

The Companies Act 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
of
The Recruitment and Employment Confederation

(As adopted by special resolution of the Company on 13 March 2023)

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INTERPRETATION

1. In these Articles the following words have the following meanings:

the Act means the Companies Act 2006 as amended and in force from time to time.

Advisory Council means an advisory group providing the Company with advice about market conditions and major policy issues.

Associate Individual Member means a grade of Individual Member subject to the eligibility criteria set out by the Board from time to time, and Associate Individual Membership shall mean the Associate Individual Member's membership of the Company.

Associate Student Member means any Individual Member who is a student with an interest in the recruitment sector.

the Approved Qualifications means qualifications in recruitment practice validated by the Company including, but not limited to, the diploma in recruitment practice at a professional level and the certificate in recruitment practice at entry level, and as otherwise varied and approved by the Board from time to time.

the Articles means these articles of association.

Associate Corporate Member means employment agencies and/or businesses owned or established by a public or government body or charity or funded in whole or in part by public or charitable funds, and any other business which engages in the recruitment or supply of staff, not being a Full Corporate Member, Unqualified Corporate Member or Overseas Corporate Member.

the Auditors means the auditors for the time being appointed by the Company.

Audit and Risk Committee means a committee appointed by the Board under Article 60 with such terms of reference as shall be determined by the Board from time to time.

the Board means the directors of the Company.

clear days means, in relation to a period of notice the period excluding the day on which the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

Chief Executive means the person holding the position of chief executive officer of the Company from time to time.

the Codes means principles of conduct set out by the Company from time to time in accordance with Article 9.

the Company means The Recruitment and Employment Confederation.

Compliance Test means the online compliance test set by the Company from time to time and which must be passed by all Corporate Members every two years (or at intervals as set out by the Board from time to time), and on first entry to membership.

Corporate Director means a duly authorised representative of a Corporate Member who is appointed as a director.

Corporate Member means collectively, Full Corporate Members, Overseas Corporate Members, Associate Corporate Members and Unqualified Corporate Members, and Corporate Membership shall mean that Corporate Member's membership of the Company.

Electronic Voting means voting electronically either by the sending of an email indicating a vote, by way of voting buttons included in an email, or by using an online voting web programme as prescribed by the Board from time to time.

Employment Policy Committee means an advisory group providing the Company with advice about policy issues.

Fellow means a grade of Individual Member, and Fellow Membership shall mean the Fellow's membership of the Company.

Full Corporate Member means employment agencies and/or businesses deemed eligible for Membership in accordance with guidelines set out by the Board from time to time, and Full Corporate Membership shall mean the Full Corporate Member's membership of the Company.

Full Individual Member means an Individual Member who is actively engaged in and is practising in the recruitment profession within the UK and eligible for full Membership in accordance with the guidelines set out by the Board, from time to time and Full Individual Membership shall mean the Full Individual Member's membership of the Company.

Independent Committee Members means a person who is appointed a member of a committee of the Board, who is not necessarily a member of the Company.

Independent Director means a person who is appointed as a director, into one of the Board seats reserved for specific skills, who is not necessarily a member of the Company.

Individual Director means an Individual Member who is appointed as a director.

Individual Member means collectively, Fellows, Full Individual Members, Associate Individual Members and Associate Student Members, and Individual Membership shall mean the Individual Member's membership of the Company.

Member means a person holding membership (of any degree) of the Company, and Membership shall mean membership of the Company.

Non-Voting Members means a class of Members who do not have voting rights at general meetings and are listed in Article 2.3.

Office means the registered office of the Company.

Ordinary Resolution is as defined in section 282 of the Companies Act 2006.

Overseas Corporate Member means a Member who is an incorporated body outside of the UK, the Channel Islands or the Isle of Man, and Overseas Corporate Membership shall mean the Overseas Corporate Member's membership of the Company.

Overseas Individual Members means a Member who is an individual who is based outside of the UK, the Channel Islands or the Isle of Man, and Overseas Individual Membership shall mean the Overseas Individual Member's membership of the Company.

Professional Standards Committee means a committee appointed by the Board under Article 60, with such terms of reference as shall be determined by the Board from time to time.

Recruitment Profession means the business of providing recruitment and/or employment services to industry and to individuals.

Remuneration and Appointments Committee means a committee appointed by the Board under Article 60, with such terms of reference as shall be determined by the Board from time to time.

Specialist Codes means specialist codes of conduct set out by specialist groups within the Company from time to time in accordance with Article 9.

the UK means Great Britain and Northern Ireland.

Unqualified Corporate Member means employment agencies and/or businesses who are working towards Full Corporate Membership, Associate Corporate Membership or Overseas Corporate Membership, and such employment agency and/or business shall be eligible for Unqualified Corporate Membership whilst it prepares for, and completes, the Compliance Test.

Voting Members means a class of Members who have voting rights at general meetings and are listed in Article 2.2.

in writing includes hard copy form, faxes and emails.

- 1.1 Words importing the singular number only shall include the plural number, and vice versa. Words importing the masculine gender only shall include the feminine gender, and words importing persons shall include corporations or partnerships.
- 1.2 References to any statute shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.
- 1.3 Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which the Articles become binding on the Company shall, if not inconsistent with the subject or context, bear the same meanings in the Articles.

MEMBERS AND MEMBERSHIP

2. Classes of Membership

- 2.1 Membership of the Company shall be of two classes namely:
 - 2.1.1 voting Members; and
 - 2.1.2 non-voting Members.
- 2.2 The class of voting Members shall be subdivided into the following categories namely:

2.2.1 Full Corporate Members; 2.2.2
Full Individual Members; 2.2.3 Fellows;
and
2.2.4 Associate Individual Members.

2.3 The class of non-voting Members shall be subdivided into the following categories namely:

2.3.1 Associate Student Members;
2.3.2 employees of the Company;
2.3.3 Overseas Corporate Members;
2.3.4 Associate Corporate Members;
2.3.5 Unqualified Corporate Members; and
2.3.6 Overseas Individual Members

3. Eligibility for Membership

3.1 Eligibility for Membership shall be as determined by the Board from time to time.

4. Applications for, and Rights and Obligations of, Membership

Applications for Membership

4.1 Applications for Membership must be made in writing giving such particulars and/or documents as may be required in order to demonstrate compliance with the relevant criteria drawn up in relation to the various categories of Membership from time to time. The Board shall institute such enquiries as it may deem necessary and in the event of the rejection of an application shall specify which of the Membership criteria were not complied with and give sufficient detail to enable the applicant to know the reasons why their application has been rejected.

4.2 If an application for Membership, or renewal of Membership, is rejected due to the Member failing to pass the Compliance Test at all requisite times, the Company may (at its sole discretion) remove the Member from the Membership. The Company may (at its sole discretion) allow the Member concerned to re-take the Compliance Test.

Rights and Obligations of Membership

4.3 Subject to Article 4.4 in the case of Unqualified Corporate Members and Article 4.5 in the case of Overseas Corporate Members, upon payment of all fees and subscriptions as detailed in Article 6 below,

at all relevant times, in addition to any other rights set out in these Articles, all Members have the following rights:

- 4.3.1 to use the relevant Company logo, that being either REC or REC Professional (in accordance with the Codes);
 - 4.3.2 to promote their Membership;
 - 4.3.3 to use all material and resources provided by the Company for the benefit of their business; and
 - 4.3.4 any other rights as prescribed from time to time by the Board.
- 4.4 Upon payment of all fees and subscriptions as detailed in Article 6 below, and upon the successful completion of all relevant Approved Qualifications (if any), whilst preparing and working towards passing the Compliance Test, Unqualified Corporate Members shall be entitled to have access to all material and resources provided by the Company. Unqualified Corporate Members shall not be permitted to use the Company logo or promote its Membership (other than to demonstrate that they are working towards Full Corporate Membership) until such time as the Compliance Test has been successfully completed.
- 4.5 Overseas Corporate Members shall be entitled to such services and benefits as afforded by Membership as may be approved by the Board from time to time, and may use only such logo as may be designated for their use.
- 4.6 The Company shall have the right, upon reasonable prior written notice to a Corporate Member, to inspect, interview and/or audit a Corporate Member's recruitment staff, processes, procedures, policies, records, files and any other documents or officers that the Company shall reasonably require for the purposes of ensuring all Corporate Members continue to meet the standard as defined in the Codes.

5. Corporate Membership of Groups of Companies and Franchises

- 5.1 The election, resignation or expulsion of a Corporate Member shall include all employment agencies or employment businesses under the common ownership or control or (in the case of Full Corporate Members only) under franchise, of such Corporate Member. However, the resignation or expulsion of a subsidiary or division, or a franchisee, shall not automatically affect the Membership of other

employment agencies or employment businesses within the same group of companies under common ownership or control or of any other subsidiary or division trading under a separate name or identity or other franchisees, subject to the discretion of the Board having regard to the circumstances of the resignation or expulsion.

- 5.2 Members who have franchised their business shall procure that all their franchisees be Members and to abide by the Codes of Practice. Members who have franchised their business shall be responsible for payment of its franchisees' subscriptions except where a franchisee has become a Member in its own right.
- 5.3 Franchisees of a Corporate Member may be eligible for Membership either as franchisees or in their own right. If they are not Members in their own right, their membership will cease with immediate effect if the Membership of the Corporate Member from which it franchises its business ceases.

6. Fees and Subscriptions for Members

- 6.1 Every Member shall pay the Company on admission such annual subscription fees and charges of such amount as shall for the time being be required by the Board; different subscriptions may be required for the different categories of Membership.
- 6.2 Every Member shall pay their renewal subscription at the time of making their application for renewal of Membership and in any event within one calendar month of the day of their renewal, subject to any arrangement having been agreed in writing with the Company to pay by instalments, otherwise its admission shall be void.
- 6.3 **Corporate Members:** At the date of application the corporate applicant shall pay the Membership fee for 12 months. Upon the anniversary of admission as a Corporate Member (Year 2) the Corporate Member shall pay a pro rata sum being the balance of the annual fee payable up to the 31st December in that year. The full amount of the annual subscription for a Corporate Member for the following and subsequent years is due on the 1st day of January (subject to any arrangement having been agreed in writing with the Company to pay by instalments). If a Corporate Member fails to pay the annual subscription by the due date the Company shall be entitled to charge interest at the rate of 8% above the base rate of the Bank of England from time to time.

- 6.4 **Individual Members:** Individual Members shall pay the full amount of the annual subscription on the anniversary date of their admission into Membership or on any other date as agreed in writing by the Board.

7. **Resignation, Cessation and Expulsion**

- 7.1 Membership of the Company is for a minimum period of one year. A Member may resign its Membership at any time provided such resignation shall not take effect:
- 7.1.1 if the Member is the subject of a complaint made pursuant to the Company complaints and disciplinary procedure as compiled by the Board from time to time; and
 - 7.1.2 if successful completion of the Compliance Test at all relevant times is outstanding.
- 7.2 Subject to the restrictions outlined in Article 7.1, a Member may resign its Membership by giving not less than three months' notice in writing to the Company. In the event of a Member resigning its Membership during a year there shall be no entitlement to a refund of the whole or part of the annual subscription already paid.
- 7.3 In the event a subscription fee remains unpaid for one month following the due date for payment in accordance with Article 6, the Membership of the Member concerned shall, subject to Article 7.1, automatically lapse. The Member concerned shall have its name removed from the register of Members and shall cease to be a Member. The cessation of Membership in this way shall not affect that ex-Member's liability to pay the subscription fee due up to the point of the Member's Membership being terminated, nor shall it prevent the Professional Standards Committee considering any complaint made against that ex-Member and ordering any appropriate sanctions. Should such subscription fee be paid within a reasonable period of time (such reasonable period of time being at the Board's sole discretion), the Board may reinstate the Membership of the Member for the remainder of the current year to which the paid subscription fee relates.
- 7.4 If any Member is convicted of an indictable offence, is adjudged bankrupt or becomes insolvent, or has entered into any kind of insolvency, administration, liquidation, winding up, receivership, administrative receivership, its Membership shall lapse and the

Board or the Professional Standards Committee may order any appropriate sanctions.

- 7.5 The Board or the Professional Standards Committee shall have the right to expel a Member in circumstances where it is satisfied that a Member's conduct has breached any of the Codes and/or brought the industry and/or the Company into disrepute. In such circumstances, there shall be no entitlement to a refund of the whole or part of the annual subscription fee already paid.

8. Complaints and Disciplinary Procedure

- 8.1 The Board shall delegate to the Professional Standards Committee full power to investigate complaints against Members and alleged breaches of the Codes and take disciplinary action in accordance with the complaints and disciplinary procedures established by it and approved by the Board.
- 8.2 Should any member of the Board (or any such body established to exercise the function of the Board to investigate and take disciplinary action) be a director or member or have any other direct interest in the business of, or be known personally to, the Member against whom disciplinary action is being considered, they will stand down as a member of the body considering such complaint.

9. Codes of Practice

- 9.1 There shall be a Code of Professional Practice, a Code of Ethics and such other codes of practice and regulations that shall be binding on such categories of Members as shall be specified by the Board from time to time. Such Codes shall be approved by the Board and shall be subject to amendment, deletion or addition from time to time.
- 9.2 Specialist sector groups of the Company may produce Specialist Codes that are of relevance to Members' activities. Specialist Codes shall be approved by the Board or by the Professional Standards Committee if so delegated and shall be binding on all Corporate Members who operate in the specialist areas of recruitment covered by the Specialist Codes. In the event of conflict between the Specialist Codes and the Codes, the provisions of the Codes shall prevail. Breaches of any of the Codes or the Specialist Codes shall be dealt with in accordance with the Company's complaints and disciplinary procedure and in accordance with Article 8 above.

10. Examinations and Awards

10.1 The Board may make regulations (in conformity with these Articles) for the establishment and conduct of examinations constituting the Approved Qualifications.

10.2 A certificate shall be awarded to all Members who successfully complete and pass the Approved Qualifications.

MEMBER MEETINGS

11. The Company shall hold its annual general meeting at such time and place as may be determined by the Board. Every annual general meeting shall be held not more than fifteen months after the holding of the preceding annual general meeting.

12. All meetings of Members, other than the annual general meeting, shall be called general meetings.

13. The Board may, whenever they think fit, convene a general meeting and general meetings shall also be convened upon the requisition of the relevant number of Members pursuant to the Act.

Notice of General Meetings

14. Subject to where a majority of the Members give their written consent to hold a meeting at short notice as the Members think fit, at least twenty-one clear days' notice in writing of every annual general meeting and at least fourteen clear days' notice in writing of a general meeting shall be given to such persons (including the Auditors) as are under the Articles or under the Act entitled to receive such notices from the Company. Any notice of any meeting shall specify the place, the day and the hour of the meeting, and in the case of special business (as more particularly defined in Article 16) the general nature of that business.

15. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice thereof shall not invalidate any resolutions passed at that meeting.

16. Proceedings at Meetings of Members

16.1 With the exception of the following, all business shall be deemed special that is transacted at a general meeting and an annual general meeting:

16.1.1 consideration of the accounts;

16.1.2 reports of the Board;

16.1.3 report of the Auditors;

16.1.4 election of directors; and

16.1.5 the appointment and the fixing of the remuneration of the Auditors.

17. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, six persons entitled to vote upon the business to be transacted, two of these being Individual Members or their proxies and four of these being Corporate Members or their duly authorised representatives.
18. If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of Members of the Company, 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, or at such other place as the Board may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum.
19. The Chair of the Company or, in their absence, an alternative director nominated by the Chair, shall preside as Chair at every general meeting but if they are not present within fifteen minutes after the time appointed for holding a meeting, or are unwilling to preside, the Members present shall choose some Member or its duly authorised representative, in either case who shall be present to preside at that general meeting.
20. 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 business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
21. At any general meeting a resolution put to the vote of the meeting shall be decided either on a show of hands, unless a poll is, before or upon the declaration of the result of the Electronic Voting or on a show of hands, demanded by the Chair or by any Member or Members present in each case in person or by proxy or by its duly authorised representative and representing not less than one tenth of the total voting rights of all the Members having the right

to vote at the meeting. Unless a poll be so demanded a declaration by the Chair 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 Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn before the poll is taken.

22. Subject to the provisions of Article 21, if a poll is demanded, it shall be taken at such time and place, and in such manner, as the Chair shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
23. No poll shall be demanded on the election of a Chair of a meeting, or on any question of adjournment.
24. In the case of an equality of votes, whether on a show of hands or on a poll, the Chair shall be entitled to a second or casting vote.
25. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

26. **Votes of Members**

Subject as hereinafter provided, every voting Member (as outlined in Article 2.2) shall have one vote.

27. Save as herein expressly provided, no person other than a member duly registered who has paid all monies then due to the Company or, such member being a corporation, its duly authorised representative, shall be entitled to vote on any question, matter or resolution proposed at any general meeting or circulated in hard copy form or electronically.
28. Votes may be given by way of a show of hands, by Electronic Voting, or on a poll either personally or by proxy. In the event Electronic Voting is used, in order for an Electronic Vote to be counted, the Electronic Vote must be received by the Company, in order of priority, before:
 - 28.1 the resolution lapses, if the communication is a resolution;
 - 28.2 any date stated as being the deadline in the email; or
 - 28.3 within 72 hours of the email notifying of the voting options being sent.

29. Any instrument appointing a proxy shall be in writing under the hand of the appointer or their attorney duly authorised in writing.
30. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Office not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.
31. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of the death, insanity or revocation as aforesaid shall have been received at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
32. Any instrument appointing a proxy shall be in the following form or as near thereto as circumstances will admit:

I/We,

of

a member of The Recruitment and Employment Confederation,

hereby appoint,

of

and failing them,

of

as my/our proxy to vote for me/us and on my/our behalf at the

[Annual or general, or adjourned, as the case may be] meeting of the Company to be held on the day of,

and at every adjournment thereof.

As witness my hand/the hand of our duly appointed representative this ____

day of 20[]"

33. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

34. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as if it had been passed at a general meeting.

THE BOARD

35. The Board shall consist of not less than six and not more than 11 persons (including the Chief Executive) and at least two representatives of the group at 35.1 and one representative of the group at 35.2. If directors have been appointed under 35.3, at least one of these directors also needs to be present. Of these:
- 35.1 Not more than four directors will be Corporate Directors, appointed by election amongst Members (see Articles 41-49).
 - 35.2 Not more than two directors will be Individual Directors, appointed by election amongst Members (see Articles 41-49).
 - 35.3 Not more than four directors will be Independent Directors, appointed by fair process managed by the Remuneration and Appointments Committee (see Articles 46-49).
 - 35.4 The Chief Executive of the Company.
36. Subject to Article 50 (Disqualification of Directors) and the appointment not being terminated for any reason, the appointment to the Board shall be for a period of three years. After three years, a director may apply to the Board to serve for a further three years, to a maximum of six years in total. The exception is the Chief Executive, who serves *ex officio*.
37. Having served a maximum term of six years, a Board member shall be ineligible to stand for re-election or appointment to the Board until three years have passed.
38. **Chair**
- 38.1 Candidate(s) for Chair of the Company shall be recommended by the Board for confirmation at an annual general meeting. The Chair of the Company must be either a Corporate Member or an Individual Member.
 - 38.2 The Chair shall be appointed for a maximum term to cover three annual general meetings from appointment as Chair. At the end of the term the Chair shall be expected to stand down from the

Board. The elected term of office of the Chair supersedes other Board terminations.

- 38.3 The Chair shall preside as chair at all meetings of the Board at which they shall be present, but if they are not present within fifteen minutes after the time appointed for holding a meeting or is unwilling to preside, the directors present shall choose one of their number to preside at that meeting.

39. Chief Executive

- 39.1 The Chief Executive shall be appointed by the Board, who will consult with the Advisory Council on the appointment process. The duties of the Chief Executive (who need not be a Member) shall be to manage and conduct the business of the Company, within the overall policy decided by the Board.

40. Vacancies

- 40.1 The Board may act notwithstanding any vacancy in their number, unless the number of directors is less than the number fixed as the quorum, in which case the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- 40.2 In addition and without prejudice to any other powers hereby or by law conferred on the directors, the directors may, from time to time and for such period and to such extent and generally on such terms as the directors shall think fit, delegate to any director or directors and/or any employee of the Company employed in or in connection with the management, administration, organisation and conduct of the affairs of the Company, any powers and duties of the directors as may be reasonable.
- 40.3 Subject to the provisions of the Act, the directors of the Company may appoint one or more of their number to the office of Chief Executive or to any other executive office of the Company, and may enter into an agreement or arrangement with any director for their employment by the Company or for the provision by them of any services outside the scope of the ordinary duties of a director. Any such appointment or agreement may be made upon such terms as the directors determine and they may remunerate any such director for their services as they think fit.
- 40.4 Each director may be repaid out of the funds of the Company such reasonable out-of-pocket expenses as the directors shall from

time to time determine in respect of their attendance at meetings of the directors or on behalf of the affairs of the Company.

APPOINTMENT OF DIRECTORS

41. Individual Directors shall be appointed by Ordinary Resolution of the Individual Members entitled to vote. Corporate Directors shall be appointed by Ordinary Resolution of the Corporate Members entitled to vote.
42. Directors shall be elected to an initial term of three years, which may be renewed no more than once.
43. No person shall be appointed a director at any general meeting unless:
 - 43.1 not less than 28 nor more than 42 clear days before the date appointed for the meeting, notice executed by (1) at least three Individual Members of their intention to propose that person for appointment as an Individual Director or (2) a Corporate Member of the intention to propose that a representative of that Corporate Member be nominated for appointment as a Corporate Director has been given to the Company stating the particulars which would, if they were so appointed, be required to be included in the Company's Register of Directors together with a notice executed by that person of their willingness to be appointed.
 - 43.2 The Board will instruct the Remuneration and Appointments Committee to review each application for Board membership, ensuring that applicants have met the criteria set out in the application pack, job description, and application form. Those that are deemed to have not met the criteria will not be allowed to proceed to the election ballot.
 - 43.3 Provided that:
 - 43.3.1 any Individual Director must be a Full Individual Member or a Fellow;
 - 43.3.2 no person may nominate a director or be nominated for a directorship if at the date by which notice of a proposal for appointment or reappointment as a director must be received, according to these Articles, they have not paid all sums then due to the Company.
44. Any person who shall be nominated as a director or hold office as the representative of a Corporate Member must be an officer or employee of that Corporate Member. Should they cease to be an officer or employee of that

Corporate Member, they must immediately resign their office as a director of the Company and shall be deemed to have resigned unless notice to the contrary has been received from the Corporate Member within 10 working days of such representative ceasing to be an officer or employee of the Corporate Member. For the avoidance of doubt, the Corporate Member has no right to appoint an alternative as its representative on the Board; such right shall be at the discretion of Company.

45. Not less than 14 nor more than 35 clear days before the date appointed for holding a general meeting, notice shall be given of any person who has put themselves up for election either as an Individual Director or a Corporate Director of the Company. The notice shall give the particulars of that person which would, if they were so appointed or reappointed, be required to be included in the Company's Register of Directors.
46. The Board will instruct the Remuneration and Appointments Committee to source candidates to be Independent Directors, based on criteria agreed by the Board. Candidates will be proposed by the Board to an annual general meeting for approval.
47. No person may be appointed as a director:
 - 47.1 unless they have attained the age of 18 years; or
 - 47.2 with the exception of the current serving Chief Executive, if the person is engaged by or is a serving employee of the Company or has been employed or engaged by the Company in any capacity within the previous three years.
48. Not less than 14 nor more than 35 clear days before the date appointed for holding a general meeting notice shall be given to all persons who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom the notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as an Individual Director or as a Corporate Director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's Register of Directors.
49. Save as otherwise provided in the Articles:
 - 49.1 the Individual Directors and Corporate Directors may appoint a person who is willing to act to be an Individual Director to fill a vacancy, up to the maximum stated in the Articles;

- 49.2 the Corporate Directors and Individual Directors may appoint a person who is willing to act to be a Corporate Director to fill a vacancy, up to the maximum stated in the Articles; and
- 49.3 a director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting in accordance with the provisions of the Articles, they shall vacate office at the conclusion thereof.

Disqualification of Directors

50. The office of director shall be vacated if the director:

- 50.1 becomes bankrupt or makes any arrangement or composition with their creditors; or
- 50.2 resigns, orally or by notice in writing to the Company or the Board, from the Board (but only if at least two directors remain in office when the notice of resignation is to take effect); or
- 50.3 is removed by notice in writing to the Board signed by a majority of the members of the Company; or
- 50.4 ceases to hold office by reason of any order made under the Company Directors Disqualification Act 1986; or
- 50.5 is removed from office by a resolution duly passed pursuant to of the Act; or
- 50.6 is absent from two meetings of the directors in a rolling 12 month period and the directors resolve that their office should be vacated; or
- 50.7 becomes incapable by reason of mental disorder, illness or injury of managing and administering their own affairs; or
- 50.8 is convicted of any criminal offence other than any minor motoring or similar offence that cannot reasonably damage the reputation of the Company; or
- 50.9 ceases to fulfil any criteria specified in these Articles in accordance with which they were appointed; or
- 50.10 (there being more than two directors) is removed by notice in writing to the Company signed by a majority of two-thirds of their co-directors.

DIRECTORS' INTEREST

51. Subject to the provisions of the Act, and provided that they have disclosed to the Board the nature and extent of any material interest of theirs, a director:
- 51.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 51.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - 51.3 shall not, by reason of their office, be accountable to the Company for any benefit which they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
52. For the purposes of Article 51:
- 52.1 a director can disclose the nature and extent of an interest in any transaction or arrangement through a general notice given to the Board; and
 - 52.2 an interest of which a director has no knowledge and of which it is unreasonable to expect them to have knowledge shall not be treated as an interest of theirs.

PROCEEDINGS OF THE BOARD

53. The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business, provided that such meetings are held at least six times during every year. Unless otherwise determined, six directors shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In cases of equality of votes the chair of the meeting shall have a second or casting vote.
54. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Company for the time being vested in the Board generally.

55. Unless the Chair deems otherwise, directors may join meetings of the Board by telephone, audio-visual link or other form of communication, so long as there is a reasonable connection to enable the proper business of the meeting.
56. The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of the Board and its committees, and all business transacted at such meetings, which shall be approved by the Chair as a fair record of the facts.
57. A resolution in writing signed by all the directors or by all the members of any committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or of that committee. Any such written instrument may be in several parts each signed by one or more directors or members of the committee as the case may be.
58. All acts bona fide done by any meeting of the Board or of any committee of the Board, or by any person acting as a committee member, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such person, 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 director or member of the committee as the case may be.
59. Any bank account in which any part of the assets of the Company is deposited shall be operated by or with the authority of the Board and shall indicate the name of the Company.

COMMITTEES

60. The Board may delegate any of its powers to committees. Each committee will have at least three members, including:
 - 60.1 at least one Board member;
 - 60.2 at least one Independent Committee Member;
 - 60.3 any other person as the Board sees fit.
61. The Board will instruct the Remuneration and Appointments Committee to source candidates to be members of committees, based on criteria agreed by the Board. Candidates may be proposed by the Remuneration and Appointments Committee to the Board, which has discretion in approving the appointment of candidates to vacant seats.
62. Committees shall appoint one of their number as chair, by simple majority in a vote. The committee chair will be appointed for a maximum term of three years

from the date of appointment. Other committee members may serve for an initial term of three years. They may then apply to the Board to serve for a further three years, up to a maximum of six years in total.

63. All committees may, in addition to the officers prescribed in Article 60, invite guests to inform and assist them in the execution of their business; but such guests shall not be entitled to vote on any of the proceedings of the committee unless authorised by the Board.
64. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board. The meetings and proceedings of any such committee shall be governed by the provisions of the Articles for regulating the meetings and proceedings of the Board so far as applicable. Such committees may exercise the powers of the Board and carry out the business of the Company, in accordance with such terms of reference that shall be drawn up and approved by the Board from time to time in relation to, inter alia, the following:
 - 64.1 the drawing up of criteria for admission to each category of Membership from time to time, for approval by the Board and the benefits and services to which the various categories of member shall be entitled;
 - 64.2 the investigation of the conduct of any Member and suspension of the membership of the Member concerned pending investigation if appropriate in the circumstances. Such a body shall have full power to exercise the right of the Board to acquit, suspend, reprimand or expel a Member and to publicise its decision subject to the Member exercising any right of appeal pursuant to the complaints and disciplinary procedure. Such body will be responsible for establishing the Complaints and Disciplinary Procedure of the Company, which shall be approved by the Board; and
 - 64.3 the power to investigate and approve or reject the application for membership of any person applying for membership in accordance with the criteria drawn up by the Board or the relevant body established under this Article.
65. The Board may also appoint committees, specialist sector and advisory groups or other bodies to exercise such powers and perform such duties under the control of the Board, as may be delegated to them by the Board. The meetings and proceedings of any such body shall be governed by such rules and procedures as may be determined by the Board from time to time.

SECRETARY

66. The secretary shall be appointed by the directors for such time, at such remuneration and upon such conditions as the directors may think fit, and any secretary so appointed may be removed by the directors. The directors may from time to time by resolution appoint an assistant or deputy secretary, and any person so appointed may act in place of the secretary if there be no secretary or no secretary capable of acting.

ACCOUNTS

67. The Board shall cause proper books of account to be kept to enable accounts to be prepared which comply with the relevant provisions of the Act. Proper books 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 affairs of the Company and to explain its transactions.
68. The books of account shall be kept at the Office or at such other place or places as the Board shall think fit and shall always be open to the inspection of the Board or any directors.
69. At the annual general meeting in every year the Board shall lay before the Company accounts including an income and expenditure account for the period since the last preceding account, made up to a date not more than 12 months before such meeting, together with a balance sheet made up as at the same date. Such accounts shall be accompanied by reports of the Board and the Auditors. Copies of such accounts and reports and of any other documents required by law to accompany the same shall, not less than 21 clear days before the date of the meeting, be sent to the Auditors and to all other persons entitled to receive notices of general meetings in the manner in which notices are hereinafter directed to be served. The Auditors' report shall be open to inspection and be laid before the meeting.
70. **Director of Finance**
- 70.1 The Company shall employ a Director of Finance who shall be responsible to the Chief Executive and under the supervision of the Board.
71. **Financial Year**
- 71.1 The Financial year of the Company shall be from 1st January to 31st December or such other period as the Board shall deem appropriate.

72. Audit

- 72.1 Once at least in every year the accounts of the Company shall be examined and reported upon by the Auditors.
- 72.2 The Auditors shall be one or more properly qualified auditor(s) not being members of the Board and their duties shall be regulated in accordance with the Act.

NOTICES

73. Notices of Changes of Ownership, Limited Company and Address

- 73.1 Every Corporate Member shall inform the membership department of the Company of a change or changes in the ownership of the business and/or a change of limited company (as opposed to a mere change of name of the limited company holding Corporate membership) and/or any address from which they operate in writing, for entry in the Register of Members. A change in ownership or a change of limited company holding Corporate membership may result in membership ceasing and requiring a re-application at the discretion of the Board.
 - 73.2 A Member who fails to register a change of ownership, limited company and/or address shall not be entitled to receive notices relating to the meetings and business of the Company nor to receive the Members magazines; and no meeting or other proceedings shall be invalidated by the reason of non-issue of a notice from that or any other cause.
 - 73.3 All notices and documents relating to the business of the Company, if being sent by post or delivered electronically or by other means to the address of any Member notified to the Company and registered shall be deemed to have been duly sent to the Member concerned and to have been received by them at the time of delivery or if posted when in the ordinary course of post they shall have reached them.
74. A notice may be served by the Company upon any member, either personally, by electronic mail or by sending it through the post in a prepaid letter, addressed to such member at their registered address as appearing in the Register of Members or by posting such notice on the website of the Company and drawing the members' attention to it by one of those methods.
75. Save as otherwise provided by the Act, only those members who are described in the Register of Members by an address within the UK shall be entitled to

receive notices from the Company. Provided that any member described in the Register of Members by an address not within the UK, who shall from time to time give the Company an address within the UK at which notices may be served upon them, shall be entitled to have notices served upon them at such address.

76. Any notice, if served by electronic mail shall be deemed served on the day following its transmission or if served by post, shall be deemed to have been served on the second day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the electronic mail was sent from the Company's server or the letter containing the notice was properly addressed and put into the post office as a first class prepaid letter.
77. Any director for the time being absent from the UK may supply to the Company an address or email address (whether or not within the UK) to which notices of meetings of the directors may be sent and shall then be entitled to receive at such address or number notice of such meetings.

LIABILITY AND INDEMNITY

78. In the management of the affairs of the Company no director shall be liable for any loss to the property of the Company arising by reason of an improper investment made in good faith (so long as they shall have sought professional advice before making such investment) or for the negligence or fraud of any agent employed by them or by any other director in good faith (provided reasonable supervision shall have been exercised), although the employment of such agent was not strictly necessary or by reason of any mistake or omission made in good faith by any director or by reason of any other matter or thing other than wilful and individual fraud, wrongdoing or wrongful omission on the part of the director who is sought to be made liable.
79. Subject to the provisions of the Act, every director and other officer of the Company and Auditors shall be indemnified out of the assets of the Company (or an appropriate Directors and Officers Liability insurance policy paid for by the Company) against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, and against all costs, charges, losses, expenses or liabilities incurred by them in the execution and discharge of their duties or in relation thereto.

DISSOLUTION

80. Clauses 6, 7 and 8 of the Memorandum of Association relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in the Articles.