

ROYAL CHARTER OF INCORPORATION, AND BYE-LAWS, FOR THE INSTITUTE OF PAYROLL PROFESSIONALS

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 on the eleventh day of December in the year of our Lord One thousand nine hundred and ninety-seven under the Companies Acts and known as "the Institute of Payroll Professionals" (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 THEREFORE 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 "**The Chartered Institute of Payroll Professionals**" (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. In this Our Charter "**the profession**" means the profession and science of payroll management including related pensions management. The objects of the Institute (hereinafter referred to as "**the objects**") shall be, for the benefit of the public,
 - 2.1 Maintaining an educational and ethical structure of the highest standards aiming to train and licence professionals to work in the payroll profession by requiring such standards of knowledge and experience as will be approved by IPP, so that such professionals are of the highest quality.
 - 2.2 Promoting ,fostering and developing the general advancement of the payroll profession as an end in itself and for the purposes of enhancing payroll methodology ,theory and practice ; and improving the way in which payroll services are delivered in such ways as IPP will consider appropriate and to the benefit of the community at large.
 - 2.3 Increasing the understanding of the business community and general public of the importance of the proper administration of payroll by :
 - 2.3.1 Promoting forums, holding public meetings to encourage debate and discussion with regard to payroll and other topics which may be relevant to payroll matters ;

2.3.2 Printing , publishing, selling, lending and disseminating reports, papers, communications, works and other information on payroll issues making use of all appropriate media.

2.4 Promoting continuing educational and ethical compliance for payroll professionals and regularly reviewing compliance with those requirements for the protection of the wider community and the business community.

2.5 Understanding the needs of employers, employees, all relevant taxation authorities, pensions providers and other relevant persons to deliver accurate and efficient payroll systems.

Actively seeking consultation and co-operation with legislators, regulators, administrators of the collection of taxes, administrators of pensions, business organisations, educational bodies and others with a view to acting as a conduit for discussion between the wider community and those concerned with matters connected with payroll.

provided that such objects shall not extend to the regulation of relations between workers and employers or between organisations of workers and organisations of employers.

3. In pursuance of the objects, but not further or otherwise, the Institute shall have the following powers:

- (a) To conduct or promote the conduct of research, including scientific investigation and other methods of expanding knowledge, to publish the useful results of such research, and to provide facilities for study, research and education;
- (b) To prescribe, uphold, and improve, standards of training, qualifications and skill of persons engaged in the profession and to hold or cause to be held examinations and other tests, and to award or promote the award of 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 appropriate department of Our Government and/or the appropriate devolved administration, or the appropriate regulatory body for qualifications;
- (c) To co-operate with any authority or organisation in the establishment of, and recognition of achievement against, national or international professional standards of competence and achievement in the field of the profession, and to seek or maintain accreditation by any authority in Our United Kingdom or elsewhere;
- (d) To set standards of conduct for members and to enforce such standards through disciplinary systems;
- (e) To maintain registers of members, of other practitioners in the relevant fields, and of bodies and activities;
- (f) 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;

- (g) To hold, or promote the holding of, or co-operate in the arranging of, lectures, meetings, conferences, exhibitions and other events and to promote the reading of learned papers;
- (h) 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;
- (i) To encourage the undertaking of voluntary work in the interests of the Institute;
- (j) To advise, consult or co-operate with any authority, institution or other body within Our United Kingdom or elsewhere and to provide advisory services to such bodies or to members;
- (k) To establish, regulate and dissolve branches or other sub-divisions of the Institute and special interest or other groups;
- (l) 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 or other premises owned or occupied by the Institute;
- (m) 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; provided that if the Institute takes or holds any property which is subject to any trusts it shall only deal with or invest such property in manner permitted by law having regard to such trusts
- (n) 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;
- (o) To seek and accept (or disclaim) any subscription, gift, donation or legacy, property or other asset;
- (p) 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;
- (q) To carry on trade in furtherance of the objects or for purposes ancillary or incidental thereto and to establish trading and other subsidiary companies;
- (r) 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;
- (s) To appoint and delegate powers to investment managers, and to invest the funds of the Institute not immediately required for its purposes and to hold or otherwise deal with any investments made;

- (t) To lend money and to accept and secure the discharge of obligations and liabilities, to enter into any form of contract and to insure the Institute against any liability or eventuality;
- (u) 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, or of predecessor companies referred to in the Memorandum of Association of the Company, or of subsidiaries of any of the foregoing, and their widows, widowers and dependants;
- (v) To indemnify, and to provide indemnity insurance in respect of, any member or members of the Board of the Institute 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 of the Institute in their capacity as Directors;
- (w) To make charitable donations and to undertake and carry out any charitable trusts or agencies;
- (x) To procure that, subject to the laws of the country concerned, the Institute is registered or recognised in any part of the world;
- (y) To establish and support, or aid in the establishment and support of, or become a member or shareholder of, any organisation, association, institute or body having objects similar to those of the Institute and to subscribe or guarantee money for purposes calculated to further its objects and to control, manage, fund or subsidise or otherwise assist any company in which the Institute has a financial or other interest;
- (z) To enter into, and to give effect to, agreements or arrangements of any kind with charitable or other 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

- (aa) 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. 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 referred to in article 7 hereof (hereinafter referred to as "the Board") provided that nothing herein contained shall prevent the payment in good faith by the Institute:
 - (a) of reasonable and proper remuneration to any member, officer or servant of the Institute (not being a member of the Board other than the Chief Executive) in return for any services actually rendered to the Institute;
 - (b) 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;
 - (c) of reasonable out of pocket expenses to any member of the Board or of remuneration to a firm or company in which such member has, and has declared, an interest, in return for goods or services actually supplied to the Institute;
 - (d) of reasonable and proper premiums in respect of indemnity insurance effected in accordance with article 3(v) above.
5. In this Our Charter, unless the context otherwise requires, "**members**" means the members of the Institute. The Bye-laws shall specify, or provide for the specification of, 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.
 - (a) The Institute may appoint a President of the Institute, who may or may not be a member of the Institute.
 - (b) There shall be such 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.
7.
 - (a) There shall be a Board of the Institute 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.

8. (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.
9. The members of the Institute may, by a Special Resolution, 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.
10. 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 by resolution of the Board, either in pursuance of this Article or of its own volition and may be amended or repealed, by resolution of the Board.
11. 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.
12. 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, with objects similar to those of the Institute and 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.
13. For the purposes of this Our Charter a "**Special Resolution**" means either a resolution passed at a General Meeting of the members convened and held in accordance with the Bye-laws and Regulations by not less than two-thirds of the members present and entitled to vote (personally or, if provided for in Regulations, by proxy) and voting at the Meeting, or a resolution passed by a similar majority of members in a postal or electronic ballot.
14. 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.

15. 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 MEMBERS OF THE BOARD

Chair -Gillian Dale-Skey

Vice Chair – Ian Walters

Michelle Crook

Eira Hammond

Richard Nutt

Heather Post

Paul Rains

Cliff Vidgeon

THE SECOND SCHEDULE
BYE-LAWS OF THE INSTITUTE

DEFINITIONS

1. In these Bye-laws and the Regulations, except where the context otherwise requires:
 - (a) "**Bye-laws**" means these Bye-laws as amended from time to time;
 - (b) "**Charter**" means the Charter to which the Bye-laws are scheduled, as revoked, amended or added to from time to time, and all Supplemental Charters of the Institute for the time being in force;
 - (c) "**Chief Executive**" means the chief executive officer of the Institute by whatever title known;
 - (d) "**Company**" means the Company limited by guarantee incorporated on 11th December 1997 with registered number 03479281;
 - (e) "**Director**" means a member of the Board with voting rights;
 - (f) "**in writing**" and "**written**" includes all modes of representing or reproducing words in a visible form;
 - (g) "**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;
 - (h) "**meeting**" in relation to a meeting of the Board includes a meeting other than a physical meeting;
 - (i) "**member**" means a member of the Institute in any category;
 - (j) "**Member**" shall mean a person in the category of voting member of the Institute;
 - (k) "**month**" means calendar month;
 - (l) "**notice**" includes any paper or document of any kind which a member may be entitled to have served upon him;
 - (m) "**office**" means the main office of the Institute;
 - (n) "**President**" means the President 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 other entities or organisations, and "**corporation**" shall include unincorporated associations;
 - (s) any reference to an enactment includes that enactment as replaced or modified.
2. Any words and terms defined in the Charter shall, unless the context otherwise requires, have a corresponding meaning in these Bye-laws and the Regulations.

MEMBERSHIP OF THE INSTITUTE

3. The following shall be members of the Institute:
- (a) persons who are members of the Company at the date these Bye-laws first come into force and effect;
 - (b) persons who are admitted as members under the Charter and Bye-laws.
4. There shall be no limit on the number of members with which the Institute is registered.

There shall be the following categories of voting member:

- (a) *Fellow*
- (b) *Member*
- (c) *Associate*
- (d) *Chartered Professional*

Other classes of Member may be set up from time to time by the Board. The Board shall so have power at its discretion to discontinue admissions to any class of membership or to close down any such class or classes.

5. Subject to the Bye-laws, the Board may by Regulation determine additional terms and conditions of admission to, retention of, transfer within, exclusion from, and re-admittance to, membership of the Institute and the provisions of Bye-law 4 and such additional terms and conditions shall be binding as well upon those who were members of the Company as those who may be admitted after the incorporation of the Institute under the Charter.
6. The members shall be entitled to use the following designatory initials:

Fellow – “FCIPP”

Member – “MCIPP”

Associate – “ACIPP”

Chartered Professional – shall use the title Chartered Professional in full and shall use the letters according to their area of the profession:

CPay – Payroll
CPen – Pensions
CRew – Reward

7. (a) All categories of membership may, subject to Regulations, use the title ‘member of the Chartered Institute of Payroll Professionals.
- (b) Other privileges, excluding the right to use titles including the word "Chartered", may be conferred on members by or under Regulations.
8. Applications for admission to membership shall be considered in such a manner as the Board may from time to time direct. The requirements for upward progression from Associate to a higher level category of membership shall be:
 - (a) the member shall have a recognised CIPP Foundation Degree (or its previous equivalent level) / CIPP BA (Hons) / CIPP MSc qualification, or;
 - (b) qualify via the CIPP upgrade test
9. Persons who are members of the Institute shall be entitled to describe themselves as being members thereof in their different grades, to receive all publications of the Institute, to attend all meetings, lectures and other functions arranged by the Institute, to receive such advice and assistance in connection with their professional work as the Institute offers from time to time.
10. The membership of any grade of the Institute shall be personal to the member and shall not be transferable or transmissible by the act of the member or by operation of law.
11. Every member shall be bound to further, to the best of his/her ability, the objects, interests and influence of the Institute and to that end shall observe the Charter, Bye-Laws, Regulations and all other laws of the Institute.
12. The Board shall have power to prescribe the annual or other subscriptions, entrance fees or other payments related to admission to, or retention of, membership of the Institute. Every member shall pay subscriptions in accordance with Regulations and shall not be entitled to any benefit or privilege of membership when his subscription is in arrears. The Board may direct that the subscription of any individual member be reduced or waived in exceptional circumstances, and may provide for reductions in subscriptions for groups or sections of members on any grounds, and specify the conditions on which those concessions shall operate. All subscriptions shall be due and payable on 1st January in each year or on such other date as may be determined by the Board in respect of all members, or any member or group of members.
13. A person shall cease to be a member in any of the following circumstances:
 - (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 enters 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.

- 14. 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

- 15. The 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

- 16. An Annual General Meeting of the Institute shall be held once in every calendar year beginning with 2011, 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.
- 17. Twenty-one days' notice of any General Meeting in a form prescribed in Regulations shall be given to the members. 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.
- 18. The Board may call an Extraordinary General Meeting when it thinks fit and shall do so on the requisition of such number of Members being not less than one-tenth of the Members of

the Institute. All business transacted at an Extraordinary General Meeting shall be deemed special business, as shall that transacted at an Annual General Meeting, except:

- (a) receipt of the accounts and balance sheet, and of reports of the Board and of the 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.
19. The quorum for a General Meeting of the Institute shall be twelve 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.
20. Subject to the Charter and Bye-laws, Regulations may make provision in respect of all other matters concerning (a) the summoning or requisitioning, and giving notice of, General Meetings and attendance thereat (b) the submission by Members of proposed resolutions, (c) the conduct of business (including voting, proxies, and demanding of polls) at and chairmanship of such Meetings, and (d) the adjournment and reconvening of such Meetings.

PRESIDENT, VICE PRESIDENT AND PATRONS

21. The Board may appoint a President, Vice-President, or Patrons, of the Institute from time to time and subject to such terms and conditions as it shall see fit.

OFFICERS OF THE INSTITUTE

22. (a) There shall be a Chair of the Board and such other officers as the Board may from time to time determine.
- (b) Officers shall be elected or appointed, and shall hold office, in accordance with Regulations.
23. In the event of a casual vacancy occurring in any such office of the Institute, such vacancy may be filled in accordance with Regulations.

THE BOARD

24. 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.
25. The Board shall consist of
- (a) a number to be recommended by the Governance Committee and approved by the Board, at least one of whom will be elected to specifically represent members' pensions

profession interests, elected in accordance with Regulations, a minimum of two of whom shall retire each year.

(b) the Chief Executive; and

(c) up to four other persons co-opted by the Board.

26. The Board may fill any casual vacancy amongst the elected members of the Board. A person so appointed shall serve until the next subsequent election.

27. Subject to the Laws of the Institute, the Board may regulate its own proceedings. Regulations under this Bye-law may:

(a) deal with all and any other matters relating to the election, appointment and retirement of members to the Board;

(b) specify the quorum for meetings of the Board but this will be no less than 3 members.

(c) make provision in respect of the procedure for and validity of written resolutions of the Board; and

(d) regulate all other matters relating to the meetings and proceedings of the Board.

28. 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 of a company or charity 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; or

(f) if he is removed under Bye-law 25.

29. The Board may, by a vote of not less than three-quarters of the members of the Board present and voting, being an absolute majority of the members for the time being of the Board, 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 of the Board whose removal is resolved upon under this Bye-law shall have a right of appeal if so provided in Regulations.

30. The members for the time being of the Board may act notwithstanding any vacancy in their number provided always that in case the members of the Board shall at any time be or be reduced in number to less than the quorum it shall be lawful for them to act as the Board for the purpose of filling casual vacancies or of summoning a General Meeting but not for any other purpose.

POWERS AND FUNCTIONS OF THE BOARD

31. 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, alter and revoke Regulations and to specify any Regulation as incapable of amendment without the approval of the Members either through a resolution of the Institute in General Meeting or through a postal or electronic ballot of the Members of the Institute;
 - (b) to appoint the Chief Executive and to delegate to the Chief Executive the power to appoint other staff of the Institute and determine their conditions of service;
 - (c) to establish or assist in establishing or dissolving local branches and other subdivisions, groups or 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.

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

CHIEF EXECUTIVE AND STAFF

34. There shall be a Chief Executive who shall be appointed by the Board.
35. The Chief Executive shall have power to appoint and remove other staff of the Institute and may delegate this function.

ACCOUNTS AND AUDIT

36. 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.

37. 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. Regulations 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.
38. 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.
39. Auditors shall be appointed and hold office, and their duties and remuneration regulated, in accordance with Regulations.

NOTICES

40. A notice may be served by the Institute by publication in the journal of the Institute or other suitable location or 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.
41. A notice sent by post shall be deemed to have been served on the second day following that on which the posting occurred.

INDEMNITY

42. Subject to the provisions of relevant legislation from time to time, and without prejudice to any indemnity to which a director may otherwise be entitled, every members of the Board or other officer of the Institute shall be indemnified out of the assets of the Institute against any liability incurred by him in defending any proceedings, whether criminal or civil, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Institute.

REGULATIONS

The following regulations shall apply:

Proceedings at Annual General Meetings

1. All businesses transacted at an Extraordinary General Meeting will be deemed special.
2. Members wishing to put an item of special business to a General Meeting which would mean addition, deletion, alteration or amendment to the Royal Charter, the Bye-laws, the Regulations shall comply with Bye-law 20 of the Charter.
3. If a quorum (as stated in Bye-law 19 of the Charter) is not present within half an hour from the time appointed for the meeting (or if during a meeting such a quorum ceases to be present) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time as the Board may determine.
4. The Chair (if any) of the Board or in his / her absence some other Director nominated by the Board shall preside as Chair of the meeting, but if neither the Chair nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chair and, if there is only one Director present and willing to act, he or she shall be Chair of the meeting.
5. A resolution put to the vote of a meeting shall be decided as a show of hands, unless before, or on the declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act a poll may be demanded by:
 - (a) the Chair of the meeting; or
 - (b) at least five Members having the right to vote at the meeting; or
 - (c) by a Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meetingand a demand by a person as proxy for a Member shall be the same as a demand by the Member.
6. A poll shall be taken as the Chair of the meeting directs and he / she may appoint one or more scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
7. In the case of an equality of votes (whether as a show of hands or on a poll) the Chair of the meeting shall be entitled to a casting vote in addition to any other vote he / she may have.
8. The entitlement of Members to attend and vote at a meeting by proxy) shall apply to the Institute and a proxy shall in addition to voting on a poll be entitled to vote on a show of hands.
9. An instrument appointing a proxy shall be a form (which the Board may approve) provided at the time of the distribution of the meeting papers.

10. The instrument appointing a proxy and any authority under which it is executed (or a copy of such authority certified notarially or in some other way approved by the Board) may be deposited at the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument or proxy sent out by the Institute in relation to the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.
11. Unless otherwise determined by Ordinary Resolution, the number of Directors shall not be subject to any maximum but shall not be less than two.
12. Subject to the provisions of the Charter, the Bye-laws and the Regulations of the Institute and to any directions given by Special Resolution, the business of the Institute shall be managed by the Board who may exercise all the powers of the Institute. No alteration of the Charter, the Bye-laws, the Regulations and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.
13. No person other than a Director retiring by rotation shall be appointed or re-appointed a Director at any meeting unless:
 - a) he / she is recommended by the Board; or
 - b) not less than forty-two clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting has been given to the Institute of the intention to propose that person for appointment or re-appointment stating the particulars which would, if he / she were so appointed or re-appointed, be required to be included in the Institute's register of Directors together with notice executed by that person of his / her willingness to be appointed or re-appointed; and
 - c) in either case where the candidate is proposed as a Director, the candidate cannot be nominated for selection unless recommended by the Appointments Committee of the Institute, which is the committee of the Board established for the purpose of reviewing the selection and appraisal of candidates for election as Directors.
14. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a Director retiring by rotation at the meeting) who is recommended by the Directors for appointment or re-appointment as a Director at the meeting or in respect of whom notice has been duly given to the Institute of the intention to propose him / her at the meeting for appointment or re-appointment as a Director. The notice shall give the particulars of that person which would, if he / she were so appointed or re-appointed, be required to be included in the Institute's register of Directors.
15. Subject as aforesaid, the Institute may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.
16. The Board may appoint a Member who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the

number of Directors to exceed any number fixed by, or in accordance with, the Bye-laws as the maximum number of Directors. A Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

17. Subject as aforesaid a Director who retires at an Annual General Meeting may if willing to act, be re-appointed. If he or she is not, he or she shall retain office until the meeting appoints someone in his or her place or if it does not do so, until the end of the meeting.
18. The Board may appoint a person who is willing to be co-opted to the Board in accordance with the Charter and the Bye-laws and the Regulations. The non-voting Member so appointed shall hold office and they shall not be taken into account when determining Directors who are to retire by rotation.
19. Subject to the provisions of the Charter and the Bye-laws and the Regulations and provided that he / she has disclosed to the Board the nature and extent of any material interest of his / hers, a Director notwithstanding his / her office:
 - a) may be a party to, or otherwise be interested in, any transaction or arrangement with the Institute or in any transaction or arrangement in which the Institute is interested
 - b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, anybody corporate promoted by the Institute or in which the Institute is otherwise interested; and
 - c) shall not, by reason of his / her office, be accountable to the Institute for any benefit which he / she derives from any such office or employment from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
20. A general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested, shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
21. An interest of which a Director has no knowledge and of which it is unreasonable to expect him / her to have knowledge shall not be treated as an interest of his / hers.

Proceedings of Directors

22. Subject to the provisions of the Charter, the Bye-laws and the Regulations, the Board may regulate its proceedings as it thinks fit. A Director may, and the Company Secretary at the request of a Director shall, call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chair shall have a second or casting vote.
23. The quorum for transaction of the business of the Board is fixed at 3 and in addition there must be a majority of elected Directors present.

24. All acts done by a meeting of the Board, or of a committee of it, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
25. Save as otherwise provided by the Charter, the Bye-laws and the Regulations, a Director shall not vote at a meeting of the Board or of a committee of it on any resolution concerning a matter in which he / she has, directly or indirectly, an interest of duty which is material and which conflicts or may conflict with the interests of the Institute unless his / her interest or duty arises only because the case falls within one or more of the following paragraphs:
- a) the resolution relates to the giving to him / her of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him / her for the benefit of, the Institute or any of its subsidiaries
 - b) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Institute or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of his / her security
 - c) his / her interest arises by virtue of his / her subscribing or agreeing to subscribe for any debentures of the Institute or any of its subsidiaries or by virtue of his / her being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such debentures by the Institute or any of its subsidiaries for subscription, purchase or exchange
 - d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of HMRC for taxation purposes.

For the purposes of this regulation, an interest of a person who is connected with a Director shall be treated as an interest of the Director.