

Companies Acts 1985 to 2006

Company limited by guarantee

**ARTICLES OF ASSOCIATION OF  
THE INSTITUTE FOR FISCAL STUDIES**

**As adopted by Special Resolution passed on 27 September 2018**

**1 DEFINITIONS AND INTERPRETATION**

1.1 In the Articles, unless the context indicates another meaning:

<b>'AGM'</b>	means an annual general meeting of the Institute;
<b>'the Articles'</b>	means the Institute's Articles of Association and 'Article' refers to a particular Article;
<b>'Chair'</b>	means the chair of the Executive Committee;
<b>'the Charities Act'</b>	means the Charities Acts 1992 to 2011;
<b>'charity trustee'</b>	has the meaning prescribed by the Charities Act;
<b>'clear day'</b>	does not include the day on which notice is given or the day of the meeting or other event;
<b>'the Commission'</b>	means the Charity Commission for England and Wales or any body which replaces it;
<b>'the Companies Act'</b>	means the Companies Acts 1985 to 2006;
<b>'company law member' and</b>	refers to membership of the Institute under the Companies Act;

**'company law  
membership'**

**'Conflicted  
Executive  
Committee Member'**

means a member of the Executive Committee in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Executive Committee Member or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Institute, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Institute;

**'Connected Person'**

means, in relation to a member of the Executive Committee, a person with whom the member of the Executive Committee shares a common interest such that he or she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the family or household of the member of the Executive Committee or a person or body who is a business associate of the member of the Executive Committee, and (for the avoidance of doubt) does not include a company with which the member of the Executive Committee's only connection is an interest consisting of no more than one per cent. of the voting rights;

**'constitution'**

means the Memorandum and the Articles and any special resolutions relating to them;

**'Council'**

means the body consisting of the members of the Council of the Institute as defined in Article 10.1 and 'Council member' shall have a corresponding meaning;

**'custodian'**

means a person or body who undertakes safe custody of assets or of documents or records relating to them;

<b>'electronic means'</b>	refers to communications addressed to specified individuals by telephone, fax or email or, in relation to meetings, by telephone conference call or video conference;
<b>'Executive Committee'</b>	means the charity trustees of the Institute who are also the directors of the Institute for company law purposes and 'member of the Executive Committee' shall have a corresponding meaning;
<b>'financial expert'</b>	means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;
<b>'financial year'</b>	means the Institute's financial year;
<b>'firm'</b>	includes a limited liability partnership;
<b>'indemnity insurance'</b>	means insurance against personal liability incurred by any member of the Executive Committee for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the act or omission amounts to a criminal offence or the member of the Executive Committee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;
<b>'the Institute'</b>	means the company governed by the Articles;
<b>'material benefit'</b>	means a benefit, direct or indirect, which may not be financial but has a monetary value;
<b>'member'</b>	means the class of supporters of the Institute recognised by the Executive Committee in accordance with Article

6.6;

<b>'Memorandum'</b>	means the Institute's Memorandum of Association;
<b>'month'</b>	means calendar month;
<b>'nominee company'</b>	means a corporate body registered or having an established place of business in England and Wales which holds title to property for another;
<b>'the Objects'</b>	means the Objects of the Institute as defined in Article 4;
<b>'ordinary resolution'</b>	means a resolution agreed by a simple majority of the Council members (in their capacity as company law members) present and voting at a general meeting or in the case of a written resolution, by Council members who together hold a simple majority of the voting power. Where applicable, 'Council members' in this definition means a class of Council members (in their capacity as company law members);
<b>'President'</b>	means the Council member who has been elected by the Council to act as President of the Institute;
<b>'resolution in writing'</b>	means a written resolution of the Executive Committee;
<b>'Secretary'</b>	means a company secretary;
<b>'special resolution'</b>	means a resolution agreed by a 75% majority of the Council members (in their capacity as company law members) present and voting at a general meeting, provided that the text of the special resolution has been included in the notice of the general meeting, or in the

case of a written resolution by Council members who together hold 75% of the voting power. Where applicable, 'Council members' in this definition means a class of Council members (in their capacity as company law members);

**'taxable trading'** means carrying on a trade or business in such manner or on such a scale that some or all of the profits are subject to corporation tax;

**'written' or 'in writing'** refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper;

**'written resolution'** refers to an ordinary or a special resolution which is in writing; and

**'year'** means calendar year.

1.2 Expressions not otherwise defined which are defined in the Companies Act have the same meaning.

1.3 References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

## 2 **NAME**

The name of the company is **The Institute for Fiscal Studies** (the '**Institute**').

## 3 **REGISTERED OFFICE**

The registered office of the Institute is to be in England and Wales.

## 4 **OBJECTS**

4.1 The Objects of the Institute are the advancement of education, for the benefit of the public, by promotion on a non-political basis of the study and discussion of, and the exchange and dissemination of information and knowledge concerning, the economic and social effects and influences of:

- 4.1.1 existing taxes;
- 4.1.2 proposed changes in fiscal systems; and
- 4.1.3 other aspects of public policy,

in each case, whether in the United Kingdom or elsewhere in the world.

- 4.2 This provision may be amended by special resolution but only with the prior written consent of the Commission.

## 5 **POWERS**

The Institute has the following powers, which may be exercised only in promoting the Objects:

- 5.1 to conduct and promote research into the economic and social effects and influences of existing taxes, proposed changes in fiscal systems and other aspects of public policy, either by its own officers and staff or by other persons associated with it, and to promote facilities for such research by members of educational institutions, professional bodies and other approved persons and to produce draft legislation for discussion;
- 5.2 to fund scholarships and bursaries for the remuneration, instruction and support of students or persons engaged in the research referred to in Article 5.1;
- 5.3 to publish and disseminate the material outcomes of the research referred to in Article 5.1 and other material relating to the Objects;
- 5.4 to initiate, promote, hold, manage and take part in conferences, congresses, meetings, lectures, demonstrations, training courses and other gatherings in connection with the Objects;
- 5.5 to co-operate with other bodies and enter into arrangements with any authorities, national, local or otherwise;
- 5.6 to support, administer or set up other charities and to act as trustee of any charity whether established by the Institute or otherwise;
- 5.7 to enter into contracts to provide services to or on behalf of other bodies;
- 5.8 to establish or acquire subsidiary companies, other companies or entities and to acquire, merge with or enter into any partnership or joint venture arrangement with any other charity for any of the Objects;

- 5.9 to accept gifts and to raise funds (but not by means of taxable trading) and in its discretion to disclaim any particular contribution;
- 5.10 to borrow money and to give security for loans or other obligations (but only in accordance with the restrictions imposed by the Charities Act);
- 5.11 to make grants or loans of money and to give guarantees provided that where any payment is made to the treasurer or other proper official of a charity the receipt of such treasurer or official shall be a complete discharge to the Executive Committee;
- 5.12 to acquire or hire property of any kind;
- 5.13 to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act);
- 5.14 to set aside funds for special purposes or as reserves against future expenditure;
- 5.15 to deposit or invest its funds in any manner (but to invest only after obtaining such advice from a financial expert as the Executive Committee considers necessary and having regard to the suitability of investments and the need for diversification) provided that the Institute shall have power to retain any investments donated to it;
- 5.16 to delegate the management of investments to a financial expert, but only on terms that:
  - 5.16.1 the investment policy is set down in writing for the financial expert by the Executive Committee;
  - 5.16.2 timely reports of all transactions are provided to the Executive Committee;
  - 5.16.3 the performance of the investments is reviewed regularly with the Executive Committee;
  - 5.16.4 the Executive Committee is entitled to cancel the delegation arrangement at any time;
  - 5.16.5 the investment policy and the delegation arrangement are reviewed at least once a year;

- 5.16.6 all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Executive Committee on receipt; and
- 5.16.7 the financial expert must not do anything outside the powers of the Institute;
- 5.17 to arrange for investments or other property of the Institute to be held in the name of a nominee company acting under the direction of the Executive Committee or controlled by a financial expert acting under its instructions, and to pay any reasonable fee required;
- 5.18 to deposit documents and physical assets with any company registered or having a place of business in England or Wales as custodian, and to pay any reasonable fee required;
- 5.19 to insure the property of the Institute against any foreseeable risk and take out other insurance policies to protect the Institute, including its staff when required;
- 5.20 subject to Article 16.3, to employ paid or unpaid agents, staff or advisers; and
- 5.21 to do anything else within the law which promotes, helps to promote or is incidental to the promotion of the Objects.

## 6 MEMBERS

- 6.1 The Institute must maintain a register of company law members.
- 6.2 The company law members shall be the Council members from time to time and references to Council member in this Article 6 are references to a Council member in his or her capacity as a company law member.
- 6.3 Company law membership is not transferable.
- 6.4 Company law membership is terminated if the Council member concerned:
- 6.4.1 gives written notice of resignation to the Institute;
  - 6.4.2 dies;
  - 6.4.3 is six months in arrears in paying the relevant subscription (but in such a case the Council member may be reinstated on payment of the amount due);

6.4.4 is removed from company law membership by resolution of the Executive Committee on the grounds that in its reasonable opinion the Council member's continued company law membership is harmful to the Institute (but only after notifying the Council member in writing and considering the matter in the light of any written representations which the Council member concerned puts forward within 14 clear days after receiving notice); or

6.4.5 ceases to be a Council member.

6.5 The Council members may establish different classes of company law members.

6.6 The Executive Committee may also recognise one or more classes of supporters who are not company law members (but who may nevertheless be termed 'members') and set out their respective rights and obligations.

## **7 GENERAL MEETINGS**

7.1 References to Council members in this Article 7 are references to a Council member in his or her capacity as a company law member. Council members are entitled to attend general meetings in person or by proxy (but only if the appointment of a proxy is in writing and notified to the Institute not less than 48 hours before the commencement of the meeting).

7.2 General meetings are called on at least 14 and not more than 28 clear days' written notice indicating the business to be discussed and (if a special resolution is to be proposed) setting out the terms of the proposed special resolution, provided that a general meeting may be called by shorter notice if it is so agreed by a majority in number of Council members having a right to attend and vote, being a majority together holding not less than 90% of the total voting rights at a meeting of all the Council members.

7.3 A general meeting may be called by the Executive Committee at any time and must be called within 21 days of a written request from Council members, who in aggregate represent at least 5% of all the Council members having a right to vote at general meetings.

7.4 There is a quorum at a general meeting if the number of Council members present in person or by proxy is at least ten.

7.5 The President shall act as chair of a general meeting. If the President is unwilling or unable to act as chair then the Chair of the Executive Committee shall act as

chair of a general meeting, failing which the Council members present in person or by proxy shall elect a chair for the meeting from among their number.

- 7.6 Except where otherwise provided by the Articles or the Companies Act, every issue is decided by ordinary resolution.
- 7.7 Every Council member present in person or by proxy has one vote on each issue.
- 7.8 Except where otherwise provided by the Articles or the Companies Act:
- 7.8.1 a special written resolution, signed by Council members representing not less than 75% of the total voting rights of the Council members entitled to vote, shall be as valid and effective as if it had been passed at a meeting of Council members duly convened and held; and
  - 7.8.2 an ordinary written resolution, signed by Council members representing a simple majority of the total voting rights of the Council members entitled to vote, shall be as valid and effective as if it had been passed at a meeting of the Council members duly convened and held.
- 7.9 A proposed written resolution will lapse if it is not passed within 28 days of the date it is circulated to the Council members. Written resolutions may consist of several documents in the same form, each signed by one or more Council members.
- 7.10 Council members must annually:
- 7.10.1 receive the accounts of the Institute for the previous financial year;
  - 7.10.2 receive a written report on the Institute's activities;
  - 7.10.3 be informed of the retirement of the President if he or she wishes to retire or is retiring by rotation;
  - 7.10.4 be informed of the retirement of those Council members and of those members of the Executive Committee who wish to retire or who are retiring by rotation and the election of Council members and members of the Executive Committee to fill the vacancies arising; and
  - 7.10.5 appoint reporting accountants and auditors.
- 7.11 Council members may also from time to time:
- 7.11.1 confer on any individual (with his or her consent) the honorary title of Patron or Vice-President of the Institute; and

7.11.2 discuss and determine any issues of policy or deal with any other business put before them by the Executive Committee.

7.12 A technical defect in the appointment of a Council member of which the Council members are unaware at the time does not invalidate a decision taken at a general meeting or by written resolution.

## **8 LIMITED LIABILITY**

The liability of company law members is limited.

## **9 GUARANTEE**

References to Council members in this Article 9 are references to a Council member in his or her capacity as a company law member. Every Council member promises, if the Institute is dissolved while he or she remains a Council member or within one year after he or she ceases to be a Council member, to pay up to £1 towards:

9.1 payment of those debts and liabilities of the Institute incurred before he or she ceased to be a Council member;

9.2 payment of the costs, charges and expenses of winding up; and

9.3 the adjustment of rights of contributors among themselves.

## **10 COMPOSITION OF THE COUNCIL**

10.1 With effect from one year from the date of the adoption of these Articles, the Council shall consist of no more than 50 persons. The Council, when complete, shall consist of five Council members elected by the members and 45 Council members elected by the Council. For the avoidance of doubt, Council members are not the charity trustees of the Institute (unless they are also members of the Executive Committee).

10.2 Where a vacancy arises among the Council members elected by the members:

10.2.1 the Council shall within a reasonable period of the vacancy arising, give notice to the members inviting nominations to fill the vacancies arising;

10.2.2 at least ten days before the date fixed by the Council as a deadline, any two members may give notice in writing to the Institute nominating one or more persons as candidate(s) for election or re-election as a Council member. Every such nomination shall be accompanied by a notice in writing signed by

the person nominated agreeing to serve if elected. No Council member shall be elected or re-elected by the members unless he or she shall have been nominated in accordance with this Article.

- 10.2.3 at least seven days before the date fixed by the Council as a deadline, the Institute shall inform every member in writing of the names and addresses of all candidates who have been nominated for election or re-election by the members and also of the number of vacancies.
- 10.3 If the candidates nominated by the members are more in number than the number required to be elected or than the vacancies (as the case may be) separate resolutions shall be put to the members and the candidate(s) who receive the greatest number of votes shall be declared by the President to be elected. Election of Council members by the members may be carried out by post or by electronic means.
- 10.4 If the candidates are fewer in number than the number required to be elected or than the vacancies (as the case may be) all the candidates nominated by the members shall be deemed and declared by the President to be elected.
- 10.5 Where the candidates nominated by the members are fewer in number than the number required to be elected or than the vacancies (as the case may be), the Council may appoint additional individuals as Council members (up to a maximum of five) and such individuals shall be deemed to be Council members appointed by the members.
- 10.6 Subject to Article 10.1 and Article 10.7, a retiring Council member may be reappointed.
- 10.7 Council members may serve for terms of up to three years from the date of his or her appointment and may serve a maximum of three terms. A Council member who has completed three continuous terms of service as a Council member will not be eligible to be re-appointed as a Council member until one year after his retirement.
- 10.8 Notwithstanding the provisions of Article 10.7, if the Council shall so determine, exceptionally and by resolution, at the end of a Council member's third term of office, he or she may be reappointed to serve a further term of such duration as the Council shall specify at the time of his or her re-appointment. If the Council shall not so specify, the further term shall be three years.
- 10.9 An individual's term of office as a Council member automatically terminates if:
- 10.9.1 he or she dies;

- 10.9.2 a registered medical practitioner who is treating that person gives a written opinion to the Institute stating that he or she has become physically or mentally incapable of acting as a Council member and may remain so for three months;
  - 10.9.3 he or she is absent without good reason from two consecutive meetings of the Council and is asked by a majority of the Council members to resign;
  - 10.9.4 he or she ceases to be a company law member; or
  - 10.9.5 he or she resigns by written notice to the Council.
- 10.10 The Council may at any time co-opt any individual who is eligible under Article 10.1 as a Council member to fill a vacancy in their number or as an additional Council member, but such power of co-option by the Council shall apply only to the 45 Council members elected by the Council.
- 10.11 A technical defect in the appointment of a Council member of which the Council is unaware at the time does not invalidate decisions taken at a meeting of the Council.

## **11 COUNCIL PROCEEDINGS**

- 11.1 The Council must hold at least one meeting each year.
- 11.2 The President may at any time, and five Council members jointly may at any time, call a meeting of the Council.
- 11.3 Notice of every Council meeting shall be sent to each Council member specifying the place, day and hour of the meeting and the business to be discussed.
- 11.4 A quorum at a meeting of the Council is 10 Council members.
- 11.5 A meeting of the Council may be held either in person or by suitable electronic means agreed by the Council members in which all participants may communicate with all the other participants.
- 11.6 The President or (if the President is unable or unwilling to do so) some other Council member chosen by the Council members present presides at each meeting.
- 11.7 Any issue may be determined by a simple majority of the votes cast at a meeting, but a resolution in writing or in electronic form agreed by a 75% majority of the Council members, entitled to receive notice of a meeting and to vote upon the

resolution is as valid and effectual as a resolution passed at a meeting duly convened and held, provided that:

- 11.7.1 a copy of the resolution is sent or submitted to all the Council members eligible to vote; and
  - 11.7.2 a 75% majority of the members of Council have signified their agreement to the resolution in an authenticated document or documents which are received at the Institute's registered office within the period of 28 days beginning with the circulation date.
- 11.8 A resolution in writing may comprise several documents containing the text of the resolution in like form, to each of which one or more Council members have signified their agreement.
- 11.9 Every Council member has one vote on each issue but, in case of equality of votes, the President has a second or casting vote.
- 11.10 A procedural defect of which the Council is unaware at the time does not invalidate decisions taken at a meeting.

## 12 **COUNCIL'S POWERS**

The Council shall have the following powers:

- 12.1 to elect members of the Executive Committee from among the Council members;
- 12.2 to ratify co-option by the Executive Committee of additional members of the Executive Committee;
- 12.3 to establish regulations for the election of Council members by the Council;
- 12.4 to elect one of their number as President; and
- 12.5 to act as an advisory board to the Executive Committee on such matters as may be referred to it.

## 13 **THE EXECUTIVE COMMITTEE**

- 13.1 The members of the Executive Committee as charity trustees have control of the Institute and its property and funds.
- 13.2 Save for the President (who shall be *ex officio* a member of the Executive Committee) the members of the Executive Committee are appointed by the Council or co-opted by current members of the Executive Committee in accordance with Article 13.10.

- 13.3 The Executive Committee shall consist of at least seven and no more than twelve persons.
- 13.4 An individual may not act as a member of the Executive Committee unless he or she:
- 13.4.1 supports the Objects;
  - 13.4.2 is a Council member;
  - 13.4.3 is over the age of 18; and
  - 13.4.4 has signed a written declaration of willingness to act as a Council member and as a charity trustee of the Institute.
- 13.5 Subject to Article 13.7 (and except for the President), a member of the Executive Committee shall hold office for a term of up to three years from the date of his or her appointment.
- 13.6 Subject to Article 13.7, a retiring member of the Executive Committee who is eligible under Article 13.4 may be reappointed.
- 13.7 Except for the President, an individual may serve a maximum of three terms on the Executive Committee, of up to three years per term. Such an individual who has completed three continuous terms of service as a member of the Executive Committee will not be eligible to be re-appointed as a member of the Executive Committee until one year after his or her retirement.
- 13.8 Notwithstanding the provisions of Article 13.7, if the Executive Committee shall so determine, exceptionally and by resolution, at the end of a member of the Executive Committee's third term of office, he or she may be reappointed to serve a further term of such duration as the Executive Committee shall specify at the time of his or her re-appointment. If the Executive Committee shall not so specify, the further term shall be three years. The exercise of this power by the Executive Committee shall be subject to exercise by the Council of its power under Article 10.8 to also reappoint the relevant member of the Executive Committee as a Council member.
- 13.9 An individual's term of office as a member of the Executive Committee automatically terminates if:
- 13.9.1 he or she dies;

- 13.9.2 a registered medical practitioner who is treating that person gives a written opinion to the Institute stating that he or she has become physically or mentally incapable of acting as a member of the Executive Committee and may remain so for three months;
- 13.9.3 he or she is disqualified under the Charities Act from acting as a charity trustee;
- 13.9.4 he or she is absent without good reason from three consecutive meetings of the Executive Committee and is asked by a majority of the members of the Executive Committee to resign;
- 13.9.5 he or she ceases to be a Council member;
- 13.9.6 he or she resigns by written notice to the Executive Committee (but only if at least three members of the Executive Committee will remain in office); or
- 13.9.7 he or she is removed by the Council members (in their capacity as company law members) at a general meeting called on special notice under the Companies Act, after the meeting has invited the views of the member of the Executive Committee concerned and considered the matter in the light of any such views.
- 13.10 The Executive Committee may at any time co-opt any individual who is eligible under Article 13.4 as a member of the Executive Committee to fill a vacancy in their number or (subject to the maximum number permitted by Article 13.3) as an additional member of the Executive Committee, but a co-opted member of the Executive Committee holds office subject to ratification by the Council at its next meeting.
- 13.11 A technical defect in the appointment of a member of the Executive Committee of which the Executive Committee is unaware at the time does not invalidate decisions taken at a meeting.

## 14 **EXECUTIVE COMMITTEE PROCEEDINGS**

- 14.1 The Executive Committee must hold at least two meetings each year.
- 14.2 The Chair may at any time, and three members of the Executive Committee jointly may at any time, call a meeting of the Executive Committee.

- 14.3 Notice of every meeting shall be sent to each member of the Executive Committee, specifying the place, day and hour of the meeting and the business to be discussed.
- 14.4 A quorum at a meeting of the Executive Committee is three members, excluding any Conflicted Executive Committee Member who has not been authorised to participate in discussions or a vote under Article 16.5.
- 14.5 A meeting of the Executive Committee may be held either in person or by suitable electronic means agreed by the Executive Committee in which all participants may communicate with all the other participants but at least one meeting in each year must be held in person.
- 14.6 The Chair or (if the Chair is unable or unwilling to do so) some other member of the Executive Committee chosen by the members present presides at each meeting.
- 14.7 Any issue may be determined by a simple majority of the votes cast at a meeting, but a resolution in writing or in electronic form agreed by a 75% majority of the Executive Committee, or a committee of them, entitled to receive notice of a meeting and to vote upon the resolution (other than any Conflicted Executive Committee Member who has not been authorised to participate in discussions or vote under Article 16.5) is as valid and effectual as a resolution passed at a meeting duly convened and held, provided that:
- 14.7.1 a copy of the resolution is sent or submitted to all members of the Executive Committee eligible to vote; and
  - 14.7.2 a 75% majority of the members of the Executive Committee have signified their agreement to the resolution in an authenticated document or documents which are received at the Institute's registered office within the period of 28 days beginning with the circulation date.
- 14.8 A resolution in writing may comprise several documents containing the text of the resolution in like form, to each of which one or more members of the Executive Committee has signified their agreement.
- 14.9 Every member of the Executive Committee has one vote on each issue but, in case of equality of votes, the person appointed under Article 14.6 to preside at the meeting has a second or casting vote.

- 14.10 A procedural defect of which the Executive Committee is unaware at the time does not invalidate decisions taken at a meeting.

**15 EXECUTIVE COMMITTEE'S POWERS**

The members of the Executive Committee have the following powers in the administration of the Institute in their capacity as charity trustees:

- 15.1 to appoint (and remove) any person (who may be a member of the Executive Committee) to act as Secretary in accordance with the Companies Act;
- 15.2 to appoint a chair, a treasurer and other honorary officers from among their number;
- 15.3 to invite observers to attend meetings of the Executive Committee, and to pay their reasonable expenses out of the Institute's funds. For the avoidance of doubt, such observers are not members of the Executive Committee and shall not count towards the quorum for a meeting, shall not have any power to vote on a matter and shall leave the meeting when the Executive Committee votes on a matter;
- 15.4 to delegate any of their functions to committees consisting of two or more individuals appointed by them. At least one member of every committee must be a member of the Executive Committee and all proceedings of committees must be reported promptly to the Executive Committee;
- 15.5 to make standing orders consistent with the Memorandum, the Articles and the Companies Act to govern proceedings at general meetings;
- 15.6 to make rules consistent with the Memorandum, the Articles and the Companies Act to govern their proceedings and proceedings of committees;
- 15.7 to make regulations consistent with the Memorandum, the Articles and the Companies Act to govern the administration of the Institute and the use of its seal;
- 15.8 to establish procedures to assist the resolution of disputes or differences within the Institute; and
- 15.9 to exercise in their capacity as members of the Executive Committee any powers of the Institute which are not reserved to the Council members (in their capacity as company law members).

16 **BENEFITS AND CONFLICTS**

16.1 The property and funds of the Institute must be used only for promoting the Objects and do not belong to the company law members but:

16.1.1 Council members who are not also members of the Executive Committee or Connected Persons may be employed by or enter into contracts with the Institute and receive reasonable payment for goods or services supplied; and,

subject to compliance with Article 16.4:

16.1.2 Council members, members of the Executive Committee and Connected Persons may be paid interest at a reasonable rate on money lent to the Institute;

16.1.3 Council members, members of the Executive Committee and Connected Persons may be paid a reasonable rent or hiring fee for property let or hired to the Institute; and

16.1.4 Council members, members of the Executive Committee and Connected Persons may receive charitable benefits on the same terms as any other members of the beneficial class.

16.2 A member of the Executive Committee must not receive any payment of money or other material benefit (whether directly or indirectly) from the Institute except:

16.2.1 as mentioned in Articles 16.1 or 16.3;

16.2.2 reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in running the Institute;

16.2.3 the benefit of indemnity insurance as permitted by the Charities Act;

16.2.4 an indemnity in respect of any liabilities properly incurred in running the Institute (including the costs of a successful defence to criminal proceedings);

16.2.5 payment to any company in which a member of the Executive Committee or a Connected Person has no more than a one per cent. shareholding; or

16.2.6 in exceptional cases, other payments or benefits (but only with the written consent of the Commission in advance and subject, where required by the Companies Act, to the approval or affirmation of the company law members).

- 16.3 No member of the Executive Committee or Connected Person may be employed by the Institute except in accordance with Article 16.2.6, but any member of the Executive Committee or Connected Person may enter into a written contract with the Institute, as permitted by the Charities Act (stating the maximum benefit to be paid), to supply goods or services in return for a payment or other material benefit but only if:
- 16.3.1 the goods or services are actually required by the Institute, and the Executive Committee decides that it is in the best interests of the Institute to enter into such a contract;
  - 16.3.2 the nature and level of the remuneration is no more than is reasonable in relation to the value of the goods or services and is set in accordance with the procedure in Article 16.4; and
  - 16.3.3 less than one half of the members of the Executive Committee are subject to such a contract in any financial year.
- 16.4 Subject to Article 16.5, any member of the Executive Committee who becomes a Conflicted Executive Committee Member in relation to any matter must:
- 16.4.1 declare the nature and extent of his or her interest before discussion begins on the matter;
  - 16.4.2 withdraw from the meeting for that item after providing any information requested by the Executive Committee;
  - 16.4.3 not be counted in the quorum for that part of the meeting; and
  - 16.4.4 be absent during the vote and have no vote on the matter.
- 16.5 When any member of the Executive Committee is a Conflicted Executive Committee Member, the members of the Executive Committee who are not Conflicted Executive Committee Members, if they form a quorum without counting the Conflicted Executive Committee Member and are satisfied that it is in the best interests of the Institute to do so, may by resolution passed in the absence of the Conflicted Executive Committee Member authorise the Conflicted Executive Committee Member, notwithstanding any conflict of interest or duty which has arisen or may arise for the Conflicted Executive Committee Member, to:
- 16.5.1 continue to participate in discussions leading to the making of a decision and to vote; or
  - 16.5.2 disclose to a third party information confidential to the Institute; or

16.5.3 take any other action not otherwise authorised which does not involve the receipt by the Conflicted Executive Committee Member or a Connected Person of any payment or material benefit from the Institute; or

16.5.4 refrain from taking any step required to remove the conflict.

16.6 This provision may be amended by special resolution but, where the result would be to authorise a benefit to a member of the Executive Committee, Council member, company law member or Connected Person which was not previously authorised under the Articles, only with the prior written consent of the Commission.

16.7 A Conflicted Executive Committee Member who obtains (other than through his or her position as a member of the Executive Committee) information that is confidential to a third party, shall not be in breach of his or her duties to the Institute if he or she declares the conflict in accordance with Article 16.4 and then withholds such confidential information from the Institute.

## 17 **RECORDS AND ACCOUNTS**

17.1 The Executive Committee must comply with the requirements of the Companies Act and of the Charities Act as to keeping records, the audit or independent examination of accounts and the preparation and transmission to the Registrar of Companies and the Commission of information required by law including:

17.1.1 annual returns;

17.1.2 annual reports; and

17.1.3 annual statements of account.

17.2 The Executive Committee must also keep records of:

17.2.1 all proceedings at meetings of the Executive Committee;

17.2.2 all resolutions in writing;

17.2.3 all reports of committees; and

17.2.4 all professional advice obtained.

17.3 Accounting records relating to the Institute must be made available for inspection by any member of the Executive Committee at any time during normal office hours and may be made available for inspection by company law members who

are not members of the Executive Committee if the Executive Committee so decides.

- 17.4 A copy of the Institute's constitution and latest available statement of account must be supplied on request to any member of the Executive Committee. Copies of the latest accounts must also be supplied in accordance with the Charities Act to any other person who makes a written request and pays the Institute's reasonable costs.

## 18 **COMMUNICATIONS**

- 18.1 Notices and other documents to be served on company law members, Council members or members of the Executive Committee under the Articles or the Companies Act may be served:

18.1.1 by hand;

18.1.2 by post;

18.1.3 by suitable electronic means; or

18.1.4 through publication in the Institute's newsletter or on the Institute's website.

- 18.2 The only address at which a company law member is entitled to receive notices sent by post is an address in the United Kingdom shown in the register of company law members.

- 18.3 Any notice given in accordance with the Articles is to be treated for all purposes as having been received:

18.3.1 24 hours after being sent by electronic means, posted on the Institute's website or delivered by hand to the relevant address;

18.3.2 two clear days after being sent by first class post to that address;

18.3.3 three clear days after being sent by second class or overseas post to that address;

18.3.4 immediately on being handed to the recipient personally; or, if earlier,

18.3.5 as soon as the recipient acknowledges actual receipt.

- 18.4 A technical defect in service of which the Executive Committee is unaware at the time does not invalidate decisions taken at a meeting.

19 **EXCLUSION OF MODEL ARTICLES**

Any model articles for a company limited by guarantee that may exist (including those constituting Schedule 2 to the Companies (Model Articles) Regulations 2008) are hereby expressly excluded.

20 **INDEMNITY**

20.1 The Institute shall indemnify each member of the Executive Committee against any liability incurred in successfully defending legal proceedings in that capacity, or in connection with any application in which relief is granted by the Court from liability for negligence, default, or breach of duty or breach of trust in relation to the Institute.

20.2 In this Article, 'member of the Executive Committee' means any member or former member of the Executive Committee of the Institute.

21 **DISSOLUTION**

21.1 If the Institute is dissolved, the assets (if any) remaining after providing for all its liabilities must be applied in one or more of the following ways:

21.1.1 by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;

21.1.2 directly for the Objects or for charitable purposes which are within or similar to the Objects; or

21.1.3 in such other manner consistent with charitable status as the Commission approves in writing in advance.

21.2 A final report and statement of account must be sent to the Commission.

21.3 This provision may be amended by special resolution but only with the prior written consent of the Commission.