

The Companies Act 2006

THE PROPERTY INST. LIMITED

Limited By Guarantee

**MEMORANDUM AND
ARTICLES OF ASSOCIATION**

Company Number: 13753239
Incorporated on 18/11/2021

COMPANY NOT HAVING A SHARE CAPITAL

Memorandum of Association of THE PROPERTY INST. LIMITED

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

Name of each subscriber	Authentication
ANDREW VICTOR BULMER	Authenticated Electronically

Dated: 18/11/2021

COMPANY REGISTRATION NUMBER []

THE COMPANIES ACT 2006

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

ARTICLES OF ASSOCIATION

-OF-

THE PROPERTY INST. LIMITED

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1 DEFINITIONS AND INTERPRETATIONS

1.1 In these Articles the following words and phrases have the following meaning:

"Act" the Companies Acts (as defined in Section 2 of the Companies Act 2006) insofar as they apply to the Institute;

"Alternate Directors" persons appointed as Directors of the Institute in accordance with Article 15;

"Articles" the Institute's articles of association for the time being in force (and "Article" shall be interpreted accordingly unless expressly provided otherwise);

"Business Member" a Member who is in business as a body corporate (however incorporated), unincorporated body, unincorporated association, partnership, sole trader and other such undertaking but excluding, for the avoidance of doubt, a Professional Member;

"Board" the Directors of the Institute;

"Byelaws" regulations and byelaws made by the Board;

"Conflict" any situation in which a Director has or can have a direct or indirect interest that conflicts or potentially may conflict with the interests of the Institute;

"Director" a person appointed to the Board of the Institute (which shall for the avoidance of doubt exclude any ex-officio Director unless explicitly stated otherwise);

"Executive Committee" a committee appointed in accordance with Article 18.1;

"Incapacitated"	a Professional Member undergoing treatment by a registered medical practitioner who gives a written opinion to the Institute stating that the Professional Member has become physically or mentally incapable and may remain so for more than three months;
"Institute"	The Property Inst. Limited;
"Member"	Professional Members and Business Members of the Institute in accordance with these Articles and the Byelaws;
"President"	a person appointment to act as President of the Institute in accordance with Article 24;
"Professional Member"	a Member who is an individual, natural person but excluding, for the avoidance of doubt, a Business Member;
"Rules"	these Articles, the Byelaws and any other rules of the Institute applicable from time to time, including but not limited to regulations, standards, codes, decisions, rulings, judgments, findings, penalties, conditions or orders of any nature;
"Seal"	the common seal of the Institute;
"Secretary"	any person appointed to perform the duties of the secretary of the Institute;
"Sector"	residential property management including but not limited to the management of mixed-use property; and
"United Kingdom"	Great Britain and Northern Ireland.

- 1.2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Companies Act 2006.
- 1.3 Unless expressly provided otherwise, a reference to a statute or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment,
- and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.4 Words denoting the singular number include the plural number and vice versa and words denoting the masculine gender include the feminine gender.
- 1.5 Persons shall include bodies corporate (however incorporated), unincorporated bodies and any other undertakings, including individuals, sole traders, unincorporated associations of persons and partnerships.
- 1.6 Writing shall include the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
- 1.7 The provisions contained in 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 shall not apply to these Articles.

2 OBJECTS

- 2.1 The objects for which the Institute is established are:

- (a) to represent its Members and promote the collective interest of the Sector;
- (b) to advance the interests of its Members by encouraging, promoting and maintaining the highest possible professional and ethical standards of persons engaged in the Sector;
- (c) to provide safeguards for the public against unethical and exploitative practices of persons engaged in the Sector;
- (d) to create and maintain an awareness of the proper role of persons engaged in the Sector and to lobby and campaign on issues and proposals from the Government of the United Kingdom and elsewhere, that potentially may affect Members' interests;
- (e) to support Members through the provision of information, guidance, training and other methods to assist them to achieve high professional standards;
- (f) to confer on Professional Members a recognised professional status and grant to Professional Members professional accreditations;
- (g) to promote opportunities for persons to enter the Sector and obtain relevant education, training and qualifications so as to advance professional vocations within the Sector;
- (h) to ensure that Members are accountable for their actions by:
 - (i) making such rules and regulations as the Institute shall think fit, to govern the conduct of its Members and to provide for sanctions in the event of their infringement;
 - (ii) setting up such disciplinary 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 finding that he has committed a breach of such rules and regulations and/or against any sanction imposed in respect of such breach; and

(iii) if the Institute shall think fit, to make provision for the establishment of a client money protection scheme;

(i) to promote professional conduct between residential managers in their dealings with each other; and

(j) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

2.2 In pursuance of the objects set out in Article 2.1 the Institute has the power:

(a) to purchase, lease or otherwise acquire and deal with buildings or any land or any estate or interest therein;

(b) subject to such consents as are required by law to sell, let on lease or tenancy, exchange, mortgage or otherwise dispose of buildings or land or any estate or interest therein;

(c) to manage, develop, construct, repair, renovate, restore, rebuild, convert, alter and extend any building or land and any other assets of the Institute;

(d) to buy or otherwise acquire furniture, artefacts, works of art and other articles and equipment for use or exhibition in connection with any buildings or land, and to sell, lease or otherwise dispose of any such furniture, artefacts, works of art, articles or equipment;

(e) to make such arrangements as are necessary to enable the public to view and enjoy any buildings and the exhibitions therein (whether free or at a charge);

- (f) to publish books, design and/or marketing advertising, pamphlets, leaflets or other media content or in any other appropriate manner gratuitously or otherwise to make known to the public the existence of the Institute, its objectives and activities;
- (g) to undertake and complete any charitable association;
- (h) to co-operate with other charitable and trade and professional organisations having similar objects and to establish, promote or assist such organisations;
- (i) to purchase, acquire or undertake all or any of the property, liabilities and engagements of such organisations and institutions with which the Institute may co-operate, federate or merge;
- (j) to transfer all or any of the property, assets, liabilities and business of the Institute to such organisations with which the Institute may co-operate, federate or merge;
- (k) to co-operate with any national, local or public authority or other body concerned to achieve the objects of the Institute;
- (l) to establish, incorporate or otherwise hold subsidiary companies;
- (m) to establish public libraries and information retrieval systems and the publication, issue and dissemination by all means in communication of literary and artistic material of an educational nature;
- (n) to present, promote, organise, provide, manage and produce seminars, conferences, lectures and exhibitions;
- (o) to grant awards to Members in recognition of their achievement in, or contribution to, the advancement of the sector;

- (p) to enter into and carry out contracts and in particular to enter into agreements and engagements with administrators, researchers, lecturers, authors, producers, artists and artistes and other persons and retain advisers and to reimburse such persons and advisers by salaries or fees;
- (q) to co-operate with manufacturers, dealers, traders, the press and other sources of publicity for the purpose of promoting the objects of the Institute;
- (r) to raise funds and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation and otherwise provided that the Institute itself shall not undertake any permanent trading activity in raising funds for its primary objects;
- (s) to take and accept gifts of property of any description whether subject to any special conditions or not, for the purposes of the Institute;
- (t) subject to such consents as may be required by law from time to time and subject as hereinafter provided, to borrow or raise money and to execute and issue security as the Institute shall think fit including mortgages, charges or securities over the whole or any part of its assets, present or future;
- (u) to draw, accept, endorse, issue or execute promissory notes, bills of exchange, bills of lading, warrants and other negotiable, transferable or mercantile instruments, for the purpose of or in connection with the objects of the Institute;
- (v) to invest and deal with the monies of the Institute not immediately required in such manner as the Institute may from time to time determine subject nevertheless to such conditions (if any) and such consents (if any) as may, for the time being, be imposed or required by law and subject also as hereinafter provided;

- (w) subject to Article 2.3, to employ and remunerate staff; to employ and remunerate agents and reimburse their agreed expenses; and to pay or provide pensions and similar benefits to the staff of the Institute and their dependents;
- (x) subject to Article 2.3, to purchase and maintain insurances for or for the benefit of the Institute, any persons who are or were Directors and any persons appointed by the Board to regulate the Institute against any liability incurred by the Institute and such persons in respect of any act or omission in the actual or purported execution of their powers and otherwise in relation to their duties, powers of offices in relation to the Institute, and to such extent as may be permitted by law or otherwise to indemnify or to exempt any such persons against or from such liability;
- (y) to pay out funds of the Institute for the costs incurred in meeting the above objects;
- (z) to do all such other lawful things as shall further the attainment of the objects of the Institute;

PROVIDED that:

- (aa) in each case of the Institute taking or holding any property which may be subject to any encumbrances, the Institute shall only deal with or invest the same in such manner as allowed by law; and
- (bb) the objects of the Institute shall not extend to the regulation of relations between workers and employers and organisations of workers and organisations of employers.

2.3 The income and property of the Institute shall be applied solely towards the promotion of the objects at Article 2.1 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

PROVIDED that nothing in this Article 2.3 shall prevent the payment in good faith by the Institute of:

- (a) reasonable and proper remuneration to any Member, Director or President of the Institute for any services rendered to the Institute;
- (b) reasonable and proper rent for premises demised or let by any Member or Director;
- (c) reasonable out of pocket expenses properly incurred by any Director or the President; or
- (d) any payment to any person of which a Director may be a partner, member or shareholder.

3 GUARANTEE

The liability of the Members is to be limited to £1, being the amount that each 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 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) payment of the costs, charges and expenses of the winding up; and
- (c) adjustment of the rights of the contributories among themselves.

4 MEMBERS

- 4.1 Persons who have an interest in the Sector, who may desire to be admitted to membership and who meet the criteria specified by the Board from time to time shall be eligible for membership, but no person shall become a Member unless and until:
- (a) that person has completed an application for membership in the prescribed form;
 - (b) that person has paid the appropriate application fee; and
 - (c) the Institute has approved the application.
- 4.2 The details of each successful applicant shall be entered into the register of Members.
- 4.3 There shall be no maximum number of Members.
- 4.4 The Board may undertake all enquiries as it deems necessary and stipulate such criteria for admission of applicants for 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 (which may be varied from time to time on reasonable notice).
- 4.5 The Board, while at all times acting reasonably and in the best interest of the Institute, may in its absolute discretion decline any application for membership. Any applicant whose application for membership is rejected will be informed accordingly in writing, but the Board shall be under no obligation to specify the reason(s) for any such rejection.
- 4.6 Every Member of the Institute shall be deemed to consent to becoming a Member by applying for or renewing membership and by doing so also agrees to abide by the Rules in force from time to time.

4.7 The Board may prescribe different classes of membership and other levels of involvement with the Institute and the qualifications of such classes and their respective rights from time to time and shall set out the details of such classes and their rights in the Rules. The Board shall have the power to vary the classes, qualifications and rights thereof.

4.8 Article 4.1, does not apply to subscribers to the Institute's memorandum.

5 OBLIGATION OF MEMBERS TO PAY FEES

5.2 A person shall, on becoming a Member and for each year when it remains as a Member, pay the annual subscription and all sums payable to the Institute as a Member.

5.3 The amounts of such fees (if any) and annual subscription respectively shall be prescribed from time to time by the Board.

6 RETIREMENT, SUSPENSION AND REMOVAL OF MEMBERS

6.1 The Board may from time to time consider whether any existing Member continues to meet the membership criteria then in force and may expel or suspend any Member who does not. Suspension does not imply or otherwise connote wrongdoing by the Member subject to suspension.

6.2 The Board may also expel or suspend any Member who:

- (a) fails to comply with the Rules;
- (b) fails to pay any fees or subscriptions within the prescribed time;
- (c) no longer continues to meet the necessary criteria or qualifications for membership of the Institute or any condition for continued membership;

- (d) is guilty of conduct which has or is likely to have an adverse effect on the Institute or bring the Institute or any or all of the Members and/or Directors into disrepute;
- (e) has acted or has threatened to act in a manner which is contrary to the interests of the Institute as a whole;
- (f) in respect of Business Members only, ceases for any reason to hold a policy of professional indemnity insurance as required by the Institute;
- (g) becomes Incapacitated; and/or
- (h) in respect of Business Members only, fails to provide any requisite audit report as required by the Institute.

6.3 Notice of expulsion or suspension under Article 6.1 or 6.2 will be in writing, specifying the relevant reasons and the procedure for appeal and shall be subject to the Rules in force from time to time.

6.4 A Member shall be entitled to resign its membership on giving to the Institute not less than one month's notice in writing to that effect providing that the Board shall have the right to reject the resignation where the Member is subject to any investigatory and/or disciplinary action by the Institute or the Rules otherwise entitle the Board to reject the resignation. Where a Member is also a Director (or has a representative who is also a Director) then this notice period shall be increased from one month to three months and shall be subject to the provisions set out in Article 16.4.

6.5 A Member shall automatically cease to be a Member 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 in accordance with these Articles or the Rules; and/or

(c) as an individual, dies.

6.6 A person who ceases to be a Member shall not hold himself out to be a Member in any way and if he does so then the Board may take such action (including legal proceedings) against him as it deems to be necessary.

6.7 The Board may publish a list of current Members and those who have ceased to be Members, and/or are liable to disciplinary sanction and/or whose membership has been suspended as it thinks fit and to notify the public and clients of the former Member that he or she has ceased to be a Member, is liable to disciplinary sanction and/or has had his membership suspended.

6.8 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 6.8 is able to apply for membership of such organisation.

6.9 No right or privilege of any Member shall be in any way transferable or transmissible. All rights and privileges of a Member shall cease upon the Member ceasing to be such. A Business Member which is subject to sale or transfer to a third party shall ensure the Institute is informed forthwith and the Board shall have the power to set the criteria for admitting the buyer of the business, without prejudice to its rights under Articles 6.1 and 6.2.

6.10 A Member whose membership is terminated, suspended or comes to an end for any other reason shall not be entitled to a refund of any subscription or membership fee.

7 GENERAL MEETINGS

- 7.1 All General Meetings, other than Annual General Meetings, shall be called General Meetings.
- 7.2 General Meetings (including Annual General Meetings) shall be held at such time and place as the Board 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.
- 7.3 The Board shall have the right to call General Meetings in accordance with Section 302 of the Companies Act 2006 Act. Members shall have the right to require the Board to call General Meetings in accordance with Section 303 of the Companies Act 2006.

8 NOTICE OF GENERAL MEETINGS

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 other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by at least fourteen days' notice in writing.

9 PROCEEDINGS AT GENERAL MEETINGS

- 9.1 The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Board and auditors, to elect Directors in place of those retiring, confirm co-options during the year and elect

additional Directors, and to elect auditors and fix their remuneration. All other business transacted at an Annual General Meeting shall be deemed special.

- 9.2 No business shall be transacted at any General Meeting, except the adjournment of the meeting, unless a quorum of Members is present at the time when the meeting proceeds to business. The quorum shall be not less than 20 Members, of which at least one shall be a Business Member and one a Professional Member.
- 9.3 If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the Member or Members present shall be deemed to be a quorum and may do all business which a full quorum might have done.
- 9.4 The executive chair (if any) of the Board (the term “executive chair” for the purposes of these Articles to include any temporary executive chair appointed by the Board), or in his absence the chair or vice-chair (if any) shall preside as chair at every General Meeting of the Institute. If there be no such executive chair, chair or vice-chair, or if any meeting none are present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of the Directors present to be chair, or if no Director be present and willing to take the chair, the Members present shall choose one of their number to be chair.
- 9.5 The chair may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned

meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

10 ENTITLEMENT OF MEMBERS TO VOTE AT GENERAL MEETINGS

10.1 Save as herein expressly provided, no person other than a Member duly registered as a Member shall be entitled to vote on any resolution at any General Meeting.

10.2 A Business Member may authorise in writing to the Institute a person within its corporation to act as its representative at any meeting of the Institute and the person so authorised shall be entitled to exercise the voting powers on behalf of the Business Member he represents as set out in Article 11. A Business Member represented at a meeting by its authorised representative shall be deemed for all purposes to be present in person.

11 VOTING BY MEMBERS AT GENERAL MEETINGS

11.1 Subject to the Act, at any General Meeting:

(a) every Member present in person or by proxy shall on a show of hands have one vote; and

(b) every Member present in person or by proxy shall on a poll have the number of votes set out in Article 11.2.

11.2 On a poll at a General Meeting the number of votes each Business Member and each Professional Member is entitled to shall be determined in accordance with this Article 11.2 where the aggregate number of registered Business Members at the date on which notice of the General Meeting is given in accordance with Article 8 is “B”,

and the aggregate number of registered Professional Members immediately before the start of the General Meeting is “P”:

- (a) each Professional Member attending the General Meeting in person or by proxy has one vote; and
- (b) each Business Member attending the General Meeting in person or by proxy has the number of votes equal to P/B.

11.3 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the chair, or by at least five Members present in person or by proxy, having the right to vote at the meeting, and unless a poll be so demanded a declaration by the chair of the meeting, that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Institute, shall be conclusive evidence of the fact that the resolution has been carried or lost without proof. The demand for a poll may be withdrawn.

11.4 Subject to the provisions of the next succeeding Articles, if a poll be demanded in accordance with Article 11.3, it shall be taken within 30 days of the General Meeting at which it was demanded and at such place and in such manner as the chair of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

11.5 No poll shall be demanded on the election of a chair of a meeting or on any question of adjournment of a General Meeting.

11.6 The demand for a poll shall not prevent the continuance of a meeting and the transaction of any business in addition to the question on which a poll shall have been demanded.

12 APPOINTMENT OF A PROXY

12.1 The instrument appointing a proxy shall:

- (a) be in writing;
- (b) state the name and address of the Member appointing the proxy;
- (c) identify the person appointed to be that Member's proxy and the General Meeting in relation to which that person is appointed;
- (d) be signed by or on behalf of the Member appointing the proxy, or authenticated in such manner as the Board may determine; and
- (e) be delivered to the Institute in accordance with these Articles and any instructions contained in the notice of the General Meeting to which they relate.

12.2 Only a Director, Member or an authorised representative of a Business Member may act as a proxy for another Member.

12.3 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) 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
- (b) 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.

12.4 The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a certified copy thereof shall be deposited at the office of the Institute or at such other place within the United Kingdom as is specified for the purpose in the

notice convening the meeting, at least forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposed to vote, otherwise the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

12.5 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, provided that no intimation in writing of the death or revocation shall have been received at the office or other place as aforesaid one hour at least before the time fixed for holding the meeting.

12.6 No Member shall be allowed to hold the proxy vote of more than two other Members with the exception of the Directors.

13 THE BOARD

The affairs of the Institute shall be managed by the Board. Each Director shall be a Director of the Institute. The number of Directors shall not be fewer than six or more than 14 (excluding Alternate Directors) and may include such executive officers as determined by the Board.

14 APPOINTMENT OF THE BOARD

14.1 The Board shall, at all times acting reasonably and in the best interest of the Institute, determine whether there is a vacancy in the Board and, if it determines there is such a vacancy, it shall determine the criteria for appointment to the Board (which may be varied by the Board from time to time). Any individual who meets the criteria determined by the Board, is willing to act as a Director and is permitted to do so by

law may apply to the Board to be a Director in the manner set out by the Board from time to time.

14.2 The Board shall, at all times acting reasonably and in the best interest of the Institute, consider any application it receives in accordance with Article 14.1 above and shall be entitled to propose that one or more applicants be appointed as Directors at the next General Meeting. Unless permitted under Article 14.3, no person shall become a Director until and unless they are (a) put forward by the Board in accordance with this Article 14.2; and (b) appointed by the Members by way of an ordinary resolution. The Members shall not be permitted to appoint any person to be a Director unless that person has been proposed by the Board in accordance with this Article 14.2.

14.3 Notwithstanding the preceding Articles:

- (a) the Board may at any time appoint any person to be a Director to fill a vacancy (but not so as to exceed the maximum number of members prescribed by Article 13). Any person so appointed shall hold office only until the next following General Meeting and shall then be eligible for re-election by way of an ordinary resolution (and shall if re-elected to fill a permanent vacancy, be entitled to serve for a period of six years from the date of their re-election at the General Meeting); and
- (b) the Board may at any time appoint any person to be an advisor to the Board and attend and speak at meetings of the Board although they shall not be entitled to vote at any meetings of the Board; and
- (c) the Board shall have the power to retain any Director that ceases to meet the criteria for acting as a Director as set out in these Articles where it reasonably deems this to be in the best interest of the Institute for a maximum period of 12 months from the date on which the Director ceases to meet the criteria for acting as a Director.

14.4 No more than two representatives of a Business Member, or Business Members within a group of businesses, may sit on the Board at any time.

15 ALTERNATE DIRECTORS

15.1 Any director (other than an Alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an Alternate Director and may remove from office an Alternate Director so appointed by him.

15.2 An Alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Institute for his services as an Alternate Director. It shall not be necessary to give notice of a meeting of the Board to an Alternate Director who is absent from the United Kingdom.

15.3 An Alternate Director shall cease to be an Alternate Director if his appointor ceases to be a Director but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an Alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

15.4 Any appointment or removal of an Alternate Director shall be by notice to the Institute signed by the Director making or revoking the appointment or in any other manner approved by the Board.

15.5 Save as otherwise provided in these Articles, an Alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

16 REMUNERATION AND RETIREMENT OF MEMBERS OF BOARD

16.1 Other than the chief executive officer and executive chairman, no person who is employed by the Institute and receiving any salary, fees, remuneration or other benefit in money or monies worth from the Institute (save as explicitly permitted by these Articles) shall be appointed to the Board PROVIDED that nothing in this Article 16.1 shall prevent the payment in good faith by the Institute of fees to Directors.

16.2 Subject to Article 2.3, the Institute may pay such fees to Directors as determined by the Board from time to time.

16.3 Directors shall serve for a maximum of six years from the date of his or her election at a General Meeting but the Board may (in its discretion) extend the term of a Director for such duration as it determines such extended term to be not more than three years where that Director is elected or re-elected as executive chair, honorary chair or vice-chair.

16.4 A Director shall be entitled to resign his or her appointment on giving to the Institute not less than three months' notice in writing to that effect save that such notice shall not take effect where that Director's retirement would result in the Board having fewer members than the minimum number set out in Article 13.

17 BOARD MEETINGS

17.1 The Board may meet together for the dispatch of business adjourn and otherwise regulate their meetings as they-think fit. The quorum for the transaction of business at a Board meeting is any five eligible Directors (eligible meaning entitled to vote on the relevant matter at a Board meeting but excluding any Director whose vote is not to be counted in light of a Conflict as referred to in Article 22.2). Questions arising at any meeting shall be decided by a majority of votes. Each Director shall have one vote

only save that in the case of an equality of votes the chair of the meeting shall have a second or casting vote.

- 17.2 Any Director may call a meeting of the Board at any time by giving not less than seven days' notice of the meeting (or such lesser notice as all the Directors may agree) to all other Directors or by authorising the Secretary (if any) to give such notice.
- 17.3 The executive chair (if any) or, in the absence of an executive chair, the chair shall be entitled to preside at all meetings of the Board at which they shall be present, but if no such executive chair or chair is present within fifteen minutes after the time appointed for holding the meeting and willing to preside, the Board shall choose one of their number to be chair of the meeting.
- 17.4 A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under these Articles and the Byelaws and regulations of the Institute for the time being vested in the Board generally.
- 17.5 A decision of the Board at a meeting of the Board (face to face, remote or virtual) is taken in accordance with this article when the majority of all Directors indicate to each other by any means (including by electronic means) that they share a common view on a matter.
- 17.6 A decision of the Board may be taken in 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 (including by email). A decision may not be taken in accordance with this Article 17.6 if the eligible Directors would not have formed a quorum at such a meeting.

18 COMMITTEES, DELEGATION AND VALIDITY OF ACTS CARRIED OUT BY THE BOARD

18.1 The Board may appoint Directors to an Executive Committee which shall comprise of no more than five Directors and shall be chaired by the chair or executive chair or such Director as the Board shall determine.

18.2 The Board may delegate any of their powers to the Executive Committee or the Institute's chief executive, chief operating officer and any other committee or working group consisting of such Directors as they think fit, and any committee so formed shall in the execution of the powers so delegated conform to any requirements imposed on it by the Board, the Byelaws and regulations. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by any regulations made by the Board as aforesaid and all acts and proceedings of such committees or working groups shall be reported back fully to the Executive Committee or as the Board shall dictate. A committee or working group formed in accordance with this Article 18.2 may, if agreed by the Board, include non-Board members.

18.3 The Board may also delegate any of its disciplinary, regulatory, monitoring, compliance or investigatory powers or functions to any committee, regulator, employee, board, division, panel, group or such other persons as the Board sees fit and any such delegation may be made subject to any conditions as the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered at any time. The terms of any such delegation shall be recorded in writing.

18.4 All acts bona fide done by any meeting of the Board or of any committee or working group of the Board, or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in

office of any such Member or person acting as aforesaid 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 Director.

- 18.5 The chair of each and any committee or working group may be a Director and shall be appointed by the Board on such terms as to length of service as the Board may think fit and the Board may remove any individual so appointed from their role as chair of the aforementioned committees or working groups.

19 RECORDS

The Board shall cause proper minutes to be made in writing of all appointments of officers made by the Board and each committee and of the names of the Directors present at each such Board meeting and of the proceedings of all meetings of the Institute and of the Board and of committees of the Board, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the chair of such meetings, or by the chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated. The Board shall ensure that records of every unanimous or majority decision taken by the Board are kept for at least ten years from the date of the decision.

20 POWERS OF THE BOARD

- 20.1 The management of the business and the control of the Institute shall be vested in the Board, who, in addition to the powers and authorities conferred upon them, may exercise all such powers and authorities conferred upon them and do all such acts and things as may be exercised or done by the Institute and are not hereby or by the Act expressly directed or required to be exercised or done by the Institute in General Meeting.

20.2 The Board may act, notwithstanding any vacancy in its body, provided always that if at any time the Directors be reduced in number below the minimum prescribed by these Articles, it shall be lawful for the Directors available to act as the Board for the purpose of admitting persons to membership of the Institute, filling vacancies in their body in accordance with Article 14.3(a) or of summoning a General Meeting but for no other purpose.

21 RESERVE POWERS OF THE MEMBERS

21.1 The Institute may from time to time by ordinary resolution increase or reduce the number of Directors of the Institute set out in Article 13 and may increase or reduce the duration of the Directors' service set out in Article 16.3.

21.2 The Institute may by ordinary resolution, of which special notice has been given in accordance with Section 312 of the Companies Act 2006, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Institute and such Director.

22 DISQUALIFICATION OF DIRECTORS

22.1 Subject always to Article 14.3, the office of a Director shall be vacated by that Director (and/or the Board may suspend that Director) if the Director:

- (a) is requested in writing by no less than two thirds of the Board to resign;
- (b) is a director, partner, proprietor or employee of any Business Member which is suspended;
- (c) ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law; or

(d) is a director, partner, proprietor or employee of any Business Member which is expelled as a Member.

22.2 The Board may, in accordance with the requirements set out in this Article, authorise a Conflict proposed to the Board by any Director which would, if not authorised, involve a Director (an "Interested Director") breaching his duty under Section 175 of the Companies Act 2006.

22.3 Any authorisation under this Article shall be effective only if:

(a) the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Board under the provisions of these Articles or in such other manner as the Board may determine;

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

(c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

22.4 Any authorisation of a Conflict under this Article 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 Board meetings 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 Board 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 Board 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 shall 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 Board and be excused from reviewing papers prepared by, or for, the Board to the extent they relate to such matters.

22.5 Where the Board authorises a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the Board in relation to the Conflict.

22.6 The Board may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

22.7 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 Board in

accordance with these Articles 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.

22.8 Subject to Sections 177(5) and 177(6) and Sections 182(5) and 182(6) of the Companies Act 2006, and provided he has declared the nature and extent of his interest in accordance with the requirements of such 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 (or any committee of the Board) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a Board meeting (or of a meeting of any committee of the Board) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Institute (otherwise than as accountant or auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Institute is otherwise (directly or indirectly) interested; and

(f) shall not, save as he may otherwise agree, be accountable to the Institute for any benefit which he (or a person connected with him (as defined in Section 252 of the Companies Act 2006)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under Section 176 of the Companies Act 2006.

23 OFFICERS OF THE INSTITUTE

23.1 The Board shall have the power, on a majority vote of no less than two thirds of the members present at any meeting duly convened, to relieve any Director from any office held by that Director (save for their office as a Director, which shall be determined in accordance with Article 22.1).

23.2 The Board may from time to time appoint such chief executive officer, Secretary and/or officers as may be necessary for the proper administration of the Institute, upon such terms as to length of service, remuneration and generally as the Board may think fit, and may remove such chief executive officer, Secretary and/or officers so appointed.

24 PRESIDENT

The Board may appoint a person to act as President of the Institute on such terms, remuneration and for such duration as the Board may determine.

25 THE SEAL

25.1 The Seal of the Institute may not be affixed to any instrument except by the express authority of a resolution of the Board or of a committee of the Board empowered thereto, and in the presence of a Director or such person as the Board may appoint for the purpose, and such person as aforesaid shall sign every instrument to which the Seal of the Institute is so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Institute such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

26 ACCOUNTS

26.1 The Board shall cause proper books of account to be kept:

- (a) of the sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure take place;
- (b) of all sales and purchases of property and goods by the Institute; and
- (c) of the assets and liabilities of the Institute.

26.2 Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Institute's affairs and to explain its transactions.

26.3 The books of account shall be kept at the office or, subject to provisions of the Act, at such other place or places as the Board may determine, and shall always be open to the inspection of the Board. The Board may from time to time by resolution determine whether and to what extent and at what time and places and on what conditions the books and accounts of the Institute or any of them shall be open to the inspection of the Members not being Directors, and the Members shall have only such rights of inspection as are given to them by the Act or by such resolution as aforesaid.

26.4 At any Annual General Meeting, the Board may (in its discretion) lay before the Institute an income and expenditure account for the period since the preceding account. A balance sheet as at the date to which income and expenditure account is made up, shall be made out and laid before the Institute at the Annual General Meeting. Every such balance sheet shall be accompanied by proper reports of the Board and the auditors. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Institute in a General Meeting, together with a copy of the auditor's report, shall, fourteen clear days previously to such meeting, be sent to the auditor and every Member entitled to receive notices of the General Meeting in the manner in which notices are hereinafter directed to be served.

27 AUDIT

Auditors shall be appointed and their duties regulated in the manner provided by the provisions relating to private companies contained within Chapters 2 and 3 of Part 16 of the Companies Act 2006 or any statutory modification thereof for the time being in force.

28 NOTICES

28.1 A notice may be served by the Institute upon any Member either personally, by sending it through the post addressed to such Member at his registered address or by electronic means.

28.2 No Member shall be entitled to have a notice served on him at any address not within the United Kingdom, and any Member whose registered address is not within the United Kingdom may by notice in writing to the Institute provide an address within the United Kingdom which, for the purpose of the service of notices, shall be deemed to be his registered address. Any Member not having a registered address

within the United Kingdom, and not having given notice as aforesaid, shall be deemed to have received in due course any notice which shall have been displayed are the registered office address of the Institute and shall remain there for the space of forty eight hours, and such notice shall be deemed to have been received by such Member at the expiration of twenty four hours from the time when it shall have been so first displayed.

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

- (a) if served by post at the expiration of forty-eight hours after the same shall have been posted, and in providing such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put into the post office or into any post box subject to the control of the Postmaster General;
- (b) if left at a registered address otherwise than post or sent by facsimile transmission or telex or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so left or sent; and
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied.

28.4 For the purposes of this article, no account shall be taken of any part of a day that is not a business day (meaning any day other than a Saturday, Sunday or public holiday in the United Kingdom on which clearing banks in London are generally open for business).

29 DISSOLUTION

If upon the winding up or dissolution of the Institute there remains, after the satisfaction of all its debts and liabilities and providing for the costs of winding up, any property whatsoever, the same shall be paid to or distributed among some other institution or institutions with an interest in the Sector, or if such distribution cannot be achieved then the property will be donated to charity.

30 INDEMNITY

30.1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each Director or other officer of the Institute (other than any person (whether an officer or not) engaged by the Institute as auditor) shall be indemnified out of the Institute's assets against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties, or in relation thereto including 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 relief from liability for negligence, default, breach of duty or breach of trust in relation to the Institute's affairs.

30.2 The Institute may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Institute, or in relation to its affairs.