



## **ROYAL CHARTER OF INCORPORATION, AND BYE-LAWS, FOR THE CHARTERED MANAGEMENT INSTITUTE**

**ELIZABETH THE SECOND** by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

### **TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!**

WHEREAS an humble Petition has been presented unto Us by the Company incorporated in the year of our Lord One thousand nine hundred and ninety-two under the Companies Act 1985 and known as "The Institute of Management" (hereinafter called the "**Company**") praying for the grant of a Charter of Incorporation:

AND WHEREAS We have taken the said Petition into Our Royal Consideration and are minded to accede thereto:

NOW KNOW YE that We, by virtue of Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion have willed and ordained and by these Presents for Us, Our Heirs and Successors do will and ordain as follows:

1. The persons who are now the members of the Company and all such persons as shall hereafter pursuant to this Our Charter and the Bye-laws become members of the Body Corporate hereby constituted and their successors, shall for ever hereafter be by virtue of these Presents one Body Corporate and Politic by the name of "Chartered Management Institute" (hereinafter referred to as the "**Institute**") and by the same name shall have perpetual succession and a Common Seal, with power to break, alter and make anew the said Seal from time to time at their will and pleasure and by the same name shall, and may, sue and be sued in all Courts, and in all manner of actions and suits and shall have power to do all other matters and things incidental or appertaining to a Body Corporate.
2. The objects of the Institute (hereinafter referred to as the "**objects**") shall be to promote for the public benefit the art and science of management in relation to the applied sciences, the arts, the trades and professions, the administration of government and public service, industry and commerce, and to advance public education therein.
3. In pursuance of its objects, but not further or otherwise, the Institute shall have the following powers:
  - (a) To conduct or promote the conduct of research, to publish the useful results of such research, and to provide facilities for study, research and education;

- (b) To publish, produce and distribute or assist in the publication, production or distribution of films, recordings, and any form of written, printed or electronic communication and to advertise in any manner expedient for the objects;
- (c) To establish and maintain libraries and collections, and provide public access to them, and to collect information whether or not on a basis restricted by agreement with the provider thereof;
- (d) To hold conferences, meetings and seminars and other events and to promote the reading of learned papers;
- (e) To encourage the undertaking of voluntary work in the interests of the Institute;
- (f) To prescribe standards of education, training and experience in management and to hold examinations and other tests, and to award certificates and diplomas: PROVIDED that no such certificate or diploma shall purport to be issued by or under government authority, or purport to be a national qualification, without the prior approval of, or accreditation by, the Department for Education and Skills and/or the appropriate devolved administration, or the appropriate regulatory body for qualifications;
- (g) To institute, establish and promote educational and training courses, scholarships grants, awards and prizes;
- (h) To consult, or co-operate with any authority, institution or other body within Our United Kingdom or elsewhere;
- (i) To establish, regulate and dissolve sub-divisions of the Institute in any part of the world;
- (j) To acquire, construct, alter, equip, maintain or manage any building, lecture hall, library, or office and to acquire or dispose of any land for the purposes of the Institute, and to insure any building owned or occupied by the Institute against any eventuality or liability;
- (k) To purchase, take on lease or licence, borrow, hire or otherwise acquire any real or personal property and, subject to such consents as may be required by law to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Institute;
- (l) To take over and acquire all the property and assets of the Company and to assume the obligations of the Company and to do all such acts and things as may be incidental thereto;
- (m) To seek and accept (or disclaim) any gift, donation or legacy, property or other asset;
- (n) To deal in any way with promissory notes, bills of exchange and other instruments of any kind, whether or not transferable, and to operate bank accounts in the name of the Institute;
- (o) To carry on trade in furtherance of the objects or for purposes ancillary or incidental thereto;

- (p) Subject to such consents as may be required by law, to borrow money and to obtain any form of credit or finance, whether on the security of any or all of the property of the Institute, or without security;
- (q) To appoint investment managers, and to invest the funds of the Institute not immediately required for its purposes in such manner as may be prescribed by the Bye-laws;
- (r) To accept and secure the discharge of obligations and liabilities;
- (s) To make arrangements for the carrying on of the work of the Institute and for such purpose to engage and provide in whole or in part for the salaries, pensions, superannuation, insurance and gratuities for employees or former employees of the Institute or the Company and their widows, widowers and dependants;
- (t) To provide indemnity insurance in respect of any member or members of the Board for any liability which would otherwise attach to them for negligence, default or breach of trust or duty; provided that such insurance shall not extend to any claim arising from any act or omission which the member or members knew to be a breach of trust or duty or which was committed in reckless disregard of whether it was a breach of trust or duty, nor to the costs of an unsuccessful defence to a criminal prosecution brought against members of the Board in their capacity as trustees;
- (u) To undertake and carry out any charitable trusts or agencies;
- (v) To procure that, subject to the laws of the country concerned, the Institute be registered or recognised in any part of the world;
- (w) To establish and support, or aid in the establishment and support of, or become a member of, any association or institution having charitable objects similar to those of the Institute and to subscribe or guarantee money for charitable purposes calculated to further its objects;
- (x) To enter into, and to give effect to, agreements or arrangements of any kind with other charitable institutions whose objects are not repugnant to this Our Charter whereby:
  - (i) activities shall be carried on in co-operation;
  - (ii) any such institution shall be or become incorporated in, federated or affiliated to, associated with or recognised for any purpose by the Institute, or the Institute shall become affiliated to, associated with or recognised for any purpose by, any such institution:

Provided that no incorporation of the Institute in any other institution and no incorporation of any other institution (except the Company) in the Institute shall be effected without the approval of the Lords of Our Most Honourable Privy Council of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence; and

- (y) To do such other lawful acts and things (including the promotion of a Bill or Bills in Parliament), whether incidental to the powers aforesaid or not, as may be requisite in order to further the objects.

4. (a) The income and property of the Institute shall be applied solely towards the promotion of the objects as set forth in this Our Charter as amended or added to in the manner hereinafter provided and shall not be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to its members, or to any member of the Board of the Institute provided that nothing herein contained shall prevent the payment in good faith by the Institute:
- (i) of reasonable and proper remuneration to any member, officer or servant of the Institute (not being a member of the Board) in return for any services actually rendered to the Institute;
  - (ii) of interest at a rate not exceeding a reasonable and proper rate on money lent or reasonable and proper rent for premises demised or let by any member of the Institute;
  - (iii) of reasonable out of pocket expenses to any member of the Board;
  - (iv) of professional fees to any member of the Board or to any firm or body corporate in which such member is beneficially interested, for services rendered to the Institute when instructed by the Board to act in a professional capacity on behalf of the Institute; or remuneration to any member of the Board for services rendered to the Institute (including services rendered as such member)

PROVIDED that:

- (a) such member shall not be present or take part in any discussion or decision relating to such fees or remuneration;
  - (b) any decision to pay fees to or to remunerate such member shall require a unanimous vote of the other members present and voting at the meeting at which the decision is made;
  - (c) the other members are satisfied that the level of fees or remuneration is proper and reasonable having regard to the services rendered;
  - (d) the other members are satisfied that the engagement of such member's services is expedient in the interests of the Institute having regard to his ability, qualifications and experience; and
  - (e) the number of such members for the time being in receipt of fees or remuneration from the Institute shall not exceed a minority of the members of the Board;
- (v) of reasonable and proper premiums in respect of indemnity insurance effected in accordance with article 3(t) above.
5. In this Our Charter, unless the context otherwise requires, "**members**" means the members of the Institute. The Bye-laws shall specify the categories of membership of the Institute and shall regulate, or provide for the regulation of, all matters relating to the admission, rights and privileges, and discipline of members.

6. There may be a Patron of the Institute appointed in accordance with the Bye-laws and there shall be a President and President Elect of the Institute. The first President and President Elect shall be the persons so described in the First Schedule to this Our Charter. The President and President Elect shall be appointed in such manner as shall from time to time be prescribed by or in accordance with the Bye-laws.
7. There shall be such other officers of the Institute as the Bye-laws may from time to time prescribe or authorise and they shall have such powers and duties and such periods of office and shall be appointed in such manner as may be prescribed by or in accordance with the Bye-laws.
8.
  - (a) There shall be a Board of Trustees of the Institute (in this Our Charter referred to as the "**Board**") in which shall be vested the government and control of the Institute and its affairs, subject to the provisions of this Our Charter, the Bye-laws and the Regulations of the Institute.
  - (b) The first members of the Board shall be the persons whose names are set forth as such in the First Schedule to this Our Charter and they shall continue in office for such period or respective periods as shall be prescribed by or in accordance with the Bye-laws.
  - (c) The successors to the first members of the Board shall be such persons with such qualifications and shall be appointed in such manner and shall hold office for such period and on such terms generally as shall be prescribed by or in accordance with the Bye-laws.
  - (d) The business of the Board shall be conducted in such manner as shall be prescribed by or in accordance with the Bye-laws.
9. The Board may bring together such fora as it thinks fit, for consultation and communication purposes, with functions as may be specified in the Regulations.
10.
  - (a) The Bye-laws may, subject to the provisions of this Our Charter, govern such matters as the Institute may deem fit with respect to or for the government of the Institute and the promotion of the objects.
  - (b) The Bye-laws set out in the Second Schedule hereto shall be the first Bye-laws of the Institute.
11. The members of the Institute may, by a Special Resolution in that behalf, revoke, amend or add to the Bye-laws for the time being in force; but no such revocation, amendment or addition shall have effect until approved by the Lords of Our Most Honourable Privy Council of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence.
12. The Bye-laws may direct that any matter which pursuant to this Our Charter may be prescribed or regulated in the Bye-laws may be further prescribed or regulated by Regulations; provided that any such further prescription or regulation shall not be repugnant to the provisions of this Our Charter or the Bye-laws. Regulations shall be made, and may be amended or repealed, by a resolution of the Board.
13. The members may at any time revoke, amend or add to any of the provisions of this Our Charter by a Special Resolution in that behalf and such revocation, amendment or addition shall when allowed by Us, Our Heirs or Successors in Council become effectual so that this Our Charter shall thenceforward continue

and operate as revoked, amended or added to. This Article shall apply to this Our Charter as revoked, amended or added to in manner aforesaid.

14. The members may at any time by a Special Resolution determine to surrender this Our Charter subject to the sanction of Us, Our Heirs or Successors in Council and upon such terms as We or They may consider fit and wind up or otherwise deal with the affairs of the Institute in such manner as shall be determined by such Special Resolution or in default of such direction as the Board shall think expedient having due regard to the liabilities of the Institute for the time being, and if, on the winding up or the dissolution of the Institute, there shall remain, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members or any of them but shall, subject to any special trusts affecting the same, be given and transferred to some other body, whose constitution restricts the distribution of property to the same or greater extent as this Our Charter, to be determined by the Board at or before the time of dissolution.
15. For the purposes of this Our Charter a "**Special Resolution**" means a resolution passed at a General Meeting of the members convened and held in accordance with the Bye-laws and Regulations and passed by not less than two-thirds of the members present and voting at the Meeting.
- 15A. The Arms, Crest and Supporters granted and assigned unto the former company (which was then called the British Institute of Management but which changed its name to The Institute of Management by special resolution passed on the 30<sup>th</sup> day of April 1992 which change of name was recorded under Certificate of Incorporation on Change of Name No 441975 on the 1<sup>st</sup> day of November 1992) by Letters Patent under the hands and seals of Garter, Clarenceux and Norroy and Ulster Kings of Arms bearing the date the 9<sup>th</sup> day of December 1959 shall be transferred to the Institute on the date of the amendment of this Our Charter inserting this article, and We do hereby give and grant unto the Institute Our Royal License and Authority that it may thenceforth bear and use the said Armorial Ensigns according to the Laws of Arms, the said transfer being first recorded in Our College of Arms, otherwise this Our License and Permission to be void and of no effect.
16. In any case of conflict, the provisions of this Our Charter shall prevail over those of the Bye-laws and Regulations, and the provisions of the Bye-laws shall prevail over those of the Regulations.
17. Our Royal Will and Pleasure is that this Our Charter shall ever be construed benevolently and in every case most favourably to the Institute and the promotion of the objects.

IN WITNESS whereof We have caused these Our Letters to be made Patent.

WITNESS Ourselves at Westminster the            day of            in the            year of Our Reign.

**BY WARRANT UNDER THE QUEEN'S SIGN MANUAL**

**THE FIRST SCHEDULE****THE FIRST OFFICERS OF THE INSTITUTE AND MEMBERS  
OF THE BOARD**

President	Clayton Mark Brendish CBE
President Elect	John Harris Robinson
Members of the Board	Mary Madeline Chapman David Christopher Edge David John Holme Diana Minna Ireland Ian James Ogilvie MacEachern OBE Ronald McNeil Timothy Stewart Richmond MBE TD DL Roger John Service John Sharp Vincent Robin Waters

**THE SECOND SCHEDULE**  
**BYE-LAWS OF THE INSTITUTE**

**Definitions**

1. In these Bye-laws and the Regulations, except where the context otherwise requires:
  - (a) **"Board"** means the Board of Trustees of the Institute;
  - (b) **"Bye-laws"** means Bye-laws made by the Institute under the Charter;
  - (c) **"Charter"** means the Charter to which these Bye-laws are scheduled, as revoked, amended or added to from time to time, and all Supplemental Charters for the time being in force;
  - (d) **"Company"** means the Company limited by guarantee incorporated on 1st November 1992 under the name "The Institute of Management";
  - (e) **"Director General"** means the chief executive officer of the Institute by whatever title known;
  - (f) **"Institute"** means the Chartered Management Institute constituted by the Charter;
  - (g) **"in writing"** and **"written"** includes all modes of representing or reproducing words in a visible form;
  - (h) **"Laws of the Institute"** means the Charter, these Bye-laws, the Regulations and all codes and other forms of regulatory provision made by the Institute;
  - (i) **"members"** means the members of the Institute and does not include honorary members;
  - (j) **"month"** means calendar month;
  - (k) **"notice"** includes any paper or document of any kind which a member may be entitled to have served upon him.
  - (l) **"office"** means the main office of the Institute;
  - (m) **"President"** means the President of the Institute;
  - (n) **"President Elect"** means the President Elect of the Institute;
  - (o) **"Regulations"** means regulations made by the Board under the Charter or Bye-laws;
  - (p) **"Seal"** means the Common Seal of the Institute;
  - (q) words importing the masculine gender shall include the feminine and words in the singular shall include the plural and words in the plural shall include the singular;

- (r) words importing persons shall include corporations and "**corporation**" shall include unincorporated associations.
2. Any words and terms which may be defined by the Charter shall, unless the context otherwise requires, have a corresponding meaning in these Bye-laws and the Regulations.

### **MEMBERS OF THE INSTITUTE**

3. Individual membership of the Institute is personal and non-transferable.
4. There are the following classes of membership:
- (a) corporate members, comprising
- (i) Companions
  - (ii) Chartered Companions
  - (iii) Chartered Fellows
  - (iv) Fellows
  - (v) Chartered Members and
  - (vi) Members;
- (b) non-corporate members, comprising:
- (i) Honorary Members
  - (ii) such other categories as determined by the Board in Regulations.
5. Subject to the Bye-laws, the Board may determine in Regulations all matters relating to admission to, retention of, exclusion from and duration of membership.
6. Subject to Regulations, the following titles and designatory letters may be used by corporate members:
- Companion - CCMI  
 Chartered Companion - CCMI CMgr (or CCMI Chartered Manager)  
 Chartered Fellow - FCMI CMgr (or FCMI Chartered Manager)  
 Fellow - FCMI  
 Chartered Member - MCMI CMgr (or MCMI Chartered Manager)  
 Member - MCMI.
- 6A. Subject to Regulations, corporate members may use the designation Chartered Management Consultant.
7. The Board shall have power by Regulation to prescribe the annual or other subscriptions, entrance fees or other payments related to admission to, or retention of, membership of the Institute: provided that annual subscriptions may not be increased more than once a year, and any increase in annual subscriptions of more than 10% shall be ineffective unless approved by the members in General Meeting. The Board may direct that the subscription of any individual member be reduced or waived in exceptional circumstances, and may by Regulation provide for reductions in subscriptions for groups or sections of members on any grounds, and specify the conditions on which those concessions shall operate.
8. A person shall cease to be a member in any of the following cases:
- (a) if the application on the basis of which membership was granted contained or referred to information which was false or misleading;

- (b) if the member resigns by giving written notice thereof;
- (c) if the member fails to pay all subscriptions, entrance fees or other payments due from him to the Institute within such period as may be specified by the Board;
- (d) if the member becomes bankrupt or insolvent, or suspends payment or enter into composition or arrangement with his creditors generally;
- (e) if the member is expelled as a result of disciplinary proceedings.

Provided that the Board may in any case other than (e) above in its discretion resolve that the membership of any member shall, notwithstanding the occurrence of any of the events specified herein, continue either unconditionally or subject to such conditions as the Board may prescribe, and that any person whose membership shall cease in accordance with this Bye-law shall remain liable to the Institute for all fees, subscriptions and other payments which may have been due from him at the date his membership ceased.

9. The persons who are honorary members of the Company at the date these Bye-laws shall come into force and effect shall be honorary members of the Institute and the Board may admit as honorary members of the Institute such persons as it thinks fit. Honorary members shall be subject to the jurisdiction of the Board which may impose such terms and conditions (other than those requiring the payment of any subscriptions) upon honorary members as it may think fit and may terminate the honorary membership of any person at any time.
10. There shall be power by Regulations to prescribe for the affiliation or association of other persons, or corporations, with the Institute in such manner as the Board may from time to time determine and with such privileges and rights and upon such conditions as the Board shall think fit. No person so becoming associated or affiliated as aforesaid shall by virtue of this Bye-law or Regulations made under it be a member of the Institute, but this shall not preclude such person from applying for membership.

#### **DISCIPLINE**

11. Members shall be bound by the Laws of the Institute and may be subject to disciplinary proceedings of the Institute if in breach of those Laws or if found guilty by a competent tribunal or Court of an offence considered relevant to membership of the Institute. Regulations shall provide for the investigation and determination of complaints against members, and shall specify the rights of a member subject to complaint to receive notice, to be represented and to call and cross-examine witnesses, and to appeal. Regulations under this Bye-law may make provision for all matters within the disciplinary process including the sanctions to which members may be liable, and may empower committees of the Institute to regulate their own procedure.

#### **GENERAL MEETINGS OF THE INSTITUTE**

12. An Annual General Meeting of the Institute shall be held once in every calendar year beginning with 2002, at such time and place as may be determined by the Board and not more than fifteen months shall elapse between the date of one Annual General Meeting and the date of the next; provided that the first Annual General Meeting of the Institute shall be held not later than twelve months from

the date these Bye-laws first come into force. All other General Meetings of the Institute shall be called Extraordinary General Meetings.

13. Twenty-one days' notice of any General Meeting in a form prescribed in Regulations shall be given to corporate members and such other members as the Board may determine. The accidental omission to give notice of a meeting or the non-receipt of notice by any member, or a defect in the conduct or voting at a meeting, shall not invalidate the meeting or the business transacted thereat.
14. The Board may call an Extraordinary General Meeting when it thinks fit and shall call such a meeting on the requisition of no fewer than 5 per cent of the corporate members. All business transacted at an Extraordinary General Meeting shall be deemed special business, as shall that transacted at an Annual General Meeting except:
  - (a) consideration of the accounts and balance sheet, and of reports of the Board and Auditors;
  - (b) the appointment of the auditors and either determination of their remuneration or authorisation of the Board to determine the same;
  - (c) declaration of the results of elections to the Board.
15. The quorum for a General Meeting of the Institute shall be seven corporate members personally present. Regulations shall provide for all matters relating to the dissolution of an inquorate meeting and to its adjournment and reconvening and the transaction of business notified for the meeting.
16. The President, or in his absence the President Elect, shall preside as chairman at every General Meeting but, if neither is present or willing to preside, another person, as determined by Regulations, shall preside.
17. Regulations shall prescribe the circumstances in which General Meetings may be adjourned from time to time or from place to place, and the circumstances and manner in which notice of the adjourned meeting is to be given but no business shall be transacted at any adjourned Meeting other than the business which might have been transacted at the Meeting from which the adjournment took place.
18. In the case of an equality of votes on any resolution, whether on a show of hands or on a poll, the chairman of the Meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
19. No objection shall be taken to the validity of any vote except at a Meeting or poll at which such vote shall be tendered and every vote not disallowed at such Meeting shall be valid. The Chairman of the Meeting shall be the sole and absolute judge of the validity of every vote tendered at that Meeting or poll resolved at that Meeting to be taken.
20. Subject to the Charter and Byelaws, Regulations may provide for all other matters related to (a) the summoning or requisitioning, and giving notice of General Meetings (b) the conduct of business (including voting, proxies, and demanding of polls) at and chairmanship of such Meetings, and the adjournment and reconvening of such Meetings.

## **PATRON AND OFFICERS OF THE INSTITUTE**

21. The Board may at any time and from time to time by resolution appoint any person whether or not a member or honorary member to be Patron of the Institute for such period as it sees fit, or for an indefinite period, or for life.
22. The Board shall appoint two corporate members to be the President and President Elect. Subject to Bye-law 24, the President shall hold office for a period not exceeding three years, and shall be succeeded in that office by the President Elect.
23. The Institute shall also have such other officers as the Board may from time to time determine and such other officers shall hold office on such terms and otherwise and for such period as the Board shall think fit and may at any time be removed by the Board.
24. The first President named in the First Schedule to the Charter shall continue in office for such period as may be prescribed by the Board.
25. The President or, in his absence, the President Elect shall chair all meetings of the Board.
26. In the event of a casual vacancy occurring in any office of the Institute, such vacancy may be filled in accordance with Regulations.

#### **THE BOARD**

27. Subject to the Laws of the Institute, the Board shall be the governing body of the Institute. The first members of the Board, whose names are listed in the First Schedule to the Charter, shall be regarded as having taken up office in accordance with these Bye-laws and may serve out their pre-existing periods of office as though those periods of office had commenced while these Bye-laws were in force, but the retirement date of any of the first members of the Board may be adjusted if necessary by simple majority resolution of the Board.
28. The Board shall consist of the following:
  - (a) the President, the President Elect and the immediate Past President, *ex officio*;
  - (b) up to nine corporate members elected in accordance with Regulations;
  - (c) up to four members (who are not also members of staff) co-opted by the Board;
  - (d) the Director General of the Institute;
  - (e) the Chairman of the Consultancy Community, *ex-officio*;
  - (f) the Chairman of the Board of Companions, *ex-officio*.
29. The President shall be the Chairman of the Board.
30. Members of the Board elected under Bye-law 28(b) shall hold office for two years, or for such shorter or longer period prescribed by Regulations to secure appropriate retirements by rotation, and shall be eligible for re-election for two further periods of two years.

31. A member of the Board co-opted under Bye-law 28(c) shall serve for such period not exceeding two years, and shall be eligible to be co-opted for further two year terms up to a maximum of six years.
32. The Board may fill any casual vacancy amongst the members of the Board elected under Bye-law 28(b). A person so appointed shall serve until the next subsequent election.
33. An elected or co-opted or ex officio member of the Board (other than the Director General) shall not serve for more than six years consecutively as a member of the Board in any category or combination of categories, except that service as a person filling a casual vacancy shall be discounted for this purpose. In this Bye-law, a year means the period between the close of one Annual General Meeting and the close of the next.
34. Subject to the Laws of the Institute, the Board may regulate its own proceedings. Regulations may:
  - (a) provide for variations in the number of elected members of the Board and for any consequential matter;
  - (b) deal with all and any other matters relating to the election and retirement of members to the Board;
  - (c) specify the quorum for meetings of the Board, provided this is not less than five; and
  - (d) regulate all other matters relating to the meetings and proceedings of the Board.
35. A member of the Board shall cease to hold office as such:
  - (a) if he resigns by notice in writing;
  - (b) if he becomes prohibited from being a director or, being an ex officio, elected or co-opted member of the Board, from being a trustee;
  - (c) if he becomes bankrupt, makes a declaration of insolvency or suspends payment or makes any arrangement or composition with his creditors;
  - (d) if he is removed from office by a Resolution of the members in General Meeting;
  - (e) if he fails without good reason to attend three consecutive Board meetings;
  - (f) if he is removed under Bye-law 36; or
  - (g) if he ceases to be a member of the Institute.
36. The Board may, by a vote of not less than three-quarters of the members of the Board present and voting, at any time remove a member of the Board if he is considered to have acted contrary to the interests of the Institute or is unable properly to carry out the duties of a Board member. The member whose removal is resolved upon under this Bye-law shall have a right of appeal in accordance with Regulations.

#### **POWERS, FUNCTIONS, AND PROCEEDINGS OF THE BOARD**

37. Subject to the Laws of the Institute, the Board may meet and otherwise regulate its own business as it sees fit. Questions arising at a meeting of the Board shall be decided by simple majority vote, and in the event of an equality of votes the chairman of the meeting shall have a second or casting vote.
38. At the request of three or more members of the Board, the President shall summon a meeting of the Board, giving at least fourteen days' notice.
39. All acts bona fide done at any meeting of the Board or of any committee of the Board or any sub-committee or by any person acting as a member of the Board 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 member of the Board.
40. The Board shall cause proper minutes to be made of all appointments of officers and of the proceedings of all meetings of the Institute and of the Board and of committees of the Board and sub-committees and all business transacted at such meetings and any such minutes of any meeting, if purporting to be signed by the person acting as chairman of such meeting or by the person acting as chairman of the next succeeding meeting shall be sufficient evidence without any further proof of the facts therein stated.
41. A resolution in writing signed by all the members for the time being of the Board or of any committee of the Board or any sub-committee who were duly entitled to receive notice of a meeting of the Board or of such committee or sub-committee shall be as valid and effectual as if it had been passed at a meeting of the Board or of such committee or subcommittee duly convened and constituted.
42. The members for the time being of the Board may act notwithstanding any vacancy in their body provided always that in case the members of the Board shall at any time be or be reduced in number to less than the minimum number prescribed by the Laws of the Institute it shall be lawful for them to act as the Board for the purpose of filling up vacancies in their body or of summoning a General Meeting but not for any other purpose.
43. The Board may exercise all such powers of the Institute and do on behalf of the Institute all such acts as may be exercised and done by the Institute as are not required by the Laws of the Institute to be exercised or done by the Institute in General Meeting, and shall, in particular, and subject to such Laws, have the following powers:
  - (a) to make Regulations;
  - (b) to appoint staff of the Institute and determine their conditions of service;
  - (c) to establish or assist in establishing, or dissolve local and regional sub-divisions, professional networks or other organisations of the Institute, whether autonomous or not, and to make Regulations relating to the constitutions and administration of such organisations;
  - (d) to exercise the powers of the Institute in connection with the acquisition of control of the Company and to accept and execute on behalf of the Institute all and any documents, including contracts, deeds, undertakings and agreements, arising from the transfer of all or any part of the

property, assets, liabilities and engagements of the Company, and to delegate the power of execution of documents under this Bye-law to a member or members of the Board;

- (e) to govern, manage and regulate the finances, accounts, investments, property, business and all affairs whatsoever of the Institute and for that purpose to appoint bankers and any other officers or agents whom it may deem expedient to appoint;
  - (f) to invest on behalf of the Institute or in the name of nominees any monies belonging to or held by the Institute and not immediately required for its purposes in or upon such investments, securities or real or personal property as may be thought fit subject to such consents as may be required by law, provided that:
    - (i) in the case of monies belonging to or held by the Institute as trustee for the general purposes of the Institute, the powers conferred by this Bye-law shall be exercised subject to the provisions of the law relating to investment by trustees; and
    - (ii) in the case of monies held by the Institute as trustee upon special trusts, the Board, on behalf of the Institute, shall have such powers of investment as may be granted by such trusts or as may be granted by the law relating to investment by trustees;
  - (g) to appoint upon such reasonable and proper terms (including provision for remuneration) as may be thought fit either any individual of repute with at least fifteen years' experience of investment management who is an authorised person within the meaning of the Financial Services Act 1986 or a company or firm of repute which is an authorised or exempted person within the meaning of that Act otherwise than by virtue of section 45 (1)(j) of that Act to be the Institute's investment manager (the "**manager**") and to delegate to the manager the exercise of powers of investment to the extent permissible under the law relating to trustees: provided that (a) the manager may be authorised to exercise such powers within policy guidelines laid down by the Institute; (b) the manager shall be required to report any exercise of such powers promptly and any transaction within fourteen days, and to report on the performance of the Institute's portfolio managed by him at least every three months; (c) the Institute shall be free at any time to withdraw, or alter the terms of, such delegation; and (d) the Institute shall review such delegation at intervals not exceeding twelve months (but failure to do so shall not invalidate an existing delegation under this Bye-law); and
  - (h) to provide for the custody and use of the Seal.
44. The Board shall have power to establish, to delegate its powers and functions (other than the power to make Regulations or its non-delegable powers as trustees) to, to regulate, and to dissolve, such committees with such functions as the Board may think fit. Such committees may include persons who are not members of the Board or of the Institute. Every committee established by the Board shall have power to establish and dissolve sub-committees subject to such directions as the Board may from time to time impose. The exercise by any committee of any power or function delegated to it by the Board shall be reported to the Board as soon as practicable.

45. The Board may delegate its powers and functions (other than the power to make regulations or its non-delegable powers as trustees) to the President or President Elect on such terms and conditions as it sees fit, and may revoke such delegations at any time: provided that all acts and proceedings of the President and President Elect in exercise of such delegated powers and functions shall be reported to the Board at its next meeting.

#### **DIRECTOR GENERAL AND STAFF**

46. There shall be a Director General who shall be appointed by the Board.
47. The Board may delegate the power of appointment and removal of other members of staff to the Director General or, in the case of any post other than that of the Director General, to any other member of the staff of the Institute.

#### **ACCOUNTS AND AUDIT**

48. The Board shall cause proper and sufficient books of account to be kept in such manner as to give a true and fair view of the state of the Institute's affairs and to explain its transactions, with respect to:
- (a) the assets and liabilities of the Institute;
  - (b) sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure takes place;
  - (c) all sales and purchases of goods and services by the Institute.
49. The books of account shall be kept at the office or in such place as the Board shall determine and shall be open to inspection by the members of the Board. The Institute in General Meeting may specify reasonable conditions and regulations as to the time within business hours and manner in which the accounts shall be open to inspection by members of the Institute.
50. A copy of every balance sheet, income and expenditure account and auditors' report, and of the annual report of the Board shall be made available to every member not less than twenty-one days before the General Meeting at which they are to be considered. The accounts and reports referred to in this Bye-law may be published in printed or electronic form.
51. Auditors shall be appointed and hold office, and their duties and remuneration regulated, in accordance with Regulations.

#### **NOTICES**

52. A notice may be served by the Institute to any member either personally or by sending it by pre-paid post to him or to his registered address or (if he has no registered address within the United Kingdom) to the address if any within the United Kingdom supplied by him to the Institute for the giving of notice to him, or by any mechanical or electronic means approved by the Board for this purpose.
53. A notice sent by post shall be deemed to have been served on the second day following that on which the posting occurred.

#### **TRANSITIONAL PROVISIONS**

54. The first Annual General Meeting of the Institute shall be convened at such date before the expiry of twelve months from the date of the Charter, in such manner and shall be conducted in accordance with such rules, as may be determined by the Board.
55. The business of the first Annual General Meeting of the Institute shall include the following:
  - (a) the appointment of the Patron, if any;
  - (b) the appointment of the first Auditor or Auditors of the Institute.
56. The Articles of Association of the Company and any regulations or *byelaws* made in accordance with the provisions thereof shall, so far as they shall be consistent with the Charter and these Byelaws be deemed to be Regulations of the Institute until such time as they shall have been revoked, or replaced by Bye-laws or Regulations made under the Charter. Such Articles, regulations, or *byelaws* as could only have been made pursuant to the provisions of the Charter as Bye-laws may be revoked, added to or amended only by Special Resolution. All other provisions contained in such Articles, regulations or *byelaws* shall be capable of being altered, added to, amended or repealed as though they were Regulations.
57. All persons holding paid appointments in the Company at the date of the Charter shall hold corresponding appointments in the Institute, on the same terms and conditions as to tenure and otherwise but shall not be entitled to receive remuneration both from the Company and from the Institute in respect of the same period of service.
58. The Board shall have the power to resolve all questions of doubt which may relate to any transitional matter following the grant of the Charter and the establishment of these Bye-laws and such determination shall be final and binding upon every person who may be affected thereby.

Version 8.0

Incorporating amendments agreed by Orders dated 11 November 2002, 17 November 2004, 23 May 2008, 30 November 2011, 5 November 2014, 9 March 2017, 2 August 2017 and 11 July 2018.