or in *electronic form*.
 - (e) lay down standards of knowledge, training and experience appropriate for admission of persons to the various grades of *Membership* of the *Institute*.
 - (f) formulate standards of professional and ethical conduct for *Members* through a Code of Conduct, so as to maintain and monitor best practice, and to require *Members* to conform to the same.
 - (g) develop a programme of continuous professional development to enable Interim managers to maintain current and improve their management skills, and to maintain current their knowledge of legislation and other regulations affecting their roles as Interim managers.
 - (h) act as a spokesman on behalf of the Interim management profession, on matters, whether regulatory or otherwise, affecting their business and operating environment.
 - (i) support the activities of trade organisations representing Interim service providers, together with their members and other Interim service providers, provided those activities do not conflict with the objects of, or otherwise compromise, the *Institute*.
 - (j) maintain contact, consult and co-operate with any persons, societies, associations, institutions and government authorities and agencies, whether based in the United Kingdom or elsewhere in the world, having objects wholly or partly similar to those of the *Institute*, and to represent the British profession of Interim management internationally.
- 2.3 The *Institute* is a not-for-profit organisation. No portion of its income and property shall be paid or transferred directly or indirectly by way of dividend to the *Members* of the *Institute*, but so that nothing contained herein shall prevent the payment in good faith of remuneration to any director, officer or servant of the *Institute* or to any *Member* of the *Institute* in return for services rendered to the *Institute*.

3 LIABILITY OF MEMBERS

- 3.1 The liability of each *Member* is limited to £1, being the amount that each *Member* of the *Institute* undertakes to contribute to the assets of the *Institute* in the event of it being wound up while he is a *Member* or within one year after he ceases to be a *Member*, for:
- (a) payment of the *Institute's* debts and liabilities contracted before he ceases to be a *Member*,
 - (b) the costs, charges and expenses of winding up, and
 - (c) adjustment of the rights of the contributories among themselves.

4 MEMBERS

- 4.1 The subscribers to the Memorandum of Association and such other persons as are admitted to *Membership* in accordance with the *Articles* shall be *Members* of the *Institute*. No person shall be admitted a *Member* unless he is approved by the *Membership* sub-committee on behalf of the *Management Board*.
- 4.2 Every person who wishes to become a *Member* shall deliver to the *Institute* an application for *Membership* in such form as the *Membership* sub-committee require *executed* by him. Such application may be in *hard copy* or *electronic form*, and may include an electronic form to be completed on the *Institute's* website. Before making a decision on any individual application, the *Membership* sub-committee may require the applicant to submit additional information.
- 4.3 There are three assessed grades of *Membership* - Associate Member, Member, and Fellow. The criteria for the assessed grades of *Membership* are contained in Guidance for the Assessment of Grades of Membership, which is maintained by the *Management Board* and administered on its behalf by the *Membership* sub-committee.
- 4.4 The *Management Board* may, at its absolute discretion, award Companion status to any individual who, in its opinion, has made a significant contribution to the Interim management profession. A person awarded Companion status is entitled to receive Notice of, and attend, General Meetings of *Members*, but he may not vote thereat either in person or by proxy unless he is a *Member* of the *Institute*.
- 4.5 The *Management Board* shall determine the post nominal initials which *Members* and Companions shall be entitled to use.
- 4.6 Any person who becomes a *Member* of the *Institute* is subject to the rules thereof, including the *Institute's* Code of Conduct, and may be required to confirm annually compliance with that Code.
- 4.7 (1) Any person who becomes a *Member* of the *Institute* is required to pay promptly on demand his *Membership* subscription, both at the time of joining the *Institute* and on each subsequent annual renewal thereafter.
- (2) The amount of the subscription for each grade of *Member* is determined either:
- (a) by a decision of the *Management Board*; or
 - (b) by ordinary resolution of the *Members* in General Meeting.
- (3) Before reaching any decision in sub-clause (2)(a) hereof, the *Management Board* may inform its decision by conducting an electronic poll of *Members*.
- 4.8 Whenever there is a change in the amount of subscription for any grade of *Membership* in accordance with the provisions of *Article 4.7*, the *Treasurer* shall, as soon as practicable

thereafter, send an *electronic communication* to all *Members* affected to advise them of the change.

4.9 A *Member* may at any time withdraw from the *Institute* by giving at least seven *clear days*' Notice in writing to the *Institute*. *Membership* shall not be transferable and shall cease on death.

4.10 A *Member* shall cease to be a *Member* unless the *Management Board* determines otherwise:

(a) If the application on the basis of which *Membership* was granted contained or referred to information which was false or misleading.

(b) If he becomes of unsound mind.

(c) If after the issue of at least two requests for payment there shall be a default for a period of three months from the due date in the payment of any subscriptions by him or on his behalf.

(d) If a complaint shall be upheld by the *Management Board* acting on the recommendation of the conduct and ethics sub-committee against the *Member* for a breach of the Code of Conduct or other professional misconduct.

(e) If, having been accepted as a *Member*, he fails at some future time to continue to meet the criteria for the assessed grades of *Membership* contained in Guidance for the Assessment of Grades of *Membership*.

(f) If he engages in any conduct which in the opinion of the *Management Board* conflicts with or is prejudicial to the aims or objectives of the *Institute*, or may bring the *Institute*, any of its *Members*, or any of its *Affiliates*, into disrepute.

(g) If he otherwise ceases to qualify for *Membership* under these *Articles*.

Nothing shall prevent a person who ceases to be a *Member* as a result of sub-paragraph (e) or (f) hereof becoming an *Affiliate*.

4.11 If a *Member* ceases to be a *Member* for any reason whatsoever, no portion of his unexpired *Membership* subscription shall be refundable to him, unless otherwise agreed by the *Management Board*.

5 AFFILIATES

5.1 The *Management Board* shall have the power to award the status of *Affiliate* to any person who wishes to be formally associated with the aims and objectives of the *Institute*. No person who is granted *Affiliate* status shall by virtue thereof be, or become, a *Member*, but this shall not preclude an *Affiliate* from applying for *Membership*.

5.2 An *Affiliate* may be either a natural or legal person. The terms and conditions for the granting and/or continued maintenance of, and any rights or privileges attaching to, the status of *Affiliate* shall be prescribed by the *Management Board*.

5.3 Every person who wishes to become an *Affiliate* shall deliver to the *Institute* an application in such form as the *Management Board* require *executed* by him. Such application may be in *hard copy* or *electronic form*, and may include an electronic form to be completed on the *Institute's* website.

- 5.4 Where the Affiliate is a legal person, that person shall nominate to the *Secretary* the natural person who is its authorised representative. The *Management Board* may permit a legal person to have more than one authorised representative.
- 5.5 Any person granted Affiliate status of the *Institute* is required to pay any subscription promptly on demand, at the time such status is granted and on each subsequent renewal thereafter. The amount of the subscription is determined by the *Management Board*.
- 5.6 An Affiliate may at any time withdraw from the *Institute* by giving at least seven *clear days*' Notice in writing to the *Institute*. Affiliate status shall not be transferable and shall automatically cease on death, or, in the case of legal persons, on winding up.
- 5.7 The *Management Board* may, at its discretion, remove the status of Affiliate from any person for any reason including, but not limited to, the following:
- (a) If the application on the basis of which Affiliate status was granted contained or referred to information which was false or misleading.
 - (b) If he becomes of unsound mind.
 - (c) If after the issue of a request for payment there shall be a default for a period of one month from the due date in the payment of any subscriptions by him or on his behalf.
 - (d) If he engages in any conduct which in the opinion of the *Management Board* conflicts with or is prejudicial to the aims or objectives of the *Institute*, or may bring the *Institute*, any of its *Members*, or any other Affiliates, into disrepute.
- 5.8 If an *Affiliate* ceases to be an *Affiliate* for any reason whatsoever, no portion of his unexpired *Affiliate* subscription shall be refundable to him, unless otherwise agreed by the *Management Board*.
- 5.9 Unless otherwise agreed by the *Management Board*, persons awarded Affiliate status are not entitled to receive Notice of, or, either in person or by proxy, attend or vote at General Meetings of *Members*.

6 GENERAL MEETINGS

- 6.1 A General Meeting may be convened at any time:
- (a) by resolution of the *Management Board*; or
 - (b) by requisition of at least 5% of the *Membership*. Any such requisition shall be signed by the *Members* making it, and shall be addressed to the *Secretary* of the *Institute* (or failing whom, to any other *Institute* officer), and may be in *hard copy* or *electronic form*. Any such requisition must state clearly the nature of business that the *Members* wish to be dealt with at the meeting.
- 6.2 If a General Meeting is requisitioned by the *Members* in accordance with *Article* 6.1(b) for the purposes of appointing one or more directors to the *Management Board*, the requisition must be accompanied by a nomination in respect of each director proposed for election. Each nomination shall be made by two *Members* and shall be accompanied by a written statement of the consent of the nominee to serve if elected.
- 6.3 (1) In the event that, on or before 30th April in any calendar year, the *Management Board* shall not have passed a resolution to hold a General Meeting, the *Secretary* (or failing him, any other member of the *Management Board*) shall within seven days thereafter send an *electronic communication* to all *Members* to remind them of their right to requisition a General Meeting

and to invite them to requisition such a meeting in accordance with *Article 6.1(b)*, either individually or jointly with other *Members*.

(2) The *electronic communication* may specify a closing date (which may not be less than fourteen days from the date of the communication) on or before which the *Secretary* (or failing whom, any other *Institute* officer) must have received requisitions from all *Members* wishing to exercise their right to requisition a General Meeting.

(3) Nothing in this *Article* shall preclude the right of *Members* to requisition a General Meeting at any time under *Article 6.1(b)*.

6.4 In the event that a General Meeting is to be held, the *Management Board* shall forthwith proceed to convene the meeting for a date not later than eight weeks after the passing of the resolution of the *Management Board* or receipt by the *Secretary* of the necessary requisition(s) amounting to 5% of the *Membership*.

7 NOTICE OF GENERAL MEETINGS

7.1 In the event that a General Meeting is to be held, the *Secretary* (or failing him, any other member of the *Management Board*) shall give at least fourteen *clear days'* Notice of the meeting to *Members*.

7.2 The Notice shall specify the time, date and place of the General Meeting and the general nature of the business to be transacted. Such Notice shall include a form of proxy (including ballot papers, if relevant) to enable *Members* to exercise their right, in the event of a poll, to vote on all business to be transacted at the meeting.

7.3 The Notice shall be given to the Directors and all other *Members*, to Companions of the *Institute*, to the Auditors (if any), and may be given to any person who is not a *Member* but who attends the meetings of the *Management Board* as an observer pursuant to *Article 11.5*.

7.4 The accidental failure to give Notice to any person shall not invalidate the proceedings of any meeting and neither shall such proceedings be invalidated if it shall be found that one or more of the persons present or voting thereat were not or may not have been qualified to be so present or vote or that some other provision of these *Articles* shall inadvertently have been contravened.

8 PROCEEDINGS AT GENERAL MEETINGS

8.1 No business shall be transacted at any General Meeting unless a quorum be present when the meeting proceeds to business. Save as otherwise provided herein, the quorum shall be five *Members* personally present or represented by a proxy who is also a *Member*.

8.2 If within half an hour from the time appointed for the holding of a General Meeting a quorum shall not be present, 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 time and place as the *Management Board* shall determine. The *Members* actually present at such adjourned meeting shall constitute a quorum.

8.3 (1) The *Chairman* of the *Management Board* shall preside at every General Meeting. If the *Chairman* of the *Management Board* is not present within 10 minutes of the scheduled start of the meeting, or is present but unwilling to act, the directors present shall, if willing to act, elect one of their number to be chairman. If there is only one director present and willing to act, he shall be chairman.

(2) If no director is willing to act as chairman, the *Members* present shall choose one of their number to be chairman of the meeting.

- 8.4 All resolutions put to the vote at a General Meeting shall be determined by a show of hands. In the case of an equality of votes on a ballot or a show of hands, the chairman of the meeting shall exercise a second or casting vote.
- 8.5 Before or on the declaration of the result of a ballot or a show of hands, the chairman of the meeting or at least five *Members* personally present may demand a poll. A demand by a person as proxy for a *Member* shall be the same as a demand by the *Member*. If a poll is duly demanded, it shall, subject to the provisions of *Article* 8.9, be taken forthwith.
- 8.6 The chairman of the meeting may appoint scrutineers for the purpose of declaring the result of the poll. In the case of an equality of votes on a poll, the chairman of the meeting shall exercise a second or casting vote.
- 8.7 Unless a poll is duly demanded, a declaration by the chairman of the meeting that a resolution has been carried or lost either unanimously or by a particular majority, together with 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 cast in favour of or against the resolution.
- 8.8 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand for a poll was made.
- 8.9 (1) The chairman of the meeting may at any time at his discretion, and shall if directed by the meeting, adjourn either all the business of the meeting or any specific item or items of business to a date and place to be determined by the *Management Board*. Such Notice of the adjourned meeting shall be given as the *Management Board* shall in the circumstances consider reasonable, save that when a meeting is adjourned for more than fourteen days, at least seven *clear days*' Notice shall be given specifying the time, date and place of the adjourned meeting, together with the general nature of the business to be transacted.
- (2) 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.
- 8.10 The *Secretary* shall take minutes, or cause such minutes to be taken, of all General Meetings. Such minutes shall be made available for approval at the next meeting of the *Management Board*, and, once approved, shall be made available to the *Membership* either by being circulated in *electronic form* or by posting on the *Institute's* website in the private members' area.

9 VOTES OF MEMBERS

- 9.1 On a show of hands, every *Member* present in person shall have one vote. On a poll, every *Member* present in person or by proxy shall have one vote.
- 9.2 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 chairman of the meeting, whose decision shall be final and conclusive.

9.3 The appointment of a proxy shall be *executed* by or on behalf of the appointor, and shall be in the following form (or in a form as near thereto as circumstances allow):

INSTITUTE OF INTERIM MANAGEMENT
[ANNUAL/EXTRAORDINARY] GENERAL MEETING

[DATE]

PROXY FORM

I, the undersigned, being a Member of the above-named Institute of Interim Management hereby Appoint the Chairman of the Meeting or, failing him,

.....of..... (who is also a Member of the above-named Institute of Interim Management) to vote in my name and on my behalf as indicated below at the [Annual/Extraordinary] General Meeting or any adjournment thereof.

Resolution	For	Against
1		
2		
3		

(and so on depending on the number of resolutions)

Signed:.....

Name in Capitals:.....

Membership Number:.....

Date:.....

9.4 Proxies will only be used following a valid demand for a poll, and the proxy holder must vote in accordance with the voting intentions indicated on the proxy form. If no specific directions as to voting intent are shown on the proxy, the proxy may vote or abstain as he thinks fit.

9.5 (1) The appointment of a proxy and any authority under which it is *executed* or a copy of such authority certified by a notary or in some other way approved by the directors may:

(a) (i) 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 the *Institute* 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;

(a) (ii) 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 the *Institute* in relation to the meeting, or
- (iii) in any invitation contained in an *electronic communication* to appoint a proxy issued by the *Institute* 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; or

- (b) 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
- (c) 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 chairman of the meeting or to the *Secretary* or to any other director;

and an instrument of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

- (2) Any appointment of a proxy which is contained in an *electronic communication* found to contain a virus shall not be accepted by the *Institute*.
- (3) In this *Article* and the next, "address" in relation to *electronic communications*, includes any number or address used for the purposes of such communications.

9.6 A vote given or poll demanded by a proxy 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 the *Institute* 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 is 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.

10 DIRECTORS

10.1 Unless otherwise determined by ordinary resolution of the *Members* in General Meeting, the number of directors shall not be subject to any maximum, but shall not be less than three.

10.2 All directors shall be *Members* of the *Institute*.

10.3 All directors shall be members of, and exercise their powers through, the *Management Board* as described in *Article* 11.1.

10.4 All directors of the *Institute* hold such position on an Honorary basis and shall not be entitled to any remuneration for their services as directors. However, all directors may be reimbursed all travelling and other expenses properly incurred by them in connection with attendance at meetings of the *Management Board*, the *Institute's* committees and sub-committees or general meetings, or otherwise properly incurred in connection with the discharge of their duties as directors on behalf of the *Institute*.

10.5 Directors are entitled to such remuneration as the *Management Board* determines for any other service which they undertake for the company, and may be reimbursed all travelling and other expenses properly incurred by them in connection with the performance of such service.

10.6 Any *Member* who is willing to act as a director, and is permitted by law to do so, may be appointed a director either:

- (c) by a decision of the directors; or

(d) by ordinary resolution of the *Members* in General Meeting.

10.7 A person ceases to be a director as soon as:

- (a) notification is received by the *Secretary* or, in the case of the *Secretary*, by the *Chairman* of the *Management Board* that the director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (b) that person ceases to be a *Member*; or
- (c) that person is removed from office as director by special resolution of the *Members* in General Meeting; or
- (d) that person ceases to be a director by virtue of any provisions of the *Act* or becomes prohibited by law from being a director; or
- (e) that person has a bankruptcy order made against him, or he makes any arrangement or composition with his creditors generally in satisfaction of his debts; or
- (f) a registered medical practitioner who is treating the person gives a written opinion to the *Institute* stating that the person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
- (g) 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.

10.8 Any director who vacates office by virtue of sub-paragraphs (a) or (b) of *Article 10.7* may stand for re-election as a director provided he is qualified under *Article 10.2* as being a *Member* of the *Institute*.

10.9 Whenever a person is appointed a director or ceases to be a director in accordance with the provisions of *Articles 10.6* or *10.7*, the *Secretary* shall, as soon as practicable thereafter, send an *electronic communication* to all *Members* to advise them of the change.

11 MANAGEMENT BOARD

11.1 Subject to the provisions of the *Act*, the *Articles*, and to any directions given by special resolution, the directors acting as the *Management Board* are responsible for the management of the *Institute*, for which purpose they may exercise all the powers of the company.

11.2 The *Management Board* shall consist of all directors (who shall be registered as such at Companies House) of the *Institute* and shall comprise the following:

- (a) *Chairman*
- (b) Deputy Chairman
- (c) *Treasurer*
- (d) *Secretary*
- (e) Other directors, without limitation as to number.

11.3 The members of the *Management Board* shall determine which of them shall be appointed to each of the rôles listed in sub-paragraphs (a) to (d) of *Article 11.2*. A member of the *Management Board* may perform more than one rôle, and two members of the *Management Board* may be appointed to act jointly and severally as co-Chairmen. Where co-Chairmen are appointed, the members of the *Management Board* may agree not to appoint a Deputy Chairman, but may review any such decision at any time.

- 11.4 A person who is appointed *Chairman* in accordance with Article 11.3 may only serve in such capacity for a maximum period of three years from the date of the meeting of the *Management Board* at which he is appointed *Chairman*. On ceasing to be *Chairman*, he may however continue in office as a director of the *Institute*.
- 11.5 The *Management Board* may invite any person, whether a *Member* or otherwise, to attend the meetings of the *Management Board* as an observer to contribute his advice. Such an invitee shall not have any right or power to vote on matters dealt with by the directors at meetings of the *Management Board*. Any person who is not a *Member* but who attends the meetings of the *Management Board* as an observer may receive Notice of General Meetings pursuant to *Article 7.3*, but shall not have any right or power to vote on business transacted thereat.
- 11.6 (1) The *Management Board* shall meet together at regular intervals so as to ensure that the business of the *Institute* is despatched on an efficient and timely basis.
- (2) The *Secretary* shall convene a meeting at the request of the *Chairman* or any other two members of the *Management Board*.
- 11.7 (1) The quorum for a meeting of the *Management Board* may be fixed from time to time by a decision of the *Management Board*, but it must never be less than three, and, if not otherwise fixed, it shall be three. To count towards the quorum, members of the *Management Board* must be present either personally or by electronic conferencing link enabling them to speak and vote at the meeting. If the quorum shall not be present at the time fixed for the meeting, the members of the *Management Board* actually present may, at their discretion, agree to delay the start of the meeting to allow a quorum to assemble.
- (2) If after such delay a quorum shall not be present, the meeting shall be adjourned to a time (not less than seven days after the meeting being adjourned) and place to be decided by the *Chairman* or Deputy Chairman (if any), and the members of the *Management Board* actually present at such adjourned meeting shall constitute a quorum.
- 11.8 If any person who is a member of the *Management Board* is in any way, either directly or indirectly, interested in any proposed transaction with the *Institute*, he must declare the nature and extent of that interest to the other directors before the *Institute* enters into the transaction, in accordance with s177 of the *Act*. The person may speak at any meeting called to discuss the transaction but may not exercise a vote.
- 11.9 (1) Any person who is a member of the *Management Board* must avoid a situation in which he has, or can have, a direct or indirect interest which conflicts, or may conflict, with the interests of the *Institute*.
- (2) However, this duty is not infringed if the matter is authorised by the *Management Board*. Such authorisation shall only be effective if:
- (a) the requirements of *Article 11.7* as to quorum is satisfied without counting the member of the *Management Board* in question or any other interested member of the *Management Board*; and
- (b) the matter was agreed to without any interested member of the *Management Board* voting, or would have been agreed to had their votes not been counted.
- 11.10 Questions at meetings of the *Management Board* shall be determined on a show of hands. The chairman of the meeting (being the *Chairman* or Deputy Chairman (if any) of the *Management Board* or, in their absence, a director appointed by the meeting) shall have a second or casting vote in the event of a tie.

11.11 The *Secretary* shall take minutes, or cause such minutes to be taken, of all meetings of the *Management Board*.

12 SUB-COMMITTEES

12.1 The *Management Board* may appoint sub-committees to advise on any matters and may delegate to any sub-committee any function or power which the *Management Board* could itself perform or exercise: provided that all acts and proceedings of any such sub-committee shall be reported by the sub-committee's chairman as soon as practicable to the *Management Board*, such report to include a copy of the minutes of the sub-committee's meetings held since the last report was made.

12.2 The *Management Board* shall provide each chairman of a sub-committee with written terms of reference.

12.3 The chairman of every sub-committee shall be a member of the *Management Board*.

12.4 The chairman of a sub-committee may at his discretion co-opt any persons as members of his sub-committee whom he considers shall make a useful contribution to its activities and deliberations, provided those persons are *Members* of the *Institute* and are willing to act. The chairman may similarly require any co-opted member to resign.

12.5 The chairman of a sub-committee has sole discretion as to the time, date and place for each meeting, the required quorum, if any, and the agenda for discussion.

12.6 Any person who is a member of a sub-committee and who, either directly or indirectly, has a material interest in any transaction with the *Institute* shall declare that interest to the chairman of the sub-committee. The person may speak at any meeting called to discuss the transaction but may not exercise a vote.

12.7 The chairman of each subcommittee shall take minutes, or cause such minutes to be taken, of all meetings of his sub-committee.

12.8 The Management Board, at its sole discretion, may cease the work of any sub-committee. As soon as this decision has been taken, the *Secretary* will inform the sub-committee members as soon as possible, in writing in *hard copy* or *electronic form*, and in any case no later than 48 hours after the Management Board decision is made.

13 ACCOUNTS

13.1 (1) The Institute shall keep, and shall cause its subsidiaries to keep, adequate books and records that are sufficient to:

(a) show and explain the relevant company's transactions

(b) disclose with reasonable accuracy, at any time, the financial position of the company at that time

(c) enable the directors to ensure that any accounts required to be prepared comply with the requirements of the *Act*.

(2) In particular, the accounting records shall contain:

(a) entries from day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure took place

(b) a record of the assets and liabilities of the company.

- 13.2 No *Member*, other than a member of the *Management Board*, shall, as such, have any right to inspect any accounting records or book or document of the *Institute* except as conferred by statute or authorised by the *Management Board* or by ordinary resolution of the *Members* in General Meeting.
- 13.3 (1) The *Management Board* shall prepare accounts for the *Institute* in accordance with the *Act*, made up to 31 March each year. Each set of accounts shall be accompanied by a report of the *Chairman* of the *Management Board*, a report of the directors, and a report of the Auditors (if any).
- (2) A copy of such accounts and the reports referred to above shall be circulated to the *Members* no later than 31 May each year. Such circulation shall be in writing or shall be by using *electronic communications* to an address for the time being notified for that purpose to the *Institute*. In this *Article*, “address”, in relation to *electronic communications*, includes any number or address used for the purpose of such communications.
- 13.4 If Auditors are appointed, their duties shall be regulated by the *Act* and any subsequent relevant statutes. The *Management Board* shall fix the remuneration of the Auditors.

14 SEAL

- 14.1 The *seal* shall only be used by the authority of the *Management Board*. The use of the *seal* shall be formally recorded in the minutes of the *Management Board*.
- 14.2 The signatures of at least two members of the *Management Board* shall be required on any instrument to which the *seal* is affixed. The *Management Board* may determine who those signatories shall be.

15 NOTICES

- 15.1 (1) Any Notice to be given to or by any person pursuant to the *Articles* (other than a notice calling a meeting of the *Management Board* or any committee or sub-committee) shall be in writing or shall be given using *electronic communications* to an address for the time being notified for that purpose to the person giving the Notice.
- (2) In this *Article*, “address”, in relation to *electronic communications*, includes any number or address used for the purpose of such communications.
- 15.2 (1) The *Institute* may give any Notice to a *Member* either personally or by giving it using *electronic communications* to an address for the time being notified to the *Institute* by the *Member*, or by sending it by post in a prepaid envelope addressed to the *Member* at his registered address, or by leaving it at that address.
- (2) In this *Article* “address”, in relation to *electronic communications*, includes any number or address used for the purposes of such communications.
- 15.3 (1) Proof that a Notice contained in an *electronic communication* was sent in accordance with the guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the Notice was given. A Notice contained in an *electronic communication*, unless the contrary is proved, shall be deemed to be given at the expiration of 48 hours after the time it was sent.
- (2) Proof that an envelope containing a Notice was properly addressed, prepaid and posted shall be conclusive evidence that the Notice was given. A Notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope was posted.

16 DIRECTORS' INDEMNITY AND INSURANCE

- 16.1 (1) Subject to paragraph (2), a relevant director of the *Institute* or an associated company may be indemnified out of the *Institute's* assets against:
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the *Act*),
 - (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) This *Article* 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.
- 16.2 The *Management Board* may decide to purchase and maintain insurance, at the expense of the *Institute*, for the benefit of any relevant director in respect of any relevant loss. A "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the *Institute*, any associated company or any pension fund or employees' share scheme of the *Institute* or associated company.
- 16.3 For the purposes of *Articles* 16.1 and 16.2:
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the *Institute* or an associated company.

17 WINDING UP

- 17.1 If upon the winding up or dissolution of the *Institute* there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the *Members* of the *Institute* but shall be given to some other institution or institutions having objects similar to the objects of the *Institute* and which prohibit the distribution of its or their income or property among its or their members.

If effect cannot be given to the above provisions, then the property shall be given to some charitable object.

Name and Address of Subscribers:

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Dated: 31 October 2002

Witness to the above signatures:

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