

# ARTICLES OF ASSOCIATION OF The Institute for Systems Engineering

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

1. In the articles, unless the context requires otherwise—

“articles” means the Institute’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Institute;

“director” means a director of the Institute, and includes any person occupying the position of director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“member” has the meaning given in section 112 of the Companies Act 2006;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“registered title” means one of the professional titles awarded by the Engineering Council, such as Chartered Engineer (CEng);

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Institute.

### **Liability of members**

**2.** The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Institute in the event of its being wound up while they are a member or within one year after they cease to be a member, for—

- (a) payment of the Institute's debts and liabilities contracted before they cease to be a member,
- (b) payment of the costs, charges and expenses of winding up, and
- (c) adjustment of the rights of the contributories among themselves.

### **Aim**

**3.** The aim of the institute is to promote and improve the effectiveness, efficiency and efficacy of the practice of Systems Engineering within industry, academia and government in the UK.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **Directors' general authority**

**4.**—Subject to the articles, the directors are responsible for the management of the Institute's business, for which purpose they may exercise all the powers of the Institute.

#### **Members' reserve power**

**5.**—(1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

#### **Directors may delegate**

**6.**—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—  
(a) to such person or committee;  
(b) by such means (including by power of attorney);  
(c) to such an extent;

(d) in relation to such matters or territories; and

(e) on such terms and conditions;

as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

(4) Such delegation of authority may include delegation of implementation, but it will not delegate liability for the matters so delegated, which remains with the directors.

### **Committees**

**7.—**(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

(3) Those to whom matters are delegated must report their actions to the directors.

## **DECISION-MAKING BY DIRECTORS**

### **Directors to take decisions collectively**

**8.—**The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 9.

### **Unanimous decisions**

**9.—**(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **Calling a directors' meeting**

**10.—**(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company Secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
  - (b) where it is to take place; and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.

### **Participation in directors' meetings**

**11.**—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

### **Quorum for directors' meetings**

**12.**—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than five, and unless otherwise fixed it is five.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the members to appoint further directors.

### **Chairing of directors' meetings**

**13.**—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the Chair.

(3) The directors may terminate the Chair's appointment at any time.

(4) If the Chair is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors may appoint one of themselves to chair it.

### **Casting vote**

**14.**—(1) If the numbers of votes for and against a proposal are equal, the Chair or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the Chair or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Conflicts of interest**

**15.**—(1) Directors shall avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Institute.

(2) Directors in such a situation shall declare their interest or possible interest at a relevant Board meeting and by completing a conflicts of interest form to be sent to the Company Secretary.

(3) The Board shall decide how this conflict shall be managed.

a) It can decide that the conflicted person may remain at the meeting, participate in the discussion, and even vote on the matter concerned, or

(b) it can allow the conflicted person to remain but not vote and/or speak, or

(c) it can require the conflicted person to withdraw from the meeting for the duration of the discussion and the voting on the issue (and not being counted in the quorum for the duration of the discussion and voting).

### **Records of decisions to be kept**

**16.** The directors must ensure that the Institute keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

### **Directors' discretion to make further rules**

**17.** Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

**18.**— (1) Any member of the Institute who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

(a) by ordinary resolution in General Meeting as decided by the members, or

(b) by a decision of the directors.

(2) The number of directors elected in General Meeting shall be no fewer than five and no more than nine.

(3) They shall serve for an initial term of no more than three years and may be re-appointed to serve for no more than two further terms of Office after which they shall not stand again for appointment for at least one year.

(4) In addition the Chairs of the standing committees of the Institute shall serve as ex officio directors for the duration of their terms of office.



- (5) Furthermore, the directors may appoint no more than two independent directors, who need not be members of the Institute, to provide expertise or experience not already available on the Board. Such directors will serve for one period of three years and may be re-appointed for two further terms.
- (6) Terms of reference, as provided by the Rulebook, describing each of the defined roles on the Council shall be publicly available, providing potential candidates with an indication of what each particular role involves.
- (7) For the purposes of paragraph (2), where 2 or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

### **Termination of director's appointment**

- 19.** A person ceases to be a director as soon as—
- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
  - (b) a bankruptcy order is made against that person;
  - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - (d) a registered medical practitioner who is treating that person gives a written opinion to the Institute stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - (e) notification is received by the Institute from the director that the director is resigning from Office, and such resignation has taken effect in accordance with its terms.

### **Directors' remuneration**

- 20.**—(1) Directors may undertake any services for the Institute that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine for any other service which they undertake for the Institute other than as a director.
- (3) In respect of subsidiaries, the above shall also apply.

### **Directors' expenses**

- 21.** The Institute may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders of debentures of the Institute, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Institute.

## PART 3

### MEMBERS

#### BECOMING AND CEASING TO BE A MEMBER

##### **Applications for membership**

- 22.** —(1) No person shall become a member of the Institute unless—
- (a) that person has completed an application for membership in a form approved by the directors, and
  - (b) the directors have approved the application.
- (2) Members are expected to have an interest in the practice, development and improvement of Systems Engineering as a discipline.
- (3) Members may include “entities” as well as individuals.
- (4) When applying for, or renewing, their contract of membership with the Institute, members shall agree to be bound by the Institute’s Code of Conduct and its Rulebook for the duration of their membership.

##### **Termination of membership**

- 23.**—(1) A member may withdraw from membership of the Institute by giving 7 days’ notice to the Institute in writing.
- (2) Membership is not transferable.
- (3) A person’s membership terminates when that person dies or ceases to exist.
- (4) A member may be removed from the membership register for non-payment of the annual subscription.
- (5) A member may be removed from the membership register by a decision of the board following a recommendation from a disciplinary enquiry, and, where relevant, an appeal by the member.

#### CLASSES OF MEMBERSHIP

##### **Classes of membership to be offered**

- 24.** The Institute shall offer a range of membership classes, which will include:
- (a) Student Member
  - (b) Professional Member
  - (c) Affiliate Member
  - (c) Registered Member
  - (d) Fellow
  - (e) Honorary Fellow
  - (f) Advisory Board member

## **Student Members**

- 25.**–(1) The class of “Student Member” shall be available to individuals who –
- (a) are enrolled in further education or higher education on a course which is deemed appropriate by the directors, and
  - (b) have signed up to the Institute’s standard of professional conduct and committed to continued professional development.
- (2) Student members shall benefit from a discounted fee but will not have voting rights.

## **Professional Members**

- 26.**–(1) The class of “Professional Member” shall be available to any individual who is actively engaged in the discipline of Systems Engineering, subject to meeting the following educational and experiential criteria –
- (a) has obtained a UK Honours degree in a subject that the Institute considers to be relevant to Systems Engineering, or
  - (b) has obtained a qualification in another subject, at Honours degree level, and can demonstrate at least two years post-graduation experience that is relevant to Systems Engineering, or
  - (c) can provide evidence of a combination of qualifications and experience that the Institute considers to be acceptable.
- (2) All Professional Members shall sign up to the Institute’s Code of Conduct and demonstrate a commitment to continued professional development.
- (3) All Professional Members shall have full voting rights.
- (4) All Professional Members shall have the right to use the post-nominal “MIfSE” – standing for “Member of the Institute for Systems Engineering”.

## **Affiliate Members**

- 27.**–(1) The class of “Affiliate Member” shall be available to any individual who demonstrates an interest in the practice, development and improvement of Systems Engineering as a discipline, but does not meet the criteria to become a Professional Member.
- (2) Affiliate Members can participate in the activities of the Institute but do not have voting rights.

## **Registered Members**

- 28.**–(1) The class of “Registered Member” shall be conferred upon existing members who have successfully applied for and been granted professionally registered titles following formal assessment by the Institute’s trained assessors in accordance with the Engineering Council UK-SPEC requirements.
- (2) A Register of Registered Members shall be kept, indicating their level of registration.

- (3) The directors may choose to charge an additional fee to Registered Members as part of their annual subscription to the Institute to cover the additional costs and fees related to registration.
- (4) All Registered Members shall have full voting rights.
- (5) All Registered Members shall have the right to use the post-nominal “MIfSE” – standing for “Member of the Institute for Systems Engineering” to be placed immediately after their registered title post-nominal.
- (6) All Registered Members shall be held accountable to both the Institute’s Code of Conduct and the Engineering Council Code of Ethics.

## **Fellows**

- 29.**–(1) The class of “Fellow” shall be awarded to existing Professional Members or Registered Members, based upon a peer-reviewed nomination and assessment process with all recommendations ratified by the directors.
- (2) The Fellowship criteria shall be published in the Rulebook, and associated policies, and will require candidates to demonstrate significant recent personal responsibilities, achievements and impact within the discipline of Systems Engineering and, where appropriate, related fields.
  - (3) All Fellows are expected to contribute towards the aims and objectives of the Institute by providing access to their expertise and experience.
  - (4) All Fellows shall have full voting rights.
  - (5) All Fellows shall have the right to use the post-nominal “FIfSE” – standing for “Fellow of the Institute for Systems Engineering”.
  - (6) All Fellows shall be held accountable to the Institute’s Code of Conduct.

## **Honorary Fellows**

- 30.**–(1) The class of “Honorary Fellow” shall be awarded to specific individuals who have made a significant contribution in the field of Systems Engineering and who would not be eligible to apply for Fellow status (most likely through lack of currency in the discipline). This is intended to be a rarely used class of membership and requires approval by the directors.
- (2) All Honorary Fellows shall have full voting rights.
  - (3) All Honorary Fellows shall have the right to use the post-nominal “HonFIfSE” – standing for “Honorary Fellow of the Institute for Systems Engineering”.
  - (4) Honorary Fellows will not be expected to make any additional financial contributions to the Institute.

## **Advisory Board Members**

- 31.**–(1) The class of “Advisory Board member” shall be conferred upon organisations which are successful in applying for membership of the Institute’s Advisory Board.
- (2) All advisory board member applications must be approved by the directors.
  - (3) Any benefits which are conferred upon advisory board members must be published openly.

- (4) The fee structure for becoming an advisory board member must be published openly.
- (5) The Institute shall provide reasonable support to the organisation and delivery of advisory board meetings due to the value they bring as a source of advice, guidance and resources.
- (6) Advisory board members shall nominate a representative to act as their point of contact with the Institute.
- (7) Advisory board member representatives shall only be able to vote on Advisory Board matters at Advisory Board meetings.

## ORGANISATION OF GENERAL MEETINGS

### **Attendance and speaking at general meetings**

- 32.**—(1) The Institute shall hold general meetings at intervals of no more than fifteen months apart, where the directors shall choose the date and location as they so wish.
- (2) A member is able to exercise the right to speak at a general meeting when that member is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that member has on the business of the meeting.
  - (3) A member is able to exercise the right to vote at a general meeting when—
    - (a) that member is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
    - (b) that member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other members attending the meeting.
  - (4) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
  - (5) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
  - (6) Two or more members who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
  - (7) At the directors' discretion, non-members may attend a general meeting but may not vote.
  - (8) Absent members shall have the right to appoint a proxy holder to vote on their behalf.

### **Quorum for general meetings**

**33.** No business other than the appointment of the Chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum, where a quorum is defined as twenty or more members.

### **Chairing general meetings**

- 34.**—(1) If the directors have appointed a Chair, the Chair shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a Chair, or if the Chair is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
  - (b) (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the Chair of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as “the Chair of the meeting”.

### **Attendance and speaking by directors and non-members**

- 35.**—(1) Directors may attend and speak at general meetings.
- (2) The Chair of the meeting may permit other persons who are not members of the Institute to attend and speak at a general meeting, but they may not vote.

### **Adjournment**

- 36.**—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair of the meeting must adjourn it.
- (2) The Chair of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the Chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The Chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the Chair of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Institute must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the Institute’s general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### **Voting: general**

**37.** A resolution put to the vote of a general meeting must be decided on a show of hands, and submission of proxy votes, unless a poll is duly demanded in accordance with the articles.

### **Errors and disputes**

**38.**—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.  
(2) Any such objection must be referred to the Chair of the meeting whose decision is final.

### **Poll votes**

**39.**—(1) A poll on a resolution may be demanded—  
(a) in advance of the general meeting where it is to be put to the vote, or  
(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.  
(2) A poll may be demanded by—  
(a) the Chair of the meeting;  
(b) the directors;  
(c) two or more persons having the right to vote on the resolution; or  
(3) A demand for a poll may be withdrawn if—  
(a) the poll has not yet been taken, and  
(b) the Chair of the meeting consents to the withdrawal.  
(4) Polls must be taken immediately and in such manner as the Chair of the meeting directs.

### **Content of proxy notices**

**40.**—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—  
(a) states the name and address of the member appointing the proxy;  
(b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;  
(c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and  
(d) is delivered to the Institute in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

- (2) The Institute may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **Delivery of proxy notices**

- 41.**—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Institute by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the Institute a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

### **Amendments to resolutions**

- 42.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the Institute in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 24 hours before the meeting is to take place (or such later time as the Chair of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the Chair of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the Chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the Chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair's error does not invalidate the vote on that resolution.



## PART 4

### ADMINISTRATIVE ARRANGEMENTS

#### Notices

**43.** Notice of every General Meeting shall be given to every member of the Institute, to the auditors and to every member of the Council.

#### Means of communication to be used

**44.**—(1) Subject to the articles, anything sent or supplied by or to the Institute under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Institute.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the Institute that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### Financial Reporting

**45.** The Council will make a summary of the annual accounts, together with the Directors' reports, available to members at General Meetings.

**46.** The Council will arrange for an annual financial audit or independent financial examination.

#### Right to inspect accounts and other records

**47.** —(1) Should a member wish to inspect the Institute's records they will need to make a request to the directors and arrange a mutually convenient appointment.

(2) Except as provided by law or authorised by the directors or an ordinary resolution of the Institute, no person is entitled to inspect any of the Institute's accounting or other records or documents without prior consultation merely by virtue of being a member.

#### Prohibition of dividend payments

**48.** In accordance with its status as a company limited by guarantee, the Institute is prohibited from paying dividends to members.

## DIRECTORS' INDEMNITY AND INSURANCE

### Indemnity

**49.**—(1) Subject to paragraph (2), a relevant director of the Institute or an associated company may be indemnified out of the Institute's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Institute or an associated company,
- (b) any liability incurred by that director in connection with the activities of the Institute or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the Institute or an associated company.

(2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the Institute or an associated company.
- (c) the relevant director must be able to prove that they were acting in good faith.

### Insurance

**50.**—(1) The directors may decide to purchase and maintain insurance, at the expense of the Institute, for the benefit of any relevant director acting in good faith in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the Institute or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred in good faith by a relevant director in connection with that director's duties or powers in relation to the Institute, any associated company or any pension fund or employees' share scheme of the Institute or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## DISSOLUTION

### **Transfer of assets to a similar body or charity**

**51.** Should the Institute be subject to winding-up or dissolution, then any assets remaining after all debts are repaid shall be transferred to another body with similar aims to its own, or to a body which promotes charitable causes.