

Institute of Risk Management

Memorandum

And

Articles of Association

December 2007

Company limited by guarantee not more than sixteen Directors who shall be appointed from eligible members in accordance with Article 21.1; **and not having a share capital**

MEMORANDUM OF ASSOCIATION
of
Institute of Risk Management

As agreed by Special Resolution passed on 21st September 2004

1. The name of the Company, hereafter called the Institute, is
“INSTITUTE OF RISK MANAGEMENT”
2. The Registered Office of the Institute will be situate in England.
3. The objects for which the Institute is established and incorporated are the promotion and advancement of the efficient management and administration of commerce, industry and public affairs by the continued development of the study and practice of risk management and for that purpose to do any or all of the following things: -
 - (a) to hold conferences and meetings and to provide for the reading of papers and the delivery of lectures;
 - (b) to prepare and publish or to superintend the publication of journals, books, pamphlets and papers and to utilise any other means of communication;
 - (c) to hold examinations, establish scholarships, organise lectures and grant prizes and by other means to promote and advance the study of matters relevant to the objects of the Institute;
 - (d) to promote the study of and research into law and practice of risk management;
 - (e) to promote the efficiency and usefulness of the service and the standard of professional conduct provided by members of the Institute and for that purpose to exercise professional supervision and disciplinary powers over them;
 - (f) to establish and maintain libraries and collections of documents, papers and other effects;
 - (g) to purchase, lease, rent, hold and dispose of any land and premises for use as halls, libraries, colleges, lecture rooms and offices or for any other purpose of the Institute;
 - (h) to make grants to universities or other educational establishments or to promote the study of subjects relevant to the objects of the Institute;
 - (i) to establish and administer any charitable or benevolent fund, including in particular funds from which may be made provision for persons who are or have been members of the Institute or their dependants in necessitous circumstances;

- (j) to establish divisions, branches and other local organisations in the United Kingdom or elsewhere and to delegate to such organisations such powers as the Institute may think fit;
 - (k) to do all other things incidental or conducive to the attainment of the objects of the Institute.
4. The Institute shall not carry on any trade or business or engage in any transaction with a view to pecuniary gain or profit of the members thereof. No member shall have a personal claim on any property of the Institute or make any profit out of his membership except in the case of and as a salaried officer of the Institute.
 5. The management of the Institute shall be vested in a Board of Directors, hereinafter referred to as “the Board” constituted as prescribed by the Articles for the time being of the Institute, hereinafter referred to as “the Articles”, and all the powers of the Institute shall be vested in and exercisable by the Board except so far as by this Memorandum or the Articles require to be exercised by the Institute in general meeting.
 6. Of the members of the Board one shall be the Chairman and two or more shall be Vice-Chairmen of the Institute. The said Chairman and Vice-Chairmen shall be elected in such manner and shall hold office for such periods and on such terms as to re-election and otherwise as the Articles shall direct.
 7. The Institute shall have a Secretary and Chief Executive with such functions, tenure and terms of office as the Articles may prescribe and such other officers as the Board may from time to time appoint.
 8. The liability of the members is limited. Every member, being Fellows, Associates and Members, undertakes to contribute to the assets of the Institute in the event of the same being wound up while he is a member or within one year after he ceases to be a member for payment of debts and liabilities of the Institute contracted before he ceases to be a member and of the costs charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding One Pound. Honorary Fellows shall not be required to contribute.
 9. The Articles in force at the date of this Memorandum insofar that they do not conflict with the provisions of the Memorandum remain in force as the Articles unless and until revoked, amended or added to in manner hereinafter provided.

10. The Institute may by resolution passed by a majority of not less than three-fourths of the members present and voting at a general meeting of the Institute of which due notice in writing shall have been given of the nature of the business to be considered amend or add to this Memorandum and such amendments or additions shall become effective on the date stated and this Memorandum shall henceforth operate as if it had originally been granted and made accordingly. This provision shall apply to the Memorandum as amended or added to in manner aforesaid.

11. For the purposes of Clause 10 of this Memorandum the period of notice shall be twenty-one days

Articles of Association of the Institute of Risk Management

1.1 Definitions

The following table defines certain words which are used in the Articles with a particular meaning: -

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|------------------------|--|
| The Act | The Companies Act 1985 and any statutory modification or re-enactment of the same. |
| Associated Territories | Countries where members live other than United Kingdom and the Republic of Ireland |
| Board | the Board of Directors of the Institute of Risk Management. |
| Governing Instrument | previous Articles etc. |
| Institute | Institute of Risk Management |
| In writing | In writing or electronic media or any substitute for writing |
| Previous Articles | The Articles of the Institute which were replaced by these Articles |
| United Kingdom | The United Kingdom includes England, Wales, Scotland, Northern Ireland, the Channel Islands and Isle of Man. |

1.2 Names and Titles

The following table shows where certain titles and names are defined and explained in the Articles

| <u>TITLE</u> | <u>PAGE</u> |
|----------------------------|--------------------|
| Affiliate | 10 |
| Appeal Tribunal | 20 |
| Associate | 7 |
| Board | 10 |
| Chairman and Vice Chairman | 12 |
| Chief Executive | 22 |
| Disciplinary Committee | 17 |
| Fellow | 7 |
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| | |
|------------------------|----|
| Honorary Fellow | 8 |
| Member | 7 |
| Regional Group | 13 |
| Secretary | 22 |
| Special Interest Group | 13 |
| Students | 8 |

- 1.3 Words that refer to a single number also refer to plural numbers and the other way round
- 1.4 Words that refer to men also refer to women
- 1.5 The headings and side headings in the Articles are included for convenience. They do not affect the meaning of the Articles.
- 1.6 Where the Articles give power or authority to anybody, this power or authority can be used on any number of occasions, unless the context does not allow this meaning.
- 1.7 Where the Articles refer to months or years, these are calendar months or years.
- 1.8 Where the Articles refer to passing or making regulations, laws and rules, this includes making, altering, amending, adding to and revoking them.

Memorandum

- 2. These Articles must be read with the Memorandum. If there is any inconsistency between these Articles and the Memorandum, the Memorandum applies.

Fellows, Members and Affiliated Persons

Types of Member

- 3. The Institute's membership is made up of Fellows, Associates, Members and Honorary Fellows and such further designations as the Board may from time to time agree.

Fellows

4.1 The Board elects Fellows. For a person to be elected:

- he must have passed the Institute's examinations he is not exempt from;
- he must satisfy the Board that, considering his own character and his position, he is fit and proper to be elected;
- he has been employed in, for such period as the Board shall from time to time determine, the practice of risk management;
- he has supplied to the Board such information regarding his duties and any organisation or business he has served.

4.2 While he is a Fellow a person can describe himself as a Fellow and use the letters "FIRM" after his name. A Fellow is entitled to a certificate stating that he is a Fellow, which certificate and any preceding certificate must be surrendered if he ceases to be a Fellow.

Associates

5.1. The Board elects Associates. For a person to be elected:

- he must have passed the Institute's examinations he is not exempt from;
- he must satisfy the Board that, considering his own character and his position, he is a fit and proper to be elected;
- he has been employed in, for such period as the Board shall from time to time determine, the practice of risk management;
- he has supplied to the Board such information regarding his duties and any organisation or business he has served.

5.2. While he is an Associate a person can describe himself as an Associate and use the letters "AIRM" after his name. An Associate is entitled to a certificate stating that he is an Associate, which certificate and any preceding certificate must be surrendered if he ceases to be an Associate, other than on election to a be a Fellow.

Members

6.1. The Board elects Members. For a person to be elected:

- he must have passed examinations and demonstrated competence in risk management which the Board determines are equivalent to the Institute's examinations he is not exempt from;
- he must satisfy the Board that, considering his own character and his position, he is a fit and proper to be elected;
- he has been employed in, for such period as the Board shall from time to time determine, the practice of risk management;
- he has supplied to the Board such information regarding his duties and any organisation or business he has served.

- 6.2. While he is a Member a person can describe himself as a Member and use the letters "MIRM" after his name. A Member is entitled to a certificate stating that he is a Member, which certificate and any preceding certificate must be surrendered if he ceases to be a Member, other than on election to be a Fellow.

Honorary Fellows

- 7.1. An Honorary Fellow is elected by the Board as a person of outstanding distinction who has made noteworthy contributions to the theory and practice of risk management or who has made a significant contribution to the Institute. There shall not be more than twenty-five Honorary Fellows at any one time.
- 7.2. Honorary Fellows are entitled to the same privileges as Fellows including the right to vote, take part in managing the Institute's affairs and be elected as a director. They shall not be required to contribute to the funds of the Institute nor shall they be members for the purposes of the Companies Act and accordingly their particulars shall not be entered in the Register of Members.

Students

- 8.1. The Board has the power to admit as a Student any person not under the age of 18 years who is taking a course approved by the Board for examination.
- 8.2. Students shall not be members of the Institute but shall be entitled to attend such meetings as the Board may from time to time determine.

Graduates

- 9.1. When a person has passed the Institute's examinations that apply to him, he becomes a Graduate unless he declines in the three months after the Institute notifies him he has passed. The Board can fix a different period.
- 9.2. A Graduate is not a member of the Institute and is not entitled to attend or vote at any general meetings.
- 9.3. A Graduate is subject to the same disciplinary rules as a member.
- 9.4. A Graduate must pay an annual subscription at a level decided by the Board but this must not be more than the subscription for Associates.
- 9.5. While he is a Graduate a person can describe himself as a Graduate and use the letters "Grad. IRM" after his name. He must not describe himself as a qualified risk management practitioner. A Graduate is entitled to a certificate stating that he is a Graduate, which certificate must be surrendered if he ceases to be a Graduate other than on qualifying as an Associate.
- 9.6. Graduates should apply to become an Associate within 6 years of becoming a Graduate.
- 9.7. The Board will consider the cases of Graduates who do not meet the requirements to become an Associate within the 6 years to decide

- whether they can or cannot continue to be Graduates. The Board can impose conditions for a person to continue as a Graduate.
- 9.8. The following people are automatically prevented from becoming members, unless the Board makes an individual exception:
- those who decline to become a Graduate;
 - those who do not keep up being a Graduate; and
 - those who are not allowed to continue to be Graduates under Article 9.7 or under the Articles dealing with discipline.

Membership Application Forms

10. Application for membership must be made to the Board on the form it approves. The form must be completed and sent with the correct entrance fee and subscription.

Professional Conduct

11. For as long as a person is a member, he must observe strictly the standards of professional conduct, which the Board requires and publishes from time to time, and the Institute's Articles. The application form in Article 10 will contain a declaration to this effect.

Membership certificates

12. Membership certificates will be in the form decided upon by the Board and they belong to the Institute at all times. Certificates must be returned to the Institute when a person is no longer a member, unless the Board agrees otherwise.

Members must give the Institute their details.

13. Members must give details to the Secretary and tell him of any changes to:
- their home and business address;
 - their official position ; and
 - any other information that the Board reasonably requires.

Members must pay their subscriptions and other fees promptly

14. Members must pay subscriptions and any other money due under any of the Articles made by the Board on or before the date such subscription or money becomes due.

Resigning Membership

- 15.1 Any member who does not owe money to the Institute can resign by writing to the Institute. He must return his membership certificate(s) with his resignation unless the Board agrees otherwise.
- 15.2 The Board can refuse to accept a resignation where the Disciplinary Committee is considering a member's conduct under Articles 45 to 49.
- 15.3 A member who resigns is not entitled to any refund of his subscription.

- 15.4 Upon the death of any member his name shall automatically be deleted from the Register of Members and all debts and liabilities to the Institute shall be expunged including any obligation to contribute under Clause 8 of the Memorandum

Re-electing members

16. To be re-elected as a member a person must comply with the Articles and any other conditions that the Board decides to require on a case by case basis.

Members who do not pay their subscriptions

- 17.1 If a member does not pay his subscription when it is due his membership will lapse and his name will be removed from the membership register. The member will still be liable to pay the amount he owes. The Board can make general, special or individual exceptions to this requirement by passing a resolution.
- 17.2 Where the Disciplinary Committee or the Appeal Tribunal are considering a member's conduct, his membership will not lapse under Article 17.1 until the disciplinary procedure is complete.

Affiliated person

18. The Board can invite people who have not passed the Institute's examinations to take part in activities that support the Institute's objects. They are designated Affiliates and are not members. The Board can make regulations about them and can set subscriptions or fees to be paid by them to the Institute.

Examinations

- 19.1 The Board will decide what the Institute's examinations will be.
- 19.2 The Board must make rules about its examinations. These can include rules for exempting people from part or all of the examinations because of their education and experience.
- 19.3 The Board can use any of the Institute's funds for prizes, medals and scholarships to promote the Institute's aims.
- 19.4 The Board can only exempt people from all examinations and other qualifications to be elected a Fellow in exceptional circumstances. To do this the Board must pass a resolution at a meeting called with notice of the proposal to be voted on, by a majority of two thirds of the Directors who are present and who vote. The Board cannot delegate its power to elect Fellows in this exceptional manner.

THE INSTITUTE'S MANAGEMENT

The Board

- 20.1 The Institute is incorporated in the United Kingdom therefore its ultimate control must be in the United Kingdom. The Board has responsibility for

the following as well as all other matters set out in the Memorandum and the Articles:

- amending the Articles for approval by the members;
- setting the professional standard required for being a member;
- monitoring and maintaining these standards and making sure that the Institute's Articles and Codes of Conduct on disciplinary matters are properly applied;
- managing the Institute's business and affairs; and
- entering into, amending, adding to or revoking such agreements as the Board in its absolute discretion shall consider appropriate for the advancement of the objects of the Institute.

20.2. The Board consists of :

- the Chairman, who is elected from the Board members;
- not more than sixteen Directors, who shall be appointed from eligible members in accordance with Article 21.1;
- up to two Deputy-Chairmen who may be appointed from amongst the Board members, and two Vice-Chairmen who are the two most recent past Chairmen.

Elections to the Board

21.1. Elections take place at general meetings. The principles which must be followed in electing Directors are:

- each member has one vote ;
- candidates must be eligible Fellows;
- each candidate must be nominated by a proposer and seconder who are themselves members;
- voting shall be by show of hand in general meeting although any member may request a secret ballot;
- where the Chairman or other proxy has been validly appointed a vote in respect of each proxy may be counted both in the initial vote or any subsequent secret ballot;
- the period of office commences immediately upon election unless a later date is specified.

21.2 The Board shall regularly review the electoral system and can make regulations for elections to the Board, which may change the terms of Article 21.1.

Period of Office

- 22.1 Elected Directors hold office for three years. Directors can be elected for two further terms of three years. After a third elected term a Fellow can only be re-elected after being out of office for a year. Service under Article 22.2 is not taken into account for the limits in this paragraph, nor do these limits apply to Vice-Chairmen serving under Article 20.2
- 22.2 If a Director is elected Chairman or future Chairman he is treated as being re-elected when his period of office ends and Article 22.1 does not apply to him.
- 22.3 Following the first Board elections held after these Articles come into effect the Board will make regulations to fix retirement dates for Directors so that one third of the Directors who are subject to retirement by rotation, or if the number is not one third, the nearest number to one third shall retire from the Board each year.

The Chairman and Vice-Chairmen

- 23.2 The Chairman and the Vice-Chairmen shall form the Nomination Committee to nominate a Chairman and any Deputy-Chairmen for the next year for the Board's approval.
- 23.2 The Board then decides whether to elect the Chairman or any Deputy-Chairmen nominated by the Nominations Committee. If the Board does not elect the nominated person, the Nominations Committee can nominate another person and so on.
- 23.3 The Board will decide regulations setting out who is eligible to be a Chairman and Deputy-Chairmen, the terms which apply to them, including how long they will serve and the election procedure.
- 23.4 The Board may fill any vacancy for the remainder of the original term of office.

Directors in office before these Articles came into effect

24. The following Directors who were in office immediately before these Articles came into effect can continue to be Directors:
- anyone appointed under the previous Memorandum and Articles as a Director by a registered body and who was the only person nominated can continue until he is due to retire;
 - any person elected for a set period can continue until the date he was due to retire.

Vacancies

25. The Board can fill any vacancy by nominating an eligible Fellow for the remainder of the original term provided that any Director elected by the Board in this manner must stand for election by Fellows at the first general meeting following their appointment.

Resigning from the Board

26. A Director can resign by writing to the Secretary. His resignation will take effect 30 days from receiving his resignation or earlier if the Board agrees.

When Directors are disqualified

27.1. A Director will be disqualified from holding office in any of the following circumstances:

- when the term he was elected for ends;
- at the end of the year when he is 75 years old;
- if he ceases to be a member of the Institute or if he is suspended or excluded from the Institute;
- a Director fails to attend three consecutive Board meetings; and
- if the Board has passed a resolution to that effect at a meeting where at least two thirds of the Directors are present (whether or not they vote). The meeting must have been called with notice of the proposal to be voted on and there must be a majority of at least three quarters of the Directors present and voting.

27.2 A Fellow is not eligible to become a Director if he is over 75 or if he has stopped being a member or the Board has removed him by a resolution passed under Article 27.1

Committees and Groups

28.1 The Board can appoint committees. People who are not members of the Board or the Institute can be included as committee members, but people who are not members of the Institute must not account for more than one third of the members on any committee. The Chairman and Chief Executive are automatically members of every committee.

28.2 The Board can delegate any of its powers to committees set up under Article 30.1 except where this is specifically prohibited by the Articles. The Board can impose conditions and it can make rules for the procedure of the committees (including the quorum).

28.3 In addition to the Chairman and Chief Executive each committee must have at least one further Director as a member.

28.4 The Board can create and regulate Regional Groups and Special Interest Groups to pursue the objects of the Institute. Such Groups are not committees of the Institute but must act within the constitution laid down by the Board.

MEETINGS

Notice of Board Meetings

29.1 A minimum of 14 days notice of Board meetings must be given to each Director. This can be reduced in emergencies, but can never be less than

- 4 working days. The Chairman or any three Directors can decide whether there is an emergency.
- 29.2 Notice of Board Meetings must be given either personally or by post or by fax or some other electronic method. If notice is not given personally, it must be sent to the address or number that the Director has given to the Secretary for this purpose.

Calling Board Meetings

30. The Chairman or any three Directors can require the Secretary to call a meeting.

Quorum for Board meetings

31. The quorum for Board meetings is nine and the Chief Executive is included for the purpose of recording a quorum.

Procedure at Board Meetings

- 32.1 Board meetings must follow the Articles and any directions or regulations which the Board makes. These directions and regulations can, among other things, lay down conditions for meetings to be held by telephone, video conference or in any other way but a quorum of Directors is always required.
- 32.2 This paragraph applies to a written resolution which is signed by all the Directors who would be entitled to vote on the resolution at a Board meeting. This kind of resolution is just as valid and effective as a resolution passed at a meeting which is properly called and held. The resolution can be passed using several copies of a document, if each copy is signed by one or more Directors. These copies may be fax copies.
- 32.3 Board resolutions are decided by a simple majority vote, unless the Articles say that a larger majority is needed. If a vote is equal, the resolution is treated as lost.
- 32.3 Anything done by the Board, or any of its committees, or by any person as a Board or committee member, shall be fully valid and effective even though afterward it is found that:
- A meeting was not properly formed;
 - There was a defect in the procedure at the meeting; and the person was not properly appointed.

The Chairman of the meeting

- 33.1 The Chairman will chair Board and general meetings unless the Board selects another chairman. The Chairman may also chair any committee meetings he chooses to attend.
- 33.2 If the Chairman is not at a Board or general meeting the Directors at the meeting will decide which one of them is to take the chair.
- 33.3 If there is not a Director to chair a general meeting, the members will decide which one of them is to take the chair.

Meetings and conferences

- 34.1 The Board can hold meetings and conferences for any of the purposes set out in the Memorandum or for social purposes.
- 34.2 The Board can make rules and regulations relating to these meetings and conferences.

General meetings

- 35.1 The Institute shall hold a general meeting in every calendar year as its annual general meeting at a place and time as the Board decides and this will be specified in the notice of the meeting: provided that every annual general meeting shall not take place more than 15 months after the previous such meeting was held.
- 35.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 35.3 All business that takes place at an extraordinary meeting shall be considered special and all that takes place at an annual general meeting shall also be considered special except for the consideration of the income and expenditure account balance sheet and the reports of the Board and of the Auditors the election of the Board and the fixing of the remuneration of the Auditors.
- 35.4 The Board can call an extraordinary meeting whenever it requires. An extraordinary meeting can also be called by members signing a requisition in accordance with S 368 of the Act and stating the purpose of the meeting. They must at the same time deposit enough money to cover the full cost of calling and holding the meeting. This deposit must be refunded if the proposal set out in the requisition is carried or the Board does not call the meeting as required. A meeting convened under this Article must be convened in the same manner, as nearly as possible, as that in which meetings are convened by directors.
- 35.5 Subject to the provisions of the Act relating to special resolutions, at least 21 days notice of every annual general meeting and at least 14 days notice of any other general meeting shall be given specifying the place day and time of the meeting, and in the case of special business, the general nature of that business. If the notice is not sent to or received by any person entitled to it this shall not invalidate any resolution passed at any meeting.
- 35.6 Only the business stated in the notice of general meeting can be considered at the meeting.

The quorum at general meetings

- 36.1 The quorum for general meetings is at least 20 members personally present.
- 36.2 If a meeting is called by members under Article 35.4 and a quorum is not present within 30 minutes of the starting time on the notice of meeting the meeting is dissolved.

- 36.3 For other meetings, if a quorum is not present within 30 minutes, the meeting will be adjourned to a date time and place decided on by the majority of members who are present. At the adjourned meeting the members present will be a quorum.

Adjourning general meetings

37. The chairman of a general meeting can adjourn a meeting if the meeting agrees. The adjourned meeting can be at a different time, date or place, but no business shall take place at any adjourned meeting other than business which might have taken place at the meeting which was adjourned. When a meeting is adjourned for 30 days or more notice of the adjourned meeting shall be given in the same manner as the original meeting..

Voting at general meetings

- 38.1 Resolutions at general meetings are decided, in the first place, by a show of hands by a majority of members present and entitled to vote.
- 38.2 If a vote is equal, either on a show or hands or on a poll, the motion is treated as lost.

The chairman declaring the result of a vote

39. Unless a poll is demanded, a declaration by the chairman that a show of hands vote has been carried unanimously or by a certain majority or lost is final. A record of a declaration in the minutes of the meeting is conclusive evidence of the result and no more proof is needed.

Voting

- 40.1. Votes on a show of hands or a poll at a meeting can be either by the member personally or by proxy,
- 40.2. Votes in an election or poll carried out by post under Article 42 must be given personally
- 40.3. Every member, including Honorary Fellows, has one vote. A member cannot vote at any meeting (either for himself or for anyone else) in any way or be counted in a quorum if he owes any money to the Institute.

Poll votes

- 41.1. Either the chairman of the meeting or at least 10 members can demand a poll vote (using voting papers), either when, or before the chairman declares the result of a show of hands vote.
- 41.2. There cannot be a poll vote on a motion to elect a chairman of a meeting or to adjourn.
- 41.3. The chairman will direct when and how the poll vote is to be carried out.
- 41.4. The chairman can direct that the poll be carried by a postal vote. The procedure in Article 42 will apply but this can be varied by the chairman.
- 41.5. The result of the poll vote is treated as the result of the motion at the meeting where the poll was demanded.

- 41.6. A demand for a poll on a particular matter will not stop a meeting from continuing to deal with other matters.

Postal voting

- 42.1. The Board will decide on the form of any postal voting papers.
- 42.2. The Secretary will send the voting papers to all members of the Institute who are not overdue in making any payment to the Institute.
- 42.3. The sealed voting papers must be returned to the Secretary by prepaid post by the date fixed by the Board.
- 42.4. The Secretary will put the voting papers, unopened, in a sealed box and deliver them to the scrutineers.
- 42.5. The scrutineers will supervise opening the boxes and examining and counting votes.
- 42.6. The scrutineers will prepare a signed report and hand this to the Secretary for publication. The report must state:
- how many voting papers were received;
 - how many voting papers were rejected and why; and
 - the total votes in favour of and against each resolution.
- 42.7. The scrutineers report will be final, even if it is irregular or informal in any way.
- 42.8. The scrutineers are the people appointed by the Board for the purposes set out in this Article.

Proxies

- 43.1. A proxy form must be in writing and signed by the member appointing the proxy.
- 43.2. A proxy must be a member of the Institute who can vote.
- 43.3. Proxy forms must be in any form which is commonly used or in any other form which the Board approves.
- 43.4. To be valid this form must be received at the Secretary's office at the Institute at least 48 hours before the time the meeting is due to start. A form is only valid for the meeting it refers to, including any adjournments of that meeting.

Notices to members

- 44.1. The Institute can serve any document on a member either personally or by sending it (stamped) to him at his registered address or to any other address he has given to the Institute for this purpose.
- 44.2. If a document is posted to a member, it is treated as served on him when it is posted.
- 44.3. To prove that a document was served by post all that is needed is to prove that it was properly stamped, addressed and posted.

DISCIPLINARY PROCEEDINGS

Disciplinary bodies

- 45.1. The Institute's disciplinary body is the Disciplinary Committee.
- 45.2. The Board will appoint the members of the Disciplinary Committee.
- 45.3. The Board can remove members from the Disciplinary Committee
- 45.4. At least once every three years the Board must review the membership of the Disciplinary Committee. After carrying out the review the Board can appoint and remove members.
- 45.5. Members of the Disciplinary Committee stay in office until they resign or are removed.
- 45.6. The Board can, if it considers it necessary or desirable, appoint people who are not members to the Disciplinary Committee. However non-members must not make up more than one third of the membership of the Committee.

One-off investigations

- 46.1. This Article applies if the Board considers that action under Article 47 is appropriate in relation to a member who lives outside the United Kingdom and Republic of Ireland.
- 46.2. Where Article 46.1 applies the Disciplinary Committee can ask the Board to appoint or arrange for the appointment of a one-off Investigation Group in the country where the member lives. The Board must do this if the member asks.
- 46.3. The duty of a Investigation Group is to investigate and report on the case to the Disciplinary Committee.

Disciplinary Procedure

- 47.1. Articles 47 to 49 and any consistent regulations made by the Board set out the constitution and procedures to be followed by the disciplinary bodies.
- 47.2. The constitution and procedures to be followed by the Disciplinary Committee must be the same for Investigation Groups.
- 47.3. There must be no overlap in the members of any disciplinary body which considers a particular case.
- 47.4. If it appears that disciplinary action is appropriate against:
 - a Director: or
 - the Secretary of the Institute; or
 - the Chief Executive of the Institute;the Disciplinary Committee can ask the Board to appoint an Investigation Group to investigate and report on the case to the Disciplinary Committee.
- 47.5. If it is found, by the procedure set out in the following Articles, that a member has;
 - become bankrupt or insolvent, or stopped making payments, or entered into a general composition with his creditors;
 - been convicted of an offence which might bring discredit on the Institute;

- behaved, by doing something or not doing something, in a way which might bring discredit on the Institute;
 - disobeyed any decision of the Board; or
 - broken any of the Institute's Articles or Codes of Conduct;
- the Disciplinary Committee can apply any of the sanctions set out in Article 48.
- 47.6. If it appears to the Institute that a member might have done any of the things referred to in Article 47.5, the Disciplinary Committee, or an Investigation Group, if appropriate, can investigate this in the way it thinks right.
- 47.7. If the Investigation Group decides to refer the matter to the Disciplinary Committee under Article 47.6 it must provide a written report of its investigations with any supporting evidence it thinks appropriate. The Investigation Group must state whether its opinion is that there are sufficient grounds to bring one or more charges and, if so, what charge or charges the member should answer.
- 47.8. If an Investigation Group report states that there are grounds to bring one or more charges, the Disciplinary Committee must arrange for any charges to be heard. The Disciplinary Committee cannot alter any charge, but, in exceptional cases, it can refer any charge back to the Investigation Group for it to consider whether it should be altered.
- 47.9. The Disciplinary Committee must give the member notice of any meeting which will hear any charge against him. This notice must set out any charges and this is the way that the member is formally charged. The Disciplinary Committee must at the same time give the member a copy of the Investigation Group's report.
- 47.10. The Member and any representative whose name he has given to the Disciplinary Committee in writing can:
- attend and be heard at the hearing;
 - call and cross-examine witnesses; and
 - make written representations about any charges.
- 47.11. After the hearing the Disciplinary Committee must consider and decide whether it is satisfied that each charge has been proved.
- 47.12. The Disciplinary Committee must make its decision in a written report setting out:
- the details of any charges;
 - a summary of the evidence and submissions received;
 - the finding on each charge;
 - the penalty or penalties it decides for each charge found proved; and
 - a ruling on whether the report or any related matter should be published and, if so, how it should be published and whether this will include the member's name. The decision is final and binding
- 47.13 The Disciplinary Committee must immediately send a copy of its report to the member who has been charged with details of the appeal procedure, if applicable.

Penalties

48. The Disciplinary Committee can impose one or more of the following penalties under Article 47.12:
- to expel the member and remove his name from the membership register;
 - to call for and accept the member's resignation;
 - to suspend the member for a specified period and to decide whether the member should continue to pay his subscription while suspended;
 - to deprive the member of his Fellowship, either permanently or for a period or until he is re-elected as a Fellow;
 - to fine the member;
 - to order the member to pay costs; or
 - to issue a reprimand or a severe reprimand.

A penalty does not affect the member's liability to pay his subscription and any other money he owes to the Institute.

Appeals

- 49.1. A member can appeal against the Disciplinary Committee's decision against him or against part of it. To appeal the member must ask in writing for the Appeal Tribunal to consider the appeal, giving ground for the appeal.
- 49.2. The appeal notice must be received by the Institute within 28 days from the day after the notice of the Disciplinary Committee's decision was sent to the member. The appeal notice can be given to:
- the person who gave the member notice of the decision;
 - the Secretary; or
 - any other person who is authorised to receive it.
- If the appeal notice is given by telephone or in any other electronic way it must be confirmed in writing within 14 days.
- 49.3. The Disciplinary Committee's decision will be carried out immediately if an appeal notice is not received within the time given in Article 49.2.
- 49.4. If the Institute receives an appeal notice in time, the member has six weeks from the end of the period referred to in Article 49.2 to submit his written appeal application. The appeal application must set out the grounds for the appeal in detail.
- 49.5. The Appeal Tribunal can refuse to hear an appeal if it considers in all the circumstances that the request is completely without merit.
- 49.6. The Appeal Tribunal will decide how it will hear an appeal. A member alone, or any representative whose name he has given to the Appeal Tribunal, in writing, or both can:
- attend the hearing of an appeal;
 - be heard at the hearing;
 - call witnesses;

- cross-examine witnesses; or
 - make written representations about any charges.
- 49.7. After it has heard an appeal, the Appeal Tribunal must reach a decision which must cover:
- details of the decision appealed against;
 - a summary of any additional evidence considered;
 - the finding of each charge appealed against;
 - whether any penalty should be confirmed, quashed, reduced or increased; and
 - whether and if so how the appeal decision and anything relating to it should be published and whether this will include the member's name.
- 49.8. The Appeal Tribunal must send a copy of its decision to the member and its decision will be carried out immediately.

FINANCE

The Institute's finances

50. The Board is responsible for raising from the members and elsewhere the amounts decided by the Board to meet the objects and costs of the Institute and the Board.

Expenses

51. The Board can authorise, on the basis it decides, expenses to be paid to members which expenses are incurred while the members are on the Institute's business.

Borrowing and charging

- 52.1. The Board can borrow in any way for the purposes of the Institute up to the limit specified in Article 52.3
- 52.2. The Board can give guarantees and security in any way over any property in connection with any borrowing allowed by Article 52.1.
- 52.3. The Board can only borrow up to the amount of the Institute's income from subscriptions in the last financial year unless the members allow more borrowing by passing a resolution at a general meeting. The resolution can also allow security and guarantees for the increased borrowing.

Accounts

- 53.1. The Board shall ensure that proper books of accounts are kept with respect to all sums of money received and spent by the Institute and the purpose for which they were received or spent, all sales and purchase of goods by the Institute, and the assets and liabilities of the Institute.

- 53.2. The books of accounts must be kept at the office or subject to Section 222 of the Act, at such other place as the Board decides provided that they are always available for inspection by the Directors.
- 53.3. The Institute may require from time to time that Fellows can inspect the accounts and books of the Institute at reasonable times during business hours.
- 53.4. At the Annual General Meeting each year, the Board will provide the members with a proper income and expenditure account for the period since the last preceding accounts made up to a date not more than six months before such Meeting, together with a proper balance sheet made up to the same date. Every balance sheet must be accompanied by proper reports of the Directors and the Auditors. Copies of these must be sent at least 21 clear days before the date of such Meeting to all persons entitled to receive notices of general meetings

Audit

- 54.1. At least once in every year the accounts of the Institute shall be examined by one or more properly qualified auditor to ensure the correctness of the income and expenditure account and balance sheet.
- 54.2. Auditors shall be appointed under Section 384 and their duties regulated under Section 237 of the Act.

SALARIED STAFF

The Chief Executive and the Secretary

- 55.1. The Institute's administrative office must be based in the United Kingdom.
- 55.2. The Board shall appoint the Chief Executive and the Secretary, which positions may be but need not be held by one person.
- 55.3. The Chief Executive and Secretary are entitled to attend all meetings of the Board unless the meeting is discussing their pay or other employment terms, or appointing, dismissing or disciplining either the Chief Executive or Secretary, in which case the interested party must withdraw from the meeting.
- 55.4. In addition, the Chief Executive is entitled to attend all of the Institute's meetings and its committees.
- 55.5. The Board will decide on the pay and other employment terms, including pension contributions, of the Chief Executive, Secretary and other permanent or temporary paid staff which it or the Chief Executive has appointed.
- 55.6. Staff receiving salaries from the Institute cannot be voting members of the Board or any of its committees.

RECORDS, DOCUMENT AND REGISTERS

Minutes

56. Minutes must be kept on paper or computerised minute books. The minutes must record all resolutions and proceedings of the Institute, the Board and its committees, general meetings and the Institute's other bodies.

The Membership Register

57. A Register must be kept of the names and other necessary details of:

- members, including the dates they were elected and re-elected, when they moved from one type of membership to another and when they stopped being members;

Graduates and Student Members including when they enrolled, when they sat, passed or failed examinations, any exemptions granted, when they became Graduates, and when they stopped being Graduates or Students; and

- Affiliates, including when they first became and stopped being Affiliates.

Membership lists

58. The Board can supply lists of members to members and other people. It can decide whether to make a charge.

Copies of the Memorandum and Articles

59. The Board must supply members with copies of the Memorandum and Articles on request. It can decide whether to make a charge.

THE SEAL

Using the seal

- 60.1. The Institute's common seal can only be used if the Board authorise this.
- 60.2. Documents must be sealed in the presence of a Board member.
- 60.3. Sealed documents must be signed by the Board member who witnessed the seal being used and also by the Chief Executive or any other permanent paid member of staff authorised by the Board.
- 60.4. The keys to the seal must be kept by the Chief Executive or any other person or people who are authorised by the Board.

INDEMNITY

Indemnity for officers and staff

- 61.1. The following people will be indemnified by the Institute against losses and expenses which they incur carrying out their duties unless the losses and expenses are caused by their own deliberate fault and deliberate negligence:
- members of the Board and its committees;
 - disciplinary committees and tribunals;
 - trustees appointed by the Board;
 - the Chief Executive;
 - the Secretary; and
 - the other officers and paid staff of the Institute.
- 61.2. Nobody will be liable for anything done or not done by any other person, or because he adds his signature to a receipt, or joins in some other act for the sake of conformity, or for any loss suffered by the Institute, unless this is the result of his own deliberate fault or negligence.
- 61.3. The Board may effect insurance to protect the Board, officers and staff against any of the indemnities under Articles 61.1 and 61.2

DELEGATION

The Board can delegate its powers

- 62.1. The Board can delegate any or all of its powers unless the Memorandum or the Articles specifically restrict this. By passing a resolution the Board can impose controls and safeguards and require supervision.
- 62.2. The Board can revoke any power which it has delegated at any time without any restriction.

AMENDMENTS

Amending the Articles

63. These Articles can only be amended, added to or revoked in the way set out in the Memorandum.

Winding up

64. The Institute may by resolution passed by a majority of not less than three-fourths of the members present and voting at a general meeting of the Institute of which due notice in writing shall have been given of the nature of the business to be considered dissolve wind up or otherwise deal with the affairs of the Institute in such manner as shall be directed by such general meeting or in default of any such direction as the Board shall think expedient having due regard for the liabilities of the Institute for the time being and if upon the winding up or dissolution of the Institute there shall remain after the satisfaction of all its debts liabilities any property whatsoever the same shall not be paid to or

distributed among the members of the Institute or any of them but shall, subject to any special trusts affecting the same, be given or transferred to some other institute or institutes having objects similar to the objects of the Institute and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as imposed on the Institute under or by virtue of this Memorandum, such institute or institutes to be determined by the members of the Institute at or before the time of dissolution thereof if and so far as effect cannot be given to the foregoing provisions then to some other charitable object.