

**COMPANY REGISTRATION NUMBER 05128635**

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION**

**-OF-**

**THE ASSOCIATION OF RESIDENTIAL MANAGING AGENTS LIMITED**

**1 DEFINITIONS AND INTERPRETATIONS**

1.1 In these Articles the following words and phrases have the following meaning:

"Act" the Companies Acts (as defined in Section 2 of the Companies Act 2006) insofar as they apply to the Association;

"Agent" a person in the business of managing residential leasehold property (whether or not it is their main or principal business);

"Articles" the Association's articles of association for the time being in force (and "Article" shall be interpreted accordingly unless expressly provided otherwise);

"Association" The Association of Residential Managing Agents Limited;

"Byelaws" regulations and byelaws made by the Council in accordance with Article 18.1(k);



"Conflict"	any situation in which a member of the Council has or can have a direct or indirect interest that conflicts or possibly may conflict with the interests of the Association;
"Council"	the management committee comprising the directors of the Association;
"Executive Committee"	the committee with delegated authority to make day-to-day decisions on behalf of the Council;
"Member"	a member of the Association in accordance with these Articles and the Byelaws;
"member of the Council"	a member of the Council of the Association (which shall for the avoidance of doubt exclude any ex-officio member of the Council unless explicitly stated otherwise);
"Rules"	these Articles, the Byelaws and any other rules of the Association applicable from time to time, including but not limited to regulations, standards, codes, decisions, rulings, judgments, findings, penalties, conditions or orders of any nature;
"Seal"	the common seal of the Association;
"Secretary"	any person appointed to perform the duties of the secretary of the Association;
"United Kingdom"	Great Britain and Northern Ireland;

"writing" 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.

1.2 Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Companies Act 2006.

1.3 Unless expressly provided otherwise, a reference to a statute or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

- (a) any subordinate legislation from time to time made under it; and
- (b) any amendment or re-enactment,

and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.4 Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include bodies corporate (however incorporated), unincorporated bodies and any other undertakings, including individuals, sole traders, unincorporated associations of persons and partnerships.

## **2 OBJECTS**

2.1 The objects for which the Association is established are:

- (a) to advance the interests of its Members, by promoting the highest possible professional and ethical standards of residential managing agents;

- (b) to create and maintain an awareness of the proper role of managing agents and to lobby and campaign on issues and proposals from Government and elsewhere, that potentially may affect Members' interests in their capacity as residential managing agents;
- (c) to support Members through the provision of information, guidance, training and other methods to assist them to achieve high professional standards;
- (d) to ensure that Members are accountable for their actions as managing agents, by;
  - (i) making such rules and regulations as the Association shall think fit, to govern the conduct of its Members and to provide for sanctions in the event of their infringement;
  - (ii) setting up such disciplinary procedures as the Association shall think fit for the investigation of alleged breaches of such rules and regulations, for the imposition of sanctions, where appropriate, and for the hearing and final disposal of appeals by a Member against any finding that he has committed a breach of such rules and regulations and/or against any sanction imposed in respect of such breach; and
  - (iii) if the Association shall think fit, to make provision for the establishment of either a Bonding Scheme or a Fidelity Insurance Scheme;
- (e) to promote professional conduct between residential managing agents in their dealings with each other; and
- (f) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

2.2 In pursuance of the objects set out in Article 2.1 the Association has the power:

- (a) to purchase, lease or otherwise acquire and deal with buildings or any land or any estate or interest therein;
- (b) subject to such consents as are required by law to sell, let on lease or tenancy, exchange, mortgage or otherwise dispose of buildings or land or any estate or interest therein;
- (c) to manage, develop, construct, repair, renovate, restore, rebuild, convert, alter and extend any building or land and any other assets of the Association;
- (d) to buy or otherwise acquire furniture, artefacts, works of art and other articles and equipment for use or exhibition in connection with any buildings or land, and to sell, lease or otherwise dispose of any such furniture, artefacts, works of art, articles or equipment;
- (e) to make such arrangements as are necessary to enable the public to view and enjoy any buildings and the exhibitions therein (whether free or at a charge);
- (f) to publish books, design and/or marketing advertising, pamphlets or leaflets or in any other appropriate manner gratuitously or otherwise to make known to the public the existence of the Association, its objectives and activities;
- (g) to undertake and complete any charitable association;
- (h) to co-operate with other charitable and trade and professional organisations having similar objects and to establish, promote or assist such organisations;
- (i) to purchase, acquire or undertake all or any of the property, liabilities and engagements of such organisations and institutions with which the Association may co-operate, federate or merge;

- (j) to transfer all or any of the property, assets, liabilities and business of the Association to such organisations with which the Association may co-operate, federate or merge;
- (k) to co-operate with any national, local or public authority or other body concerned to achieve the objects of the Association;
- (l) to establish public libraries and information retrieval systems and the publication, issue and dissemination by all means in communication of literary and artistic material of an educational nature;
- (m) to present, promote, organise, provide, manage and produce seminars, conferences, lectures and exhibitions;
- (n) subject to Article 23, to enter into and carry out contracts and in particular to enter into agreements and engagements with administrators, researchers, lecturers, authors, producers, artists and artistes and other persons and retain advisers and to reimburse such persons and advisers by salaries or fees;
- (o) to co-operate with manufacturers, dealers, traders, the press and other sources of publicity for the purpose of promoting the objects of the Association;
- (p) to raise funds and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation and otherwise provided that the Association itself shall not undertake any permanent trading activity in raising funds for its primary objects;
- (q) to take and accept gifts of property of any description whether subject to any special conditions or not, for the purposes of the Association;
- (r) subject to such consents as may be required by law from time to time and subject as hereinafter provided, to borrow or raise money and to execute and issue

security as the Association shall think fit including mortgages, charges or securities over the whole or any part of its assets, present or future;

- (s) to draw, accept, endorse, issue or execute promissory notes, bills of exchange, bills of lading, warrants and other negotiable, transferable or mercantile instruments, for the purpose of or in connection with the objects of the Association;
- (t) to invest and deal with the monies of the Association not immediately required in such manner as the Association may from time to time determine subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
- (u) subject to Article 23, to employ and remunerate staff; to employ and remunerate agents and reimburse their agreed expenses; and to pay or provide pensions and similar benefits to the staff of the Association and their dependents;
- (v) subject to Article 23, to purchase and maintain insurances for or for the benefit of the Association, any persons who are or were members of the Council and any persons appointed by the Council to regulate the Association against any liability incurred by the Association and such persons in respect of any act or omission in the actual or purported execution of their powers and otherwise in relation to their duties, powers of offices in relation to the Association, and to such extent as may be permitted by law or otherwise to indemnify or to exempt any such persons against or from such liability;
- (w) to pay out funds of the Association for the costs incurred in meeting the above objects; and
- (x) to do all such other lawful things as shall further the attainment of the objects of the Association;

PROVIDED that:

- (y) in each case of the Association taking or holding any property which may be subject to any encumbrances, the Association shall only deal with or invest the same in such manner as allowed by law; and
- (z) the objects of the Association shall not extend to the regulation of relations between workers and employers and organisations of workers and organisations of employers.

### **3 GUARANTEE**

The liability of the Members is to be limited to £1, being the amount that each Member undertakes to contribute to the assets of the Association in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for:

- (a) payment of the Association's debts and liabilities contracted before he ceases to be a Member;
- (b) payment of the costs, charges and expenses of the winding up; and
- (c) adjustment of the rights of the contributories among themselves.

### **4 APPOINTMENT OF MEMBERS**

4.1 The Council may prescribe different classes of membership and other levels of involvement with the Association and the qualifications of such classes and their respective voting rights from time to time. The Council shall have the power to vary the classes, qualifications and voting rights thereof.

4.2 Only a person eligible for membership may be a Member. Persons who carry on the business of an Agent in the United Kingdom, who may desire to be admitted to

membership and who meet the criteria specified by the Council from time to time shall be eligible for membership, but no person shall become a Member unless and until:

- (a) that person has completed an application for membership in a form and in the manner approved by the Council;
- (b) that person has paid the appropriate application fee; and
- (c) the Council has approved the application.

4.3 The details of each successful applicant shall be entered into the register of members.

4.4 There shall be no maximum number of Members.

4.5 The Council has developed membership criteria (which may be varied from time to time on reasonable notice) but the Council, while at all times acting reasonably and in the best interest of the Association, may in its absolute discretion decline any application for membership. Any applicant whose application for membership is rejected will be informed accordingly in writing, but the Council shall be under no obligation to specify the reason(s) for any such rejection.

## **5 DUTIES OF MEMBERS**

5.1 Every Member of the Association shall be deemed to consent to becoming a Member by applying for or renewing membership and by doing so also agrees to abide by the Rules in force from time to time.

5.2 A Member shall on becoming a Member and for each year when it remains as a Member pay the annual subscription and all sums payable as a Member and shall submit a renewal form signed by or for and on behalf of the Member by a person authorised to do so.

5.3 The amounts of such fees (if any) and annual subscription respectively shall be prescribed from time to time by the Council having regard to such consideration in different classes of cases or individual cases as the Council shall think fit.

5.4 A Member shall not be entitled to exercise any of the rights or privileges of membership until all monies due from him to the Association upon becoming a Member and each renewal have been paid.

## **6 RETIREMENT, SUSPENSION AND REMOVAL OF MEMBERS**

6.1 The Council may from time to time consider whether any existing Member continues to meet the membership criteria then in force, and may expel or suspend any Member who does not. Notice of such expulsion or suspension will be in writing, specifying the relevant reasons and shall be subject to the provisions set out in Article 6.3 below.

6.2 The Council may also expel or suspend any Member who:

- (a) fails to comply with the Rules;
- (b) fails to pay any fees or subscriptions within the prescribed time;
- (c) is guilty of conduct which has or is likely to have an adverse effect on the Association or bring the Association or any or all of the Members and/or members of the Council into disrepute;
- (d) has acted or has threatened to act in a manner which is contrary to the interests of the Association as a whole;
- (e) ceases for any reason to hold a policy of professional indemnity insurance as required by the Association; and/or
- (f) fails to provide any requisite audit report as required by the Association.

- 6.3 Notice of expulsion or suspension under Article 6.1 or 6.2 will be in writing, specifying the relevant reasons and shall be subject to the Rules in force from time to time. There shall be no right to appeal from a decision of the Council to terminate or suspend the membership of the Member.
- 6.4 A Member shall be entitled to resign his membership on giving to the Association not less than one month's notice in writing to that effect providing that the Council shall have the right to reject the resignation where the Member is undergoing (or due to undergo) any investigatory and/or disciplinary action by the Association or the Rules otherwise entitle the Council to reject the resignation. Where a Member is also a member of the Council (or has a representative who is also a member of the Council) then this notice period shall be increased from one month to three months and shall be subject to the provisions set out in Article 12.4.
- 6.5 A Member shall automatically cease to be a Member if that Member:
- (a) should have a trustee in bankruptcy, or liquidator appointed over part or the whole of his assets;
  - (b) is expelled by a Resolution passed by a majority of not less than three fourths of the votes of Members present and voting at a General Meeting;
  - (c) as an individual, dies;
  - (d) ceases to carry on the business of an Agent; and/or
  - (e) as an individual, becomes of unsound mind.
- 6.6 A Member who ceases to be a Member shall not hold himself out to be a Member in any way and if he does so then the Association may take such action (including legal proceedings) against him as it deems to be necessary.

- 6.7 The Association shall be entitled to publish lists of current Members and those who have ceased to be Members, and/or are liable to disciplinary sanction and/or whose membership has been suspended as it thinks fit and to notify Members and the public and clients of that ex-Member that he has ceased to be a Member, is liable to disciplinary sanction and/or has had his membership suspended.
- 6.8 A Member shall automatically cease to be a Member of the Association if there is a disposal by the Association of all, or a substantial part of, the business and assets of the Association to a trade and professional organisation having similar objects to the Association provided that the Association procures that a Member who shall cease to be a Member in accordance with this Article 2.11 is able to apply for membership of such organisation.
- 6.9 No right or privilege of any Member shall be in any way transferable or transmissible. All rights and privileges of a Member shall cease upon the Member ceasing to be such. A Member selling or transferring their business shall ensure the Association is informed forthwith and the Council shall have the power to set the criteria for admitting the new owner, without prejudice to its rights under Articles 6.1 and 6.2.
- 6.10 A Member whose membership is terminated, suspended or comes to an end for any other reason shall not be entitled to a refund of any subscription or membership fee.

## **7 GENERAL MEETINGS**

- 7.1 All General Meetings, other than Annual General Meetings, shall be called General Meetings.
- 7.2 General Meetings (including Annual General Meetings) shall be held at such time and place as the Council shall decide and may be held in person as a physical meeting or electronically as a virtual meeting or a combination of in person and electronically as

a hybrid meeting provided in each case all the members attending the General Meeting (or Annual General Meeting) can hear the proceedings, speak and be heard at the meeting, and vote in real time.

- 7.3 The Council shall have the right to call General Meetings in accordance with Section 302 of the Companies Act 2006.

## **8 PROCEEDINGS AT GENERAL MEETINGS**

- 8.1 The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Council and auditors, to elect members of the Council in place of those retiring, confirm co-options during the year and elect additional members of the Council, and to elect auditors and fix their remuneration. All other business transacted at an Annual General Meeting shall be deemed special.

- 8.2 No business shall be transacted at any General Meeting, except the adjournment of the meeting, unless a quorum of Members is present at the time when the meeting proceeds to business. The quorum shall consist of not less than ten (10) Members or their authorised representative entitled to attend and vote.

- 8.3 If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the Member or Members present shall be deemed to be a quorum and may do all business which a full quorum might have done.

- 8.4 The executive chair (if any) of the Council (the term “executive chair” for the purposes of these Articles to include any temporary executive chair appointed by the Council), or in his absence the honorary chair or vice-chair (if any) shall preside as chair at every General Meeting of the Association. If there be no such executive chair, honorary chair or vice-chair, or if any meeting neither is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of the members of the Council present to be chair, or if no member of the Council be present and willing to take the chair, the Members present shall choose one of their number to be chair.
- 8.5 The chair may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.
- 8.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the chair, or by at least five Members present in person or by proxy, having the right to vote at the meeting, and unless a poll be so demanded a declaration by the chair of the meeting, that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Association, shall be conclusive evidence of the fact that the resolution has been carried or lost without proof. The demand for a poll may be withdrawn.

- 8.7 Subject to the provisions of the next succeeding Articles, if a poll be demanded in manner aforesaid it shall be taken at such time and place and in such manner as the chair of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 8.8 No poll shall be demanded on the election of a chair of a meeting or on any question of adjournment.
- 8.9 In the case of any equality of votes, whether on a show of hands or on a poll, the chair of the meeting shall be entitled to a second or casting vote.
- 8.10 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business in addition to the question on which a poll shall have been demanded.

## **9 VOTES OF MEMBERS**

- 9.1 Only Members shall have a vote and then only one vote.
- 9.2 Save as herein expressly provided, no person other than a Member duly registered shall be entitled to vote on any question at any General Meeting.
- 9.3 Any corporate Member ("corporate Member" meaning a Member who is a body corporate (however incorporated), unincorporated body, unincorporated association, partnership and other such undertaking but excluding a Member who is an individual or sole trader) may by resolution of its governing body authorise such person within its corporation as it thinks fit to act its representative at any meeting of the Association and the person so authorised shall be entitled to exercise the same voting powers on behalf of the corporation he represents as that corporation could have exercised if it were a personal Member. A corporate Member represented at a meeting by its authorised representative shall be deemed for all purposes to be present in person. A

copy of the resolution appointing its representative of the governing body of the corporation, shall be conclusive evidence of such appointment, notwithstanding the fact that all Members are required to nominate a representative.

- 9.4 Votes may be given on a poll either personally or by proxy.
- 9.5 The instrument appointing a proxy shall be in writing under the hand of and signed by the appointor or his attorney duly authorised in writing.
- 9.6 Only a Member or an authorised representative of a corporate Member may act as a proxy for another Member.
- 9.7 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself.
- 9.8 The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the office or at such other place within the United Kingdom as is specified for the purpose in the notice convening the meeting, at least forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposed to vote, otherwise the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
- 9.9 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy,



This form is to be used in respect of the resolutions mentioned below as follows.

Resolution No. 1 \*for \*against

Resolution No. 2 \*for \*against

\* Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this                      day of                      20 .”

- 9.12 No Member shall be allowed to hold the proxy vote of more than two other Members with the exception of the executive chair, the honorary chair and the vice-chair.

## **10 THE COUNCIL**

The affairs of the Association shall be managed by the Council. Each member of the Council shall be a director of the Association. The number of the members of the Council shall not be fewer than 6 or more than 12 and shall include an executive chair (if appointed), an honorary chair, a vice-chair and the chair of each and any committee of the Council.

## **11 APPOINTMENT OF MEMBERS OF COUNCIL**

- 11.1 No more than one representative of a Member, or Members within a group of businesses, may sit on the Council at any one time.

- 11.2 The Council shall, at all times acting reasonably and in the best interest of the Association, determine whether there is a vacancy in the Council and, if it determines there is such a vacancy, it shall determine the criteria for membership of the Council (which may be varied by the Council from time to time). Any individual who meets the

criteria determined by the Council, is willing to act as a member of the Council and is permitted to do so by law may apply to the Council to be considered for membership of the Council in the manner set out by the Council from time to time.

11.3 The Council shall, at all times acting reasonably and in the best interest of the Association, consider any application it receives in accordance with Article 11.2 above and shall be entitled to propose that one or more applicants be appointed as members of the Council at the next General Meeting. Unless permitted under Article 11.4, no person shall become a member of the Council until and unless they are (a) put forward by the Council in accordance with this Article 11.3; and (b) appointed by the Members by way of an ordinary resolution. The Members shall not be permitted to appoint any person to be a member of the Council unless that person has been proposed by the Council in accordance with this Article 11.3.

11.4 Notwithstanding the preceding Articles:

(a) the Council may at any time appoint any person to be a member of the Council to fill a vacancy (but not so as to exceed the maximum number of members prescribed by Article 10). Any person so appointed shall hold office only until the next following General Meeting and shall then be eligible for re-election by way of an ordinary resolution (and shall if re-elected to fill a permanent vacancy, be entitled to serve for a period of six years from the date of their re-election at the General Meeting); and

(b) the Council may at any time appoint any person to be an advisor to the Council and attend and speak at meetings of the Council although they shall not be entitled to vote at any meetings of the Council; and

(c) the Council shall have the power to retain any member of the Council that ceases to meet the criteria for membership of the Council as set out in these Articles where it reasonably deems this to be in the best interest of the

Association for up to a maximum period of twelve months from the date on which the member of the Council ceases to meet the criteria for membership of the Council.

## **12 REMUNERATION AND RETIREMENT OF MEMBERS OF COUNCIL**

12.1 No person who is employed by the Association and receiving any salary, fees, remuneration or other benefit in money or monies worth from the Association (save as explicitly permitted by these Articles) shall be eligible for membership of the Council PROVIDED that nothing in this Article 12.1 shall prevent the payment in good faith by the Association of fees to members of the Council.

12.2 Subject to Article 12.1, the Association may pay such fees to members of the Council as determined by the Council from time to time.

12.3 Members of the Council shall serve for a maximum of six years from the date of his or her election at a General Meeting but the Council may (in its discretion) extend the term of a member of the Council for such duration as it determines where that member of the Council is elected or re-elected as executive chair, honorary chair or vice-chair in accordance with Article 20.1.

12.4 A member of the Council shall be entitled to resign his or her appointment on giving to the Association not less than three months' notice in writing to that effect save that such notice shall not take effect where that member's retirement would result in the Council having fewer members than the minimum number set out in Article 10. Members of the Executive Committee may not retire in the first twelve months in office as a member of the Executive Committee.

## **13 EXECUTIVE COMMITTEE**

The Council may appoint an Executive Committee, which shall be chaired by the executive chair or, in the absence of an executive chair, the honorary chair of the Council and include no more than two other members of the Council.

## **14 COUNCIL MEETINGS**

14.1 The Council may meet together for the dispatch of business adjourn and otherwise regulate their meetings as they-think fit. The quorum for the transaction of business at a Council meeting is any six eligible members of the Council (eligible meaning entitled to vote on the relevant matter at a Council meeting but excluding any individual whose vote is not to be counted in light of a Conflict as referred to in Article 19.2). Questions arising at any meeting shall be decided by a majority of votes. Each member of the Council shall have one vote only save that in the case of an equality of votes the chair of the meeting shall have a second or casting vote.

14.2 A member of the Council may, at any time, summon a meeting of the Council by not less than 14 days' notice served upon all the members of the Council.

14.3 The Council shall from time to time elect from among the members of the Council an executive chair, an honorary chair and a vice-chair and the chair (or failing him the honorary chair or vice-chair) shall be entitled to preside at all meetings of the Council at which they shall be present, but if no such chair, honorary chair or or vice-chair be elected or if at any meeting the chair, the honorary chair or the vice-chair be not present within fifteen minutes after the time appointed for holding the meeting and willing to preside, the members of the Council shall choose one of their number to be chair of the meeting.

14.4 A meeting of the Council at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under these Articles and the Byelaws and regulations of the Association for the time being vested in the Council generally.

14.5 A decision of the Council may be taken in the form of a resolution in writing, where each eligible member of the Council has signed one or more copies of it, or to which each eligible member of the Council has otherwise indicated agreement in writing.

14.6 A decision may not be taken in accordance with this Article 14.6 if the eligible members of the Council would not have formed a quorum at such a meeting.

## **15 DELEGATION AND VALIDITY OF ACTS CARRIED OUT BY THE COUNCIL**

15.1 The Council may delegate any of their powers to an Executive Committee and the Association's chief executive, chief operating officer and other committees consisting of such members of the Council as they think fit, and any committee so formed shall in the execution of the powers so delegated conform to any requirements imposed on it by the Council, the Bye-Laws and regulations. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Council so far as applicable and so far as the same shall not be superseded by any regulations made by the Council as aforesaid and all acts and proceedings of such committees shall be reported back fully to the Executive Committee or as the Council shall dictate. Such committees may also include non Council members where deemed appropriate by Council.

15.2 The Council may also delegate any of its disciplinary, regulatory, monitoring, compliance or investigatory powers or functions to any committee, regulator, employee, board, division, panel, group or such other persons as the Council sees fit and any such delegation may be made subject to any conditions as the Council may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered at any time. The terms of any such delegation shall be recorded in writing.

15.3 All acts bona fide done by any meeting of the Council or of any committee of the Council, or by any person acting as a member of the Council shall, notwithstanding it

be afterwards discovered that there was some defect in the appointment or continuance in office of any such Member or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Council.

## **16 RECORDS**

The Council shall cause proper minutes to be made in writing of all appointments of officers made by the Council and each committee and of the names of the Council members present at each such Council meeting and of the proceedings of all meetings of the Association and of the Council and of committees of the Council, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the chair of such meetings, or by the chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated. The Council shall ensure that records of every unanimous or majority decision taken by the Council are kept for at least ten years from the date of the decision.

## **17 POWERS OF THE COUNCIL**

17.1 The management of the business and the control of the Association shall be vested in the Council, who, in addition to the powers and authorities conferred upon them, may exercise all such powers and authorities conferred upon them and do all such acts and things as may be exercised or done by the Association and are not hereby or by the Act expressly directed or required to be exercised or done by the Association in General Meeting.

17.2 The members for the time being of the Council may act notwithstanding any vacancy in their body, provided always that if at any time the members of the Council be reduced in number below the minimum prescribed by these Articles, it shall be lawful for the Members available to act as the Council for the purpose of admitting persons

to membership of the Association, filling up vacancies in their body in accordance with Article 11.4(a) or of summoning a General Meeting but for no other purpose.

## **18 PARTICULAR POWERS**

18.1 Without prejudice to the general powers conferred by Article 17.1 and to the other powers and authorities conferred as aforesaid, it is hereby expressly declared that the Council shall be entrusted with the following powers and duties, namely:

- (a) to purchase or otherwise acquire for the Association any property, rights or privileges which the Association is authorised to acquire at such price and generally on such terms and conditions as they may think fit;
- (b) to raise or borrow money for the purposes of the Association from any person, corporation or other body and secure the repayment of the same together with any interest and premium thereon, by mortgage or charge upon the whole or any part of the assets and property of the Association, present and future, and to issue bonds, debentures, or debenture stock, either charged upon the whole or any part of the assets and property of the Association or not so charged, and in connection therewith to take out and keep in effect a sinking fund or redemption policies;
- (c) at their discretion to pay for any property or rights acquired by or services rendered to the Association either wholly or partially in cash or in bonds, debentures, or other securities of the Association;
- (d) with the approval aforesaid to secure the fulfilment of any contracts or engagements entered into by the Association by mortgage or charge of all or any of the property and rights of the Association or in such manner as they may think fit;

- (e) to raise income from the Members by way of subscriptions and other forms of levy and further income from all other forms of activity conducive to the objects of the Association;
- (f) to appoint, and at their discretion, remove or suspend such officers, agents, staff, workers or any other persons for permanent, temporary or special services as they may from time to time think fit, and to determine their duties and fix their salaries, emoluments or other remuneration and to require security in such instances and to such amount as they think fit;
- (g) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Association or its officers or otherwise concerning the affairs of the Association and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Association;
- (h) to refer any claims and demands by or against the Association to arbitration as appropriate and observe and perform the awards;
- (i) to make and give receipts, releases and other discharges for money payable to the Association and for the claims and demands of the Association;
- (j) to determine who shall be entitled to sign on the Association's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;
- (k) from time to time to make all such regulations and Byelaws as they think proper with regard to the affairs and concerns of the Association, and from time to time to repeal and alter the same or make others in lieu thereof as may seem expedient provided that the same do not contravene any of the provisions of these Articles and provided that no byelaws or regulations shall be made under this power which would amount to such an addition to or modification

of the Articles as could only legally be made by a special resolution passed in accordance with the provisions of Section 283 of the Companies Act 2006 and in any case where the Byelaws contradict the Articles, the Articles will prevail;

- (l) to regulate and administer and change as they think fit any bonding or similar schemes, related policies of insurance and audit requirements adopted by the Association for the benefit of its Members and their clients, so that they operate in the best interests of the Association and its Members and their clients;
- (m) discipline, reprimand, fine, impose conditions or other orders, suspend and expel Members in accordance with the Rules;
- (n) to effect all and any forms of insurance for the protection of the Association, its members and officers and any persons appointed by the Council to regulate the Association;
- (o) to take advice from such professionals, advisors, consultants, employees, regulators, divisions, boards, panels, groups or such other persons as the Council sees fit;
- (p) to make decisions upon any and all matters of policy or procedure to be followed by the Association and setting the Association's values and standards;
- (q) to regulate, monitor, audit, inspect and carry out any other regulatory or compliance functions as the Council sees fit; and
- (r) to establish and manage procedures for monitoring, regulating and enforcing Members' compliance with the Rules.

18.2 The Association may from time to time by ordinary resolution increase or reduce the permitted number of members of the Council, and may also determine in what rotation the increased or reduced number is to go out of office.

18.3 The Association may by ordinary resolution, of which special notice has been given in accordance with Section 312 of the Companies Act 2006, remove any member of the Council before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Association and such Member.

## **19 DISQUALIFICATION OF MEMBERS OF THE COUNCIL**

19.1 Subject always to Article 11.4 the office of a member of the Council shall be vacated by that officer (and/or the Council may suspend that officer's membership of the Council) if that officer or the Member who that officer represents, ceases to be a Member or that person:

- (a) is requested in writing by no less than two thirds of his fellow members of the Council to resign;
- (b) is a director, partner, proprietor or employee of a Member which is currently under suspension;
- (c) ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law; or
- (d) is a director, partner, proprietor or employee of any Member which is expelled as a Member.

19.2 The Council may, in accordance with the requirements set out in this Article, authorise a Conflict proposed to the Council by any member of the Council which would, if not authorised, involve a member of the Council (an "Interested Council Member")

breaching his duty under Section 175 of the Companies Act 2006 to avoid conflicts of interest.

19.3 Any authorisation under this Article shall be effective only if:

- (a) the matter in question shall have been proposed by any member of the Council for consideration in the same way that any other matter may be proposed to the Council under the provisions of these Articles or in such other manner as the Council may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Council Member; and
- (c) the matter was agreed to without the Interested Council Member voting or would have been agreed to if the Interested Council Member's vote had not been counted.

19.4 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Council Member be excluded from the receipt of documents and information and the participation in discussions (whether at Council meetings or otherwise) related to the Conflict;
- (c) provide that the Interested Council Member shall or shall not be an eligible member of the Council in respect of any future decision of the Council in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Council Member such other terms for the purposes of dealing with the Conflict as the Council think fit;

- (e) provide that, where the Interested Council Member obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Association) information that is confidential to a third party, he shall not be obliged to disclose that information to the Association, or to use it in relation to the Association's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Council Member to absent himself from the discussion of matters relating to the Conflict at any meeting of the Council and be excused from reviewing papers prepared by, or for, the Council to the extent they relate to such matters.

19.5 Where the Council authorises a Conflict, the Interested Council Member shall be obliged to conduct himself in accordance with any terms and conditions imposed by the Council in relation to the Conflict.

19.6 The Council may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Council Member prior to such revocation or variation in accordance with the terms of such authorisation.

19.7 A member of the Council is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Association for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Council in accordance with these Articles or by the Association in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

19.8 Subject to Sections 177(5) and 177(6) and Sections 182(5) and 182(6) of the Companies Act 2006, and provided he has declared the nature and extent of his interest

in accordance with the requirements of such Act, a member of the Council who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Association:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Association or in which the Association is otherwise (directly or indirectly) interested;
- (b) shall be an eligible member of the Council for the purposes of any proposed decision of the Council (or any committee of the Council) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a Council meeting (or of a meeting of any committee of the Council) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Association (otherwise than as accountant or auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Association is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Association for any benefit which he (or a person connected with him (as defined in Section 252 of the Companies Act 2006)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under Section 176 of the Companies Act 2006.

## **20 OFFICERS OF THE ASSOCIATION**

- 20.1 At the Council Meeting immediately prior to each Annual General Meeting, the Council shall elect or re-elect (as the case may be) by majority vote an executive chair, an honorary chair and a vice-chair save that the Council may choose not to elect an executive chair in which case the honorary chair shall assume the duties and responsibilities of the executive chair. The Council shall be entitled to appoint a temporary executive chair, honorary chair or vice-chair in the event of any causal vacancy.
- 20.2 The Council shall have the power, on a majority vote of no less than two thirds of the members present at any meeting duly convened, to relieve any member of the Council from any office held by that member of the Council (save for their office as a member of the Council, which shall be determined in accordance with Article 19.1).
- 20.3 The Council may from time to time appoint such chief executive officer, Secretary and/or servants as may be necessary for the proper administration of the Association, upon such terms as to length of service, remuneration and generally as the Council may think fit, and may remove such chief executive officer, Secretary and/or servants so appointed.
- 20.4 The Council shall have the right, but not the obligation, to remunerate the executive chair as consideration for their holding office as executive chair on such terms as the Council shall unanimously think fit.

## **21 COMMITTEE CHAIR**

The chair of each and any committee shall be a member of Council and may be appointed by the Council on such terms as to length of service as the Council may

think fit and the Council may remove any individual so appointed from their role as chair of the aforementioned committees.

## **22 THE SEAL**

22.1 The Seal of the Association may not be affixed to any instrument except by the express authority of a resolution of the Council or of a committee of the Council empowered thereto, and in the presence of a member of the Council or such person as the Council may appoint for the purpose, and such person as aforesaid shall sign every instrument to which the Seal of the Association is so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Association such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

22.2 The Association may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Council.

## **23 INCOME OF THE ASSOCIATION**

23.1 The income of the Association shall be applied solely towards the promotion of all or any of the objects of the Association as set forth in Article 2.2 as the Council may from time to time think fit with power to the Council to create a reserve fund or reserve funds to be applicable for any such purposes, and, if the Council shall think fit, also to apply all or any part of the reserve fund appropriated to any particular purpose to any other one or more of such purposes, and pending any such application, any reserve fund may at the discretion of the Council either be employed in the business of the Association or be invested from time to time in such investment as the Council may think fit.

23.2 Notwithstanding Article 23.1 above no portion of the income and/or property of the Association shall be paid or transferred directly, by way of dividends, bonus or otherwise howsoever by way of profit, to the Members unless explicitly set out in these Articles PROVIDED that nothing in this Article 23.2 shall prevent the payment in good faith by the Association of:

- (a) reasonable and proper remuneration to any Member, member of the Council, officer or servants of the Association for any services rendered to the Association;
- (b) any interest on money lent by any Member or any director at a reasonable rate;
- (c) reasonable and proper rent for premises demised or let by any Member or member of the Council;
- (d) reasonable out of pocket expenses properly incurred by any member of the Council; or
- (e) any payment to any person of which a member of the Council may be a partner, member or shareholder, where such members holds no more than one hundredth of the capital of that body.

## **24 ACCOUNTS**

24.1 The Council shall cause proper books of account to be kept:-

- (a) of the sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place;
- (b) of all sales and purchases of property and goods by the Association; and
- (c) of the assets and liabilities of the Association.

- 24.2 Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Association's affairs and to explain its transactions.
- 24.3 The books of account shall be kept at the office or, subject to provisions of the Act, at such other place or places as the Council may determine, and shall always be open to the inspection of the Council. The Council may from time to time by resolution determine whether and to what extent and at what time and places and on what conditions the books and accounts of the Association or any of them shall be open to the inspection of the Members not being members of the Council, and the Members shall have only such rights of inspection as are given to them by the Act or by such resolution as aforesaid.
- 24.4 At any Annual General Meeting, the Council may (in its discretion) lay before the Association an income and expenditure account for the period since the preceding account. A balance sheet as at the date to which income and expenditure account is made up, shall be made out and laid before the Association at the Annual General Meeting. Every such balance sheet shall be accompanied by proper reports of the Council and the auditors. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Association in a General Meeting, together with a copy of the auditor's report, shall, fourteen clear days previously to such meeting, be sent to the auditor and every Member entitled to receive notices of the General Meeting in the manner in which notices are hereinafter directed to be served.

## **25 AUDIT**

Auditors shall be appointed and their duties regulated in the manner provided by the provisions relating to private companies contained within Chapters 2 and 3 of Part 16 of the Companies Act 2006 or any statutory modification thereof for the time being

in force, and for this purpose the said sections shall have effect as if "member of the Council" and "the Council" were substituted for "Director" and "the Directors" respectively.

## **26 NOTICES**

26.1 A notice may be served by the Association upon any Member either personally, by sending it through the post addressed to such Member at his registered address or by electronic means.

26.2 No Member shall be entitled to have a notice served on him at any address not within the United Kingdom, and any Members whose registered address is not within the United Kingdom may by notice in writing require the Association to register an address within the United Kingdom which for the purpose of the service of notices, shall be deemed to be his registered address. Any Member not having a registered address within the United Kingdom, and not having given notice as aforesaid, shall be deemed to have received in due course any notice which shall have been displayed in the office and shall remain there for the space of forty eight hours, and such notice shall be deemed to have been received by such Member at the expiration of twenty four hours from the time when it shall have been so first displayed.

26.3 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if served by post at the expiration of forty eight hours after the same shall have been posted, and in providing such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put into the post office or into any post box subject to the control of the Postmaster General;

- (b) if left at a registered address otherwise than post or sent by facsimile transmission or telex or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so left or sent; and
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied.

26.4 For the purposes of this article, no account shall be taken of any part of a day that is not a business day (meaning any day other than a Saturday, Sunday or public holiday in the United Kingdom on which clearing banks in London are generally open for business).

## **27 DISSOLUTION**

If upon the winding up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities and providing for the costs of winding up, any property whatsoever, the same shall be paid to or distributed among the person who shall be Members of the Association at the commencement of the winding up in proportion to the last subscription paid by them to the Association.

## **28 HEADINGS**

The headings of these Articles shall not be taken as part of them or in any manner affect the interpretation or construction of the same.

## **29 INDEMNITY**

29.1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Association (other than any person (whether an officer or not) engaged by the Association as auditor) shall be indemnified out of the Association's assets against all costs, charges, losses, expenses

and liabilities incurred by him in the execution of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Association's affairs.

- 29.2 The Association may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Association, or in relation to its affairs.

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