

THE COMPANIES ACT 2006

A COMPANY LIMITED

BY GUARANTEE

WITHOUT SHARE

CAPITAL

# Memorandum of Association of

## THE INSTITUTE OF LEGAL FINANCE & MANAGEMENT

Each subscriber to this Memorandum of Association wish to be formed into a Company under the Companies Act, 2006 and agrees to become a member of the Company.

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Name of each Subscriber

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Richard Hill

Lisa Francine Dixon

Coral Irene Joyce

Andrew Clive Harris

Sarah Jane Charlton

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Dated 21<sup>st</sup> June 2016

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY GUARANTEE**

**ARTICLES OF ASSOCIATION**

**OF**

**THE INSTITUTE OF LEGAL FINANCE & MANAGEMENT (the "Institute")**

**INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY**

**1. INTERPRETATION**

1.1 In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006;

**Articles:** means the Institute's articles of association for the time being in force;

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

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

**Conflict:** means a situation in which a Council Member has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Institute;

**Council Member:** means a member of the Executive Council being a director of the Institute under the Act 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 Act;

**Eligible Council Member:** means a Council Member who would be entitled to vote on the matter at a meeting of Council Members (but excluding in relation to the

authorisation of a Conflict pursuant to article 11, any Council Member whose vote is not to be counted in respect of the particular matter);

**Executive Council:** means the council comprising the Council Members for the time being constituted pursuant to these Articles;

**Interested Council Member:** has the meaning given in article 11.1;

**Member:** means a person whose name is entered in the Register of Members of the Institute and **Membership** shall be construed accordingly;

**Model Articles:** means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and reference to a numbered "**Model Article**" is a reference to that article of the Model Articles;

**ordinary resolution:** has the meaning given in section 282 of the Act;

**participate:** in relation to a Council Member's meeting, has the meaning given in Model Article 10;

**proxy notice:** has the meaning given in Model Article 31;

**Rules:** means any rules or byelaws or codes of conduct or practice of any description whatsoever adopted by the Executive Committee from time to time pursuant to article 27 as the same may be amended from time to time;

**secretary:** means the secretary of the Institute and any other person appointed to perform the duties of the secretary of the Institute, including a joint, assistant or deputy secretary;

**special resolution:** has the meaning given in section 283 of the Act;

**subsidiary:** has the meaning given in section 1159 of the Act;

**Unincorporated Institute:** means the unincorporated association called the Institute of Legal Finance & Management

**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.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Institute, except in so far as they are modified or excluded by these Articles and where the Model Articles refer to the Company they shall mean the Institute and where they refer to a director(s) it shall mean Council Member(s).
- 1.8 The following Model Articles shall not apply to the Institute:
- 1.8.1 1 (Defined terms);
  - 1.8.2 2 (Liability of Members);
  - 1.8.3 8 (Unanimous decisions);
  - 1.8.4 9(1) and (3) (Calling a directors' meeting);
  - 1.8.5 11(2) and (3) (Quorum for directors' meeting);
  - 1.8.6 12 (Chairing of directors' meetings);
  - 1.8.7 13 (Casting vote);
  - 1.8.8 14 (1), (2), (3) and (4) (Conflicts of interest);

- 1.8.9 17(2) (Methods of appointing directors);
  - 1.8.10 21 (Applications for membership);
  - 1.8.11 22 (Termination of membership);
  - 1.8.12 25 (Chairing general meetings);
  - 1.8.13 30(2) (Poll votes);
  - 1.8.14 31(1)(d) (Content of proxy notices);
  - 1.8.15 35 (Company seals);
  - 1.8.16 38 (Indemnity);
  - 1.8.17 39 (Insurance).
- 1.9 Model Article 3 (Directors' general authority) shall be amended by the insertion of the words "in accordance with its objects" after the words "the management of the Company's business".
- 1.10 Model Article 7 (Directors to take decisions collectively) shall be amended by:
- 1.10.1 the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
  - 1.10.2 the insertion in Model Article 7(2) of the words "(for so long as he remains the sole Council Member)" after the words "and the director may".
- 1.11 Model Article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.12 In these Articles the masculine shall include the feminine and neutral genders and vice versa.

## **2. OBJECTS**

The objects for which the Institute is established are to:-

- 2.1 acquire the undertaking of the Unincorporated Institute;

- 2.2 provide an independent and professional organisation for persons associated with the accounts, bookkeeping, management and administrative work in a legal practice including:
- 2.2.1 All employees within a legal practice;
  - 2.2.2 Accounting Systems Consultants;
  - 2.2.3 Accountants' staff who normally carry out legal practice audits;
  - 2.2.4 All other employees within a multi-disciplinary practice or an alternative business structure;
  - 2.2.5 Suppliers and service providers to the legal industry;
  - 2.2.6 Students looking to pursue a career in legal finance or practice management.
- 2.3 promote studies, research and exchange of ideas in the modern methods of accounting, bookkeeping, cashiering, management and administration in a legal practice and other multi-disciplinary practices or an alternative business structure;
- 2.4 foster, protect and promote the interest and status of its members and the profession as a whole; to promote honourable practice; to repress malpractice and to advise on disputed points of practice;
- 2.5 encourage the improvement of accounting methods in manual, mechanised, and computer systems;
- 2.6 publish and/or promote the publication of articles, reports, periodicals and text books on subjects of interest to its Members and the legal profession;
- 2.7 organise by itself or in conjunction with an approved organisation, training workshops, seminars and conferences to further knowledge, skill and expertise in the legal finance and management profession;
- 2.8 provide recognised qualifications for its Members and to maintain and improve where necessary standards by a system of examinations and research work;
- 2.9 encourage students to take up legal finance and/or management as a profession;

- 2.10 enter into agreement with, or organise or associate itself with, any other institute or professional body throughout the world which has similar aims and objectives to promote benefit to its own or to the other institute or professional body's members on such terms and conditions as shall be approved by the Executive Council;
- 2.11 provide an advisory service to the Members and to associated stakeholders on accounting and administration methods and systems;
- 2.12 set up and maintain a free register of vacancies to help Members seek alternative jobs.

### **3. POWERS**

- 3.1 In pursuance of the objects set out in article 2, the Institute has the power to:
  - 3.1.1 buy, lease or otherwise acquire and deal with any property, real or personal, and any rights or privileges of any kind over or in respect of any property, real or personal, and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Institute;
  - 3.1.2 borrow and raise money in such manner as the Council Members shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Institute's property and assets;
  - 3.1.3 invest and deal with the funds of the Institute not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
  - 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
  - 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to

receive money on deposit or loan upon such terms as the Institute may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;

- 3.1.6 lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the Council Members, affect or advance the principal object in any way;
- 3.1.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Institute and to contract with any person, firm or company to pay the same;
- 3.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.9 provide and assist in the provision of money, materials or other help;
- 3.1.10 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.11 incorporate subsidiary companies to carry on any trade or for any purpose; and
- 3.1.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

#### **4. INCOME**

- 4.1 The income and property of the Institute from wherever derived shall be applied solely in promoting the Institute's objects.
- 4.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Institute of:



- 4.2.1 reasonable and proper remuneration to any Member, officer or servant of the Institute for any services rendered to the Institute;
- 4.2.2 any interest on money lent by any Member or any Council Member at a reasonable and proper rate;
- 4.2.3 reasonable and proper rent for premises demised or let by any Member or Council Member; or
- 4.2.4 reasonable out-of-pocket expenses properly incurred by any Council Member in accordance with any policy of and as approved by the Executive Council.

## **5. WINDING UP**

On the winding-up or dissolution of the Institute, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Institute, such body to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the Council Members at or before the time of winding up or dissolution.

## **6. GUARANTEE**

- 6.1 The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Institute in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for
  - 6.1.1 payment of the Institute's debts and liabilities contracted before he ceases to be a Member,
  - 6.1.2 payment of the costs, charges and expenses of the winding up, and
  - 6.1.3 adjustment of the rights of the contributories among themselves.

## **EXECUTIVE COUNCIL AND COUNCIL MEMBERS**

## **7. UNANIMOUS DECISIONS**

- 7.1 A decision of the Executive Council is taken in accordance with this article when all Eligible Council Members 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, where each Eligible Council Member has signed one or more copies of it, or to which each Eligible Council Member has otherwise indicated agreement in writing.
- 7.3 A decision may not be taken in accordance with this article if the Eligible Council Members would not have formed a quorum at such a meeting.

## **8. CALLING A COUNCIL MEMBERS' MEETING**

- 8.1 Any Council Member may call an Executive Council meeting by giving not less than 7 Business Days' notice of the meeting (or such lesser notice as all the Council Members may agree) to the Council Members or by authorising the secretary (if any) to give such notice.
- 8.2 Notice of an Executive Council meeting shall be given to each Council Member in writing.
- 8.3 A Council Member who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the Council Members' meeting.

## **9. QUORUM FOR COUNCIL MEMBERS' MEETINGS**

- 9.1 Subject to article 9.2, the quorum for the transaction of business at a meeting of the Executive Council is any five Eligible Council Members.
- 9.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 11 to authorise a Conflict, if there are four or fewer Eligible Council Member in office other than the Interested Council Member(s), the quorum for such meeting (or part of a meeting) shall be such number Eligible Council Members as there are.
- 9.3 If the total number of Council Members in office for the time being is less than the quorum required, the Council Members must not take any decision other than a decision:
- 9.3.1 to appoint further Council Members; or

9.3.2 to call a general meeting so as to enable the Members to appoint further Council Members.

## 10. CASTING VOTE

10.1 Decisions of the Executive Council shall normally be by a majority vote. If the numbers of votes for and against a proposal at a meeting of the Executive Council are equal, the chairman or other Council Member chairing the meeting has a casting vote.

10.2 Article 10.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other Council Member is not an Eligible Council Member for the purposes of that meeting (or part of a meeting).

## 11. DIRECTORS' CONFLICTS OF INTEREST

11.1 The Executive Council may, in accordance with the requirements set out in this article, authorise any Conflict proposed to it by any Council Member which would, if not authorised, involve a Council Member (an **Interested Council Member**) breaching his duty to avoid conflicts of interest under section 175 of the Act.

11.2 Any authorisation under this article 11 shall be effective only if:

11.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Council Member for consideration in the same way that any other matter may be proposed to the Council Members under the provisions of these Articles or in such other manner as the Council Members may determine;

11.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Council Member; and

11.2.3 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.

11.3 Any authorisation of a Conflict under this article 11 may (whether at the time of giving the authorisation or subsequently):

11.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

- 11.3.2 provide that the Interested Council Member be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Council Members or otherwise) related to the Conflict;
  - 11.3.3 provide that the Interested Council Member shall or shall not be an Eligible Council Member in respect of any future decision of the Council Members in relation to any resolution related to the Conflict;
  - 11.3.4 impose upon the Interested Council Member such other terms for the purposes of dealing with the Conflict as the Council Members think fit;
  - 11.3.5 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 Council Member of the Institute) information that is confidential to a third party, he shall not be obliged to disclose that information to the Institute, or to use it in relation to the Institute's affairs where to do so would amount to a breach of that confidence; and
  - 11.3.6 permit the Interested Council Member to absent himself from the discussion of matters relating to the Conflict at any meeting of the Council Members and be excused from reviewing papers prepared by, or for, the Council Members to the extent they relate to such matters.
- 11.4 Where the Executive Council authorises a Conflict, the Interested Council Member shall be obliged to conduct himself in accordance with any terms and conditions imposed by the Executive Council in relation to the Conflict.
- 11.5 The Executive 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.
- 11.6 A Council Member is not required, by reason of being a Council Member (or because of the fiduciary relationship established by reason of being a Council Member), to account to the Institute 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 Executive Council in accordance with these Articles or by the Institute 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.

11.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Council Member who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Institute:

11.7.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Institute or in which the Institute is otherwise (directly or indirectly) interested;

11.7.2 shall be an Eligible Council Member for the purposes of any proposed decision of the Executive Council (or committee of the Executive Council) in respect of such existing or proposed transaction or arrangement in which he is interested;

11.7.3 shall be entitled to vote at a meeting of the Executive Council (or of a committee of the Executive Council) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

11.7.4 may act by himself or his firm in a professional capacity for the Institute (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Council Member;

11.7.5 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 Institute is otherwise (directly or indirectly) interested; and

11.7.6 shall not, save as he may otherwise agree, be accountable to the Institute for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) 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 Act.

## **12. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Executive Council are taken by electronic means, such decisions shall be recorded by the Executive Council in permanent form, so that they may be read with the naked eye.

## **13. APPOINTMENT AND RETIREMENT OF COUNCIL MEMBERS**

13.1 Unless otherwise determined by ordinary resolution, the number of Council Members shall be subject to a maximum of eleven and a minimum of five.

13.2 Save as otherwise provided in these Articles or the Act, each Council Member shall normally be elected at an annual general meeting for a term of three years until the annual general meeting coinciding with the third anniversary of his appointment (or most recent appointment) or (if the annual general meeting does not so coincide) the annual general meeting occurring in the year of the third anniversary of his appointment (or most recent appointment) and shall retire at such annual general meeting. A Council Member retiring in such circumstances shall be eligible for re-election.

13.3 A Council Member elected to serve as vice chairman and then chairman of the Institute shall normally serve as vice chairman for two years and then go on to serve as chairman for two years. Such Council Member shall not be subject to retirement pursuant to article 13.2 during such period of office and shall retire at the annual general meeting at which his period of office as chairman concludes (or if conclusion of that office does not coincide with an annual general meeting at the next occurring annual general meeting). If a Council Member acting as vice chairman does not go on to be chairman then he shall retire at the annual general meeting at which his period of office as vice chairman concludes (or if conclusion of that office does not coincide with an annual general meeting at the next occurring annual general meeting) unless he would not be due to retire under the provisions of article 13.2 in which case he shall retire in accordance with the provisions of article 13.2. A Council Member retiring in the circumstances set out in this article 13.3 shall be eligible for re-election.

- 13.4 If a Council Member is required to retire at an annual general meeting by a provision of the Articles the retirement shall take effect upon the conclusion of the meeting.
- 13.5 The Institute may by ordinary resolution appoint a person who is willing to act to be a Council Member.
- 13.6 No person other than a Council Member retiring on expiry of his term of office in accordance with articles 13.2 and 13.3 may be appointed a Council Member at any general meeting unless:
- 13.6.1 he or she is recommended for election by the Executive Council; or
  - 13.6.2 not less than fourteen (14) nor more than thirty-five (35) clear days before the date of the meeting, the Institute is given a notice that:
    - 13.6.2.1 is signed by a member entitled to vote at the meeting;
    - 13.6.2.2 states the member's intention to propose the appointment of a person as a Council Member;
    - 13.6.2.3 contains the details that, if the person were to be appointed, the Institute would have to file at Companies House; and
    - 13.6.2.4 is signed by the person who is to be proposed to show his or her willingness to be appointed.
- 13.7 All Members who are entitled to receive notice of a general meeting must be given not less than seven nor more than twenty-eight (28) clear days' notice of any resolution to be put to the meeting to appoint a Council Member other than a Council Member who is to retire by virtue of articles 13.2 and 13.3.
- 13.8 The Executive Council may appoint a person who is willing to act to be a Council Member.
- 13.9 A Council Member appointed by a resolution of the other Council Members must retire at the next annual general meeting and may subject to article 13.6 be put forward for re-election and appointment for a three year term of office at such annual general meeting.

- 13.10 The appointment of a Council Member, whether by the Institute in general meeting or by the other Council Members, must not cause the number of Council Member to exceed any number fixed as the maximum number of Council Members.
- 13.11 Any person putting himself or being put forward for appointment as a Council Member shall:-
- 13.11.1 be a Diploma, Associate or Fellow Member of the Institute (subject to any exemptions granted by the Executive Council from time to time) and must have paid (and not be in arrears with) all joining and/or subscriptions fees due by him to the Institute;
- 13.11.2 hold such minimum qualifications as the Executive Council shall determine from time to time; and
- 13.11.3 comply with such employment requirements as the Executive Council may determine from time to time.
- 13.12 The Executive Council may co-opt from time to time Members to attend Executive Council meetings. Such co-optees may speak at Executive Council meetings but may not vote at them or count in the quorum of such meetings.
- 13.13 A Council Member shall cease to hold office if he:
- 13.13.1 ceases to be a Council Member or director by virtue of any provision in the Companies Acts or is prohibited by law from being a Council Member or director; or
- 13.13.2 ceases to be a Member; or
- 13.13.3 becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs; or
- 13.13.4 resigns as a Council Member by notice to the Institute (but only if at least five Council Members will remain in office when the notice of resignation is to take effect); or
- 13.13.5 is absent without the permission of the Executive Council from three consecutive meetings of the Executive Council and the Executive Council resolves that his office be vacated;



13.13.6 is subject to a vote of no confidence by the Executive Council and the Executive Council resolves that his office be vacated;; or

13.13.7 ceases to hold any qualifications which he is required to hold to be a Council Member; or

13.13.8 has a Conflict and the Executive Council resolves that his office be vacated.

#### **14. CHAIRING OF COUNCIL MEMBERS' MEETINGS**

14.1 The Executive Council shall appoint (and may from time to time remove and replace) a Council Member to act as chairman of the Institute and chair meetings of the Executive Council and general meetings. Any such appointment shall unless the Executive Council otherwise resolve be for a maximum of two (2) years. The Executive Council may appoint (and remove and replace) from time to time a vice-chairman to act in the absence of the chairman.

14.2 The person so appointed for the time being to chair meetings is known as the Chairman.

14.3 The Institute in general meeting may terminate the appointment of any Chairman.

14.4 If the Chairman is not participating in a Council Members' meeting within ten minutes of the time at which it was to start, the vice-chairman shall chair it failing which the participating Council Members must appoint one of themselves to chair it.

#### **15. SECRETARY**

The Council Members may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Council Members so decide, appoint a replacement, in each case by a decision of the Executive Council.

#### **16. CHANGE OF INSTITUTE NAME**

16.1 The name of the Institute may be changed by:

16.1.1 a decision of the Executive Council; or

16.1.2 a special resolution of the Members,

or otherwise in accordance with the Act.

## **MEMBERS: BECOMING AND CEASING TO BE A MEMBER**

### **17. MEMBERSHIP**

17.1 The Institute shall admit to Membership:-

17.1.1 an individual or organisation who or which at the date of transfer of the undertaking of the Unincorporated Institute to the Institute is a current member of the Unincorporated Institute; and

17.1.2 an individual or organisation who or which applies to the Institute using the application process approved by the Council Members, complies with any qualifications required for membership and is approved by the Executive Council.

A letter shall be sent to each successful applicant confirming their membership of the Institute and the details of each successful applicant shall be entered into the Register of Members by the secretary.

17.2 The Council Members may in their absolute discretion decline to accept any application for Membership and need not give reasons for doing so.

17.3 The Executive Council may prescribe criteria for Membership of the Institute but shall not be obliged to accept persons fulfilling those criteria as Members.

17.4 Save as otherwise expressly provided in these Articles, each Member must pay to the Institute on becoming a Member and thereafter annually on the anniversary of his joining the Institute (or such other date(s) as the Executive Council may from time to time determine) a subscription fee of such amount as the Executive Council shall determine from time to time provided that in the case of any Member admitted to membership pursuant to article 17.1.1 the unexpired portion of his membership of the Unincorporated Institute shall be transferred to the Institute and his annual subscription shall be due and payable on the anniversary of his last date of payment of membership fee to the Unincorporated Institute and thereafter annually (or as the Executive Council otherwise determine).

17.5 The Executive Council may from time to time establish different classes of Members and set out the different rights and obligations for each class, with such

rights and obligations recorded in the Register of Members. At the date of incorporation of the Institute, there shall be five classes of Members, namely:

17.5.1 Fellow Member: No person (except as otherwise provided) shall be eligible for admission as a Fellow of the Institute unless such person satisfies the Executive Council in the following respects:-

17.5.1.1 he shall have completed a research and analysis project or other such tests as may from time to time be in force or otherwise prescribed by the Executive Council;

17.5.1.2 he shall hold a valid and paid up Associate membership;

17.5.1.3 he shall satisfy all other requirements as may from time to time be deemed fit to be imposed and laid down by the Executive Council;

17.5.1.4 in addition to all the above requirements, he or she shall satisfy the Executive Council as to his general character, experience and suitability for admission.

A Fellow may attend, vote and speak at general meetings of the Institute.

17.5.2 Associate Member: No person (except as otherwise provided) shall be eligible for admission as an Associate of the Institute unless such person satisfies the Executive Council in the following respects:-

17.5.2.1 he shall have passed such examination or examinations as may from time to time by Rules or otherwise be prescribed by the Executive Council.

17.5.2.2 he holds a valid and paid up Diploma membership;

17.5.2.3 he satisfies all other requirements as may from time to time be deemed fit to be imposed and laid down by the Executive Council;

17.5.2.4 in addition to all the above requirements he shall satisfy the Executive Council as to his general character, experience and suitability for admission.

An Associate Member may attend, vote and speak at general meetings of the Institute.

17.5.3 Diploma Member: No person (except as otherwise provided) shall be eligible for admission as a Diploma Member of the Institute unless such person satisfies the Executive Council in the following respects:-

17.5.3.1 he is registered as an Ordinary Member of the Institute;

17.5.3.2 he shall have passed such examinations as may be prescribed by the Executive Council from time to time;

17.5.3.3 he satisfies all other requirements as may from time to time be deemed fit to be imposed and laid down by the Executive Council; and

17.5.3.4 in addition to all the above requirements he shall satisfy the Executive Council as to his general character, experience and suitability for admission.

A Diploma Member may attend, vote and speak at general meetings of the Institute.

17.5.4 Ordinary Member: The qualifications for admission as an Ordinary Member shall be:

17.5.4.1 the intention to pursue and study the profession and learn the basic principles of legal cashiering and/or administration within a legal practice;

17.5.4.2 in addition to all the above requirements he shall satisfy the Executive Council as to his general character, experience and suitability for admission.

Ordinary members may attend and speak but not vote at general meetings of the Institute.

17.5.5 Affiliated Professional Member: The qualification for admission as an Affiliated Professional Member shall be membership of a relevant professional bodies as determined by the Executive Council from time to time. Affiliated Professional Members may enjoy such benefits as the

Executive Committee may determine from time to time and shall have the right to attend and speak but not vote at general meetings of the Institute.

- 17.6 Members must be sixteen years in age or over.
- 17.7 Members shall comply with all Rules of the Institute.
- 17.8 Life Membership may be awarded to any Member of the Institute in recognition of lengthy, important and active service in connection with the affairs of the Institute. The recommendation for such an award to be made shall be made to the Executive Council in the first instance by any Member entitled to attend, vote and speak at general meetings of the Institute. The Executive Council shall have the right in its absolute discretion to endorse the recommendation for approval by the Membership at the next annual general meeting where the proposed award of Life Membership shall be subject to the approval of a special resolution of the Members present at such meeting and entitled to attend, vote and speak at the meeting.
- 17.9 Honorary Fellowship of the Institute may be awarded by the Executive Council from time to time to such Members of the Institute, its Examining Board and other persons actively engaged in the affairs of the Institute as it thinks fit. An Honorary Member may attend and speak but not vote at general meetings of the Institute
- 17.10 The Executive Council may decide from time to time to appoint on such terms as it thinks fit (and remove) an Honorary President of the Institute where circumstances justify such an appropriate mark of distinction.

## **18. TERMINATION OF MEMBERSHIP**

- 18.1 A Member may withdraw from Membership of the Institute by giving 14 days' notice to the Institute in writing and any person ceasing to be a Member shall be removed from the Register of Members.
- 18.2 A Member whose annual subscription is more than one month in arrears shall be deemed to have resigned and should no longer hold himself out to be a member of the Institute.
- 18.3 A Member whose membership terminates part way through a year of membership shall not be entitled to a refund in respect of any unexpired portion of his membership.

## 19. EXPULSION OF MEMBER

19.1 The Executive Council may terminate the membership of any Member without his consent by giving the Member written notice if, in the reasonable opinion of the Executive Council, the Member:

19.1.1 is guilty of conduct which has or is likely to have a serious adverse effect on the Institute or bring the Institute or any or all of the Members and Council Members into disrepute; or

19.1.2 has acted or has threatened to act in a manner which is contrary to the interests of the Institute as a whole; or

19.1.3 has failed to meet the requirements of his classification of Membership or has failed to observe the terms of these Articles and/or the Rules.

Following such termination, the Member shall be removed from the Register of Members by the secretary.

19.2 The notice to the Member must give the Member the opportunity to be heard in writing or in person as to why his membership should not be terminated and shall follow the disciplinary procedures set out from time to time by the Executive Council in Rules. The Executive Council must consider any representations made by the Member and inform the Member of their decision following such consideration. There shall be no right to appeal from a decision of the Executive Council to terminate the membership of a Member.

19.3 Any Member who is charged with a criminal offence (excluding speeding/parking offences) of whatever nature may be automatically suspended from Membership of the Institute by decision of the Executive Council or relevant committee until notice of his conviction or acquittal is received by the Institute.

19.4 A Member who has been convicted of a criminal offence may be removed from membership of the Institute notwithstanding any ongoing appeal against any conviction. Applications for reinstatement as a Member upon completion of service of any sentence for a criminal act (which resulted in expulsion) or upon a decision in his favour on appeal will be considered by the Executive Council or relevant committee upon individual merit.

- 19.5 A Member whose Membership is terminated under this Article shall not be entitled to a refund of any subscription or Membership fee and shall remain liable to pay to the Institute any subscription or other sum owed by him.

## **DECISION MAKING BY MEMBERS**

### **20. VOTES OF MEMBERS**

- 20.1 Subject to the Act, at any general meeting:

20.1.1 every Member entitled to attend vote and speak at general meetings of the Institute who is present in person (or by proxy) shall on a show of hands have one vote; and

20.1.2 every Member entitled to attend vote and speak at general meetings of the Institute who is present in person (or by proxy) shall on a poll have one vote.

### **21. POLL VOTES**

- 21.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.

21.2 Model Article 30(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

### **22. PROXIES**

22.1 Model Article 31(1)(d) shall be deleted and replaced with the words "is delivered to the Institute in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

22.2 Model Article 31(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Executive Council, in its discretion, accepts the notice at any time before the meeting" as a new paragraph at the end of that article.

## **23. GENERAL MEETINGS**

- 23.1 An annual general meeting must be held in each year and not more than fifteen (15) months may elapse between successive annual general meetings.
- 23.2 Without prejudice to the provisions of sections 303-305 of the Act, five Members entitled to attend and vote at general meetings of the Institute may require the Executive Council to call a general meeting of the Institute and the provisions of sections 303(4), (5) and (6), 304 and 305 of the Act shall apply mutatis mutandis as if repeated herein and references in the Act to the directors being required under section 303 to call a meeting shall mean the Executive Council being required to call a meeting in accordance with this article 23.2.

## **24. PROCEEDINGS AT GENERAL MEETINGS**

- 24.1 No business shall be transacted at any general meeting unless a quorum is present.
- 24.2 A quorum is five (5) members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.

## **25. CHAIRING GENERAL MEETINGS**

- 25.1 If the Executive Council has appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so failing which the vice-chairman if one has been appointed shall act in his place.
- 25.2 If the Executive Council has not appointed a Chairman, or if the Chairman or any vice-chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- 25.2.1 the Council Members present, or
- 25.2.2 (if no Council Members are present), the meeting
- must appoint a Council Member or Member entitled to vote at the meeting to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

## **ADMINISTRATIVE ARRANGEMENTS**



## **26. MEANS OF COMMUNICATION TO BE USED**

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

26.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

26.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

26.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

26.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

26.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **27. RULES**

The Council Members may establish and amend from time to time rules governing matters relating to administration that are required from time to time for the effective operation of the Institute (for example, the provisions relating to classes of Members, Membership fees and subscriptions, the admission criteria for Members and codes of conduct for Members).

If there is a conflict between the terms of these Articles and any rules established under this Article, the terms of these Articles shall prevail.

## **28. INDEMNITY AND INSURANCE**

28.1 Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

28.1.1 each relevant officer shall be indemnified out of the Institute's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

28.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

28.1.1.2 in relation to the Institute's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) 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, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Institute's (or any associated company's) affairs; and

28.1.2 the Institute may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 28.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

28.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

- 28.3 The Executive Council may decide to purchase and maintain insurance, at the expense of the Institute, for the benefit of any relevant officer in respect of any relevant loss.
- 28.4 In this article:
- 28.4.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 28.4.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer'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
- 28.4.3 a **relevant officer** means any Council Member director or other officer or former Council Member director or other officer of the Institute or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Institute (or associated company) as auditor (whether or not he is also a Council Member or other officer), to the extent he acts in his capacity as auditor).