

ARTICLES OF ASSOCIATION
OF
THE INSTITUTE OF ENVIRONMENTAL
MANAGEMENT AND ASSESSMENT

21st September 2016

*(amended version of Articles of Association
Dated 17th September 2014)*

Institute of Environmental Management and Assessment
City Office Park
Tritton Road
Lincoln
LN6 7AS

Company Number: 03690916

COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

INDEX TO THE ARTICLES

PART I
INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

PART 2
BOARD

BOARD POWERS AND RESPONSIBILITIES

2. Board's' general authority
3. Members' reserve power
4. Board may delegate
5. Committees

DECISION-MAKING BY BOARD

6. Directors to take decisions collectively
7. Unanimous decisions
8. Calling a Board meeting
9. Participation in Board meetings
10. Quorum for Board meetings
11. Chairing of Board meetings
12. Casting vote
13. Conflicts of interest
14. Records of decisions to be kept
15. Board's discretion to make further rules

APPOINTMENT OF BOARD DIRECTORS

16. Composition of the Board
17. Appointment and/or Resignation of Board Directors
18. Termination of director's appointment
19. Appointment of the Board Chair person
20. Directors' remuneration
21. Directors' expenses

PART 3
MEMBERS

BECOMING AND CEASING TO BE A MEMBER

22. Applications for membership
23. Termination of membership

ORGANISATION OF GENERAL MEETINGS

24. Attendance and speaking at general meetings
25. Quorum for general meetings
26. Chairing general meetings
27. Attendance and speaking by directors and non-members
28. Adjournment

VOTING AT GENERAL MEETINGS

29. Voting: general
30. Casting vote
31. Errors and disputes
32. Poll votes
33. Content of proxy notices
34. Delivery of proxy notices
35. Amendments to resolutions

PART 4

ADMINISTRATIVE ARRANGEMENTS

36. Means of communication to be used
37. Company seals
38. Company not formed for profit
39. No right to inspect accounts and other records
40. Provision for employees on cessation of business
41. Provision to be shareholder or member of other companies

DIRECTORS' INDEMNITY AND INSURANCE

42. Indemnity
43. Insurance

PART I
INTERPRETATION AND LIMITATION OF LIABILITY

I. Defined terms

In the articles, unless the context requires otherwise:

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

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

“*The Board*” means the Board of the Institute, comprising of Executive and Non-Executive Directors, in accordance with Article 16 herein;

“Chair person” has the meaning given in article 19;

“Chair person of the meeting” has the meaning given in article 26;

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

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

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

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

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

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

“participate”, in relation to a directors’ meeting, has the meaning given in article 9;

“proxy notice” has the meaning given in article 33;

“*the Secretariat*” means that group of employees of the Institute, to include the Chief Executive and other Directors, but also other senior managers who are non Directors, as may be appropriate from time to time.

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

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

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

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

PART 2

BOARD

BOARD POWERS AND RESPONSIBILITIES

2. Board's general authority

The Board's role is to provide leadership of the Institute within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board will:

- 2.1. Set the Institute's strategic aims;
- 2.2. Set the Institute's Business Plan and Budget;
- 2.3. Put the necessary financial and human resources in place to ensure the Institute meets its objectives;
- 2.4. Review management performance;
- 2.5. Set the Institute's values and standards;
- 2.6. Ensure its obligations to its members and others are understood and met;
- 2.7. Ensure the Institute complies with all statutory and legal requirements.

3. Members' reserve power

The members may:

- 3.1. by special resolution, direct the directors to take, or refrain from taking, specified action.
- 3.2. No such special resolution invalidates anything which the directors have done before the passing of the resolution.
- 3.3. Support of a minimum of 1% of the membership but no fewer than 50 members is required for submission of a special resolution.

4. Board may delegate

Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- 4.1. to such person or committee;
- 4.2. by such means (including by power of attorney);
- 4.3. to such an extent;
- 4.4. in relation to such matters or territories; and
- 4.5. on such terms and conditions;

as agreed by majority decision at Board meetings.

- 4.6. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 4.7. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

5. Committees

Committees to which the directors delegate any of their powers must:

- 5.1. follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 5.2. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY BOARD DIRECTORS

6. Directors to take decisions collectively

- 6.1. Decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 12.

7. Unanimous decisions

- 7.1. A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 7.2. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 7.3. References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 7.4. A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

8. Calling a Board meeting

The Board will meet at least three times per year.

- 8.1. Any director may call a Board meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 8.2. At least 7 days' notice of a Board meeting shall be given to directors, unless a majority of Board Directors consider such a notice period to be impractical.
- 8.3. Notice of any directors' meeting must indicate:
 - 8.3.1. its proposed date and time;
 - 8.3.2. where it is to take place; and
 - 8.3.3. if it is anticipated that directors participating in the meeting will will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 8.4. Notice of a directors' meeting must be given to each director, but need not be in writing.
- 8.5. Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Institute not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

9. Participation in Board meetings

Subject to the articles, directors participate in a Board meeting, or part of a Board meeting, when:

- 9.1. the meeting has been called and takes place in accordance with the articles;
- 9.2. they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

- 9.3. In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 9.4. If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

10. Quorum for Board meetings

- 10.1. At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 10.2. The quorum for Board meetings may be fixed from time to time by a decision of the directors, but it must never be less than 5.
- 10.3. The number of Executive Directors must not exceed Non-Executive Directors in the quorum.
- 10.4. If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
 - 10.4.1. to appoint further directors, or
 - 10.4.2. to call a general meeting so as to enable the members to appoint further directors.

11. Chairing of Board meetings

- 11.1. The Chair person, appointed by the Board, shall chair the Board meetings.
- 11.2. The Directors may terminate the Chair person's appointment at any time.
- 11.3. If the Chair person is not participating in a Board meeting within ten minutes of the time at which it was to start, the Vice Chair person will chair the Board meeting.

12. Casting vote

- 12.1. If the numbers of votes for and against a proposal are equal, the Chair person or other director chairing the meeting has a casting vote.
- 12.2. But this does not apply if, in accordance with the articles, the Chair person or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

13. Conflicts of Interest

- 13.1. If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Institute in which a director is interested, that director must declare the interest in the matter before it is discussed and is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 13.2. But if paragraph 13.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Institute is to be counted as participating in the decision-making process for quorum and voting purposes.
- 13.3. This paragraph applies when:
 - 13.3.1. the Institute by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - 13.3.2. the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 13.3.3. the director's conflict of interest arises from a permitted cause.
- 13.4. For the purposes of this article, the following are permitted causes:
 - 13.4.1. a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Institute or any of its subsidiaries;

- 13.5. For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 13.6. Subject to paragraph 13.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chair person whose ruling in relation to any director other than the Chair person is to be final and conclusive.
- 13.7. If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair person, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chair person is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

14. Records of decisions to be kept

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

15. Board's discretion to make further rules

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

APPOINTMENT OF BOARD DIRECTORS

16. Composition of the Board

The composition of the Board shall be:

- 16.1. The maximum number of Directors of the Board shall not exceed 12 (including the Chair person).
- 16.2. The minimum number of Directors of the Board shall be 5 (including the Chair person).
- 16.3. The Directors of the Board will be a combination of Executive Director(s) who will be employees of the Institute, and Non-Executive Directors nominated by the Nomination Committee.
- 16.3.1. The number of Executive Directors must not exceed the number of Non-Executive Directors.

17. Appointment and / or Resignation of Directors of the Board

Any person who is willing to act as a director and is permitted by law to do so, maybe appointed to be a director :

- 17.1. by ordinary resolution or
- 17.2. by decision of directors.

The procedure is to be as follows:

- 17.3. The Nomination Committee will recommend to the Board Non-Executive Directors for an initial appointment of a term of 3 years (being the 36 month period commencing with effect from their appointment (if appointed at an annual general meeting and if not the conclusion of the first annual general meeting following their appointment) and ending at the conclusion of the third annual general meeting following their appointment.

17.4. At the end of the Non-Executive Director's term (as described in article 17.3 above), the Non Executive Director shall resign save that:-

17.4.1. any Non-Executive Director may seek reappointment to the Board for a second term of 3 years (as described in article 17.3 above), but at the end of any such second term, then subject to article 17.4.2, they shall cease to be eligible for reappointment to the Board for a period of 3 years.

17.4.2. the Board may propose to the annual general meeting at which an existing Non-Executive Director is due to resign following the conclusion of their second term, that, due to particular circumstances as determined by the Board, the relevant Non-Executive Director be reappointed for a third term (as described in article 17.3 above); if such proposal is approved by way of a Special Resolution of the members at such annual general meeting the relevant Non-Executive Director shall be reappointed for a third term of 3 years (as described in article 17.3 above) subject to 17.4.3, but in any event at the end of any such third term, then they shall cease to be eligible for reappointment to the Board for a period of 3 years.

17.4.3. The Board shall regularly review the particular circumstances in which article 17.4.2. has resulted in the reappointment of a Director for a third term of 3 years; if, at any point during the third term, the Board determines that the particular circumstances no longer apply the Board may invoke Clause 18.7 to remove the Director from office.

17.5. A Non-Executive Director may resign his/her position on the Board at any time by informing the Chair person in writing.

18. Termination of Director's appointment

A person ceases to be a director as soon as:

- 18.1. that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 18.2. a bankruptcy order is made against that person;
- 18.3. a registered medical practitioner who is treating that person gives a written opinion to the Institute stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- 18.4. by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 18.5. notification is received by the Institute from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 18.6. is absent from 3 consecutive Board Meetings without special leave of absence from the Board, and the remaining Directors of the Board pass a resolution that he/she has, by reason of such absence, vacated office;
- 18.7. is required to resign by virtue of a written notice to that effect signed by all the other Directors of the Board.

19. Appointment of the Board Chair person

The functions and appointment of the Chair person and Vice Chair person of the Board shall be as follows:

- 19.1. The Chair person shall be appointed by the Board and shall be the Chair person of the Board and the Institute.

- 19.2. The Chair person is responsible for the management of the Board and will facilitate effective communication with Members.
- 19.3. The Non-Executive Directors on the Board shall appoint a Vice Chair person from amongst themselves, whose role is to deputise for the Chair person in the event of illness or absence.

20. Directors' Remuneration

- 20.1. Non-Executive Directors of the Board shall not be entitled to receive any remuneration, but shall be entitled to be reimbursed in respect of all travelling, hotel and other expenses properly incurred by them.
- 20.2. Executive Directors of the Board shall be entitled to such remuneration as the relevant Committee determine for their services as Executive Directors of the Institute.
- 20.3. Unless the Board decides otherwise, Directors are not accountable to the Institute for any remuneration which they receive as Directors or other officers or employees of the Institute's subsidiaries or of any other body corporate in which the Institute is interested.

21. Directors' Expenses

The Institute may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

- 21.1. meetings of directors or committees of directors,
- 21.2. general meetings, or
- 21.3. separate meetings of the holders of debentures of the Institute,
- 21.4. or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

22. Applications for membership

The Board shall establish criteria and procedures for the registration of its members and subscriptions payable. No person shall become a member of the Institute unless:

- 22.1. that person has completed an application for membership in a form approved by the Board, and
- 22.2. the Board has approved the application.

23. Termination of membership

A member may withdraw from membership of the Institute by giving 7 days' notice to the Institute in writing and by paying with such notice any unpaid sums which may be payable to the Institute at the date of resignation.

- 23.1. Membership is not transferable.
- 23.2. A person's membership terminates when that person dies or ceases to exist.

ORGANISATION OF GENERAL MEETINGS

24. Attendance and speaking at general meetings

- 24.1. A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 24.2. A person is able to exercise the right to vote at a general meeting when:
 - 24.2.1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 24.2.2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 24.3. The Board may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

25. Quorum for general meetings

- 25.1. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Unless otherwise provided 5 members present in person or by proxy or by authorized representative, shall form a quorum for all purposes.

26. Chairing general meetings

- 26.1. The Chair person of the Board shall preside as Chair person at the general meeting. If the Chair person of the Board is unable to attend the Vice Chair person of the Board shall preside as Chair person.
- 26.2. If the Chair person or Vice Chair person of the Board is not present within 15 minutes of the time at which a meeting was due to start:
 - 26.2.1. the Members present shall elect a Chair person from the Board Directors present or;
 - 26.2.2. if no directors are present, the meeting must appoint a member to chair the meeting, and the appointment of the Chair person of the meeting must be the first business of the meeting.
- 26.3. The person chairing a meeting in accordance with this article is referred to as "the Chair person of the meeting".

27. Attendance and speaking by directors and non-members

- 27.1. Directors may attend and speak at general meetings, whether or not they are members.
- 27.2. The Chair person of the meeting may permit other persons who are not members of the Institute to attend and speak at a general meeting.

28. Adjournment

- 28.1. If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chair person of the meeting must adjourn it.
- 28.2. The Chair person of the meeting may adjourn a general meeting which a quorum is present if:
 - 28.2.1. The meeting consents to an adjournment, or
 - 28.2.2. it appears to the Chair person of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 28.3. The Chair person of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 28.4. When adjourning a general meeting, the Chair person of the meeting must:
 - 28.4.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Board, and;
 - 28.4.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 28.5. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Institute must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - 28.5.1. to the same persons to whom notice of the Institute's general meetings is required to be given, and
 - 28.5.2. containing the same information which such notice is required to contain.
- 28.6. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

29. Voting: general

- 29.1. Each Member of the Institute who has the right to vote and who is present in person shall on a show of hands have one vote. In the case of Corporate members, by way of their authorized representative, at a General Meeting shall on a show of hands have one vote.
- 29.2. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

30. Casting vote

If the number of votes for and against a proposal are equal, the Chair person or other director chairing the meeting has a casting vote.

31. Errors and disputes

- 31.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to be tendered, and every vote not disallowed at the meeting is valid.
- 31.2. Any such objection must be referred to the Chair person of the meeting whose decision is final.

32. Poll votes

- 32.1. A poll on a resolution may be demanded:
 - 32.1.1. in advance of the general meeting where it is to be put to the vote, or
 - 32.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 32.2. A poll may be demanded by:
 - 32.2.1. the Chair person of the meeting;
 - 32.2.2. the directors;
 - 32.2.3. two or more persons having the right to vote on the resolution; or

- 32.2.4. a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.
- 32.3. A demand for a poll may be withdrawn if:
 - 32.3.1. the poll has not yet been taken, and
 - 32.3.2. the Chair person of the meeting consents to the withdrawal.
- 32.4. Polls must be taken immediately and in such manner as the Chair person of the meeting directs.

33. Content of proxy notices

- 33.1. Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which:
 - 33.1.1. states the name and address of the member appointing the proxy;
 - 33.1.2. identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
 - 33.1.3. is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 33.1.4. is delivered to the Institute in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 33.2. The Institute may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 33.3. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 33.4. Unless a proxy notice indicates otherwise, it must be treated as
 - 33.4.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - 33.4.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

34. Delivery of proxy notices

- 34.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Institute by or on behalf of that person.
- 34.2. An appointment under a proxy notice may be revoked by delivering to the Institute a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 34.3. A notice revoking a proxy appointment only takes effect if it is delivered not less than 48 hours before the start of the meeting or not less than 24 hours adjourned meeting to which it relates.
- 34.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

35. Amendments to resolutions

- 35.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - 35.1.1. notice of the proposed amendment is given to the Institute in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chair person of the meeting may determine), and

- 35.1.2. the proposed amendment does not, in the reasonable opinion of the Chair person of the meeting, materially alter the scope of the resolution.
- 35.2. A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - 35.2.1. the Chair person of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 35.3. If the Chair person of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chair person's error does not invalidate the vote on that resolution.

PART 4
ADMINISTRATIVE ARRANGEMENTS

36. Means of communication to be used

- 36.1. Subject to the articles, anything sent or supplied by or to the Institute under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Institute.
- 36.2. Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 36.3. A director may agree with the Institute that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

37. Company seals

- 37.1. A document is validly executed by the Institute:
 - 37.1.1. by the affixing of its common seal, or
 - 37.1.2. by signature in accordance with the following provisions.
 - 37.1.2.1. by two authorized signatories, or
 - 37.1.2.2. by a director of the Institute in the presence of a witness who attests the signature.
- 37.2. For the purposes of this article, an authorised person is:
 - 37.2.1. any director of the Institute;
 - 37.2.2. the company secretary (if any); or
 - 37.2.3. any person authorised by the directors for the purpose of signing documents to which the common seal is applied.
- 37.3. Any document signed in accordance with 37.1.2 to be executed by the Institute has the same effect as if executed under the common seal of the Institute.

38. Company not formed for profit

- 38.1. The profits or other income of the Institute shall be applied in promoting its objects.
- 38.2. No distribution shall be made by way of dividend to the Members of the Institute.
- 38.3. If upon the winding up or dissolution of the Institute there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall be divided equally between the members of the Institute at or before the time of dissolution.
- 38.4. Nothing herein shall prevent any payment in good faith by the Institute:
 - 38.4.1. of reasonable and proper remuneration to any employee of the Institute or any other person, firm or company for any services rendered to the Institute;
 - 38.4.2. of reasonable and proper consideration for the purchase by the Institute of any property, asset or interest therein from any Member of the Institute, or any other person, firm or company
 - 38.4.3. of interest on money lent by a Member of the Institute, or employee of the Institute or any other person, firm or company at a reasonable and

- proper rate per annum;
- 38.4.4. of reasonable and proper rent or other periodical payment for property let or occupied by the Institute to any Member of the Institute, or employee of the Institute or any other person, firm or company; or
- 38.4.5. to any member of the Institute, in respect of legitimate remuneration of expenses as is reasonable

39. No right to inspect accounts and other records

- 39.1. Except as provided by law or authorised by the directors or an ordinary resolution of the Institute, no person is entitled to inspect any of the Institute's accounting or other records or documents merely by virtue of being a member.

40. Provision for employees on cessation of business

- 40.1. The directors may decide to make provision for the benefit of persons employed or formerly employed by the Institute or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Institute or that subsidiary.

41. Provision to be shareholder or member of other companies

- 41.1. To hold shares in any company limited by shares and to be a member of any company limited by guarantee having objects which are altogether or in part similar to those of the Institute and to transfer to or acquire from such company any property, assets, liabilities and engagements of the Institute or such company.

DIRECTORS' INDEMNITY AND INSURANCE

42. Indemnity

- 42.1. Subject to paragraph 42.2, a relevant director of the Institute or an associated Institute may be indemnified out of the Institute's assets against:
 - 42.1.1. any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Institute or an associated company;
 - 42.1.2. any liability incurred by that director in connection with the activities of the Institute or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006);
 - 42.1.3. any other liability incurred by that director as an officer of the Institute or an associated company.
- 42.2. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 42.3. In this article:
 - 42.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - 42.3.2. a "relevant director" means any director or former director of the Institute or an associated company.

43. Insurance

- 43.1. The directors may decide to purchase and maintain insurance, at the expense of the Institute, for the benefit of any relevant director in respect of any relevant loss.
- 43.2. In this article:
 - 43.2.1. a “relevant director” means any director or former director of the Institute or an associated company,
 - 43.2.2. a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the Institute, any associated company or any pension fund or employees’ share scheme of the Institute or associated company, and
 - 43.2.3. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.