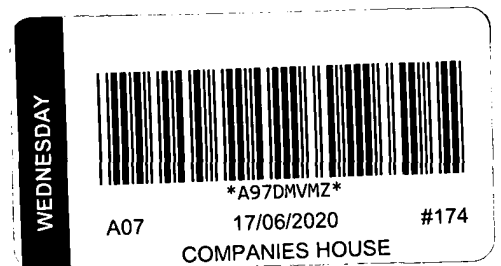


Company No: 2570030

THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE



ARTICLES OF ASSOCIATION and
CONSTITUTION
OF
THE NAUTICAL INSTITUTE

Incorporated on 20 December 1990
as amended by special resolution dated [31st May] 2013
and as amended by special resolution on 23rd May 2018

HHCS

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East Street
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THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

THE NAUTICAL INSTITUTE

Incorporated on 20 December 1990
as amended by special resolution dated [31st May] 2013

1. THE COMPANY'S NAME IS THE NAUTICAL INSTITUTE

(and in this document it is called the "Institute").

2. INTERPRETATION

In the Articles:

"address" means a postal address or, for the purposes of electronic communication, a fax number, an e-mail or postal address or a telephone number for receiving text messages in each case registered with the Institute;

"Council" shall consist of those persons appointed pursuant to Article 20 and having the powers in Article 21. The term 'Council member' shall be construed accordingly;

"the Articles" means the Institute's articles of association;

"the Charities Act" means the Charities Act 2011;

"clear days" in relation to the period of a notice means a period excluding:

- the day when 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;

"the Commission" means the Charity Commission for England and Wales;

“Companies Acts”	means the Companies Acts (as defined in Section 2 of the Companies Act 2006) insofar as they apply to the Institute;
“connected person”	means any of the following: a) any parent, child (including stepchild or illegitimate child), brother, sister, grandparent or grandchild of an Executive Board member; b) the spouse or civil partner of an Executive Board member or of any person in (a), including anyone living as the spouse or civil partner of any of the above; c) any person carrying on business in partnership with an Executive Board member or any person in a) to b) above d) any institution which is controlled either by an Executive Board member alone or in combination with any one or more of the persons in a) to c) above e) any body corporate in which an Executive Board member, either alone or in combination with any one or more of the persons in a) to c) above, holds more than twenty percent (20%) of the share capital or more than twenty percent (20%) of the voting rights in the body corporate. Any person who is a connected person in relation to any Executive Board member is referred to in these Articles as ‘connected’ to that Executive Board member;
“document”	includes, unless otherwise specified, any document sent or supplied in electronic form;
“electronic form”	has the meaning given in section 1168 of the Companies Act 2006;
“the Executive Board”	shall consist of those persons appointed pursuant to Article 25 and having the powers in Article 26. The Executive Board shall mean the board of directors of the Institute and shall include the Treasurer of the Institute. The individual members of the board shall be company directors and also charity trustees as defined by section 177 of the Charities Act. The term ‘Executive Board member’ shall be construed accordingly;
“the Institute”	means the company intended to be regulated by the Articles;
“Officers”	means those persons appointed in accordance with

Article 19.1;

- “the Seal”** means the common seal of the Institute if it has one;
- “Secretary”** means the person appointed to perform the duties of the secretary of the Institute, in accordance with Article 35;
- “the United Kingdom”** means Great Britain and Northern Ireland.

Words importing one gender shall include all genders, and the singular includes the plural and vice versa.

Unless the context otherwise requires, words or expressions contained in the Articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when this constitution becomes binding on the Institute.

Apart from the exception mentioned in the previous paragraph, a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

3. LIABILITY OF MEMBERS

The liability of the members is limited to a sum not exceeding £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

- 3.1 payment of the Institute's debts and liabilities incurred before he, she or it ceases to be a member;
- 3.2 payment of the costs, charges and expenses of winding up; and
- 3.3 adjustment of the rights of the contributories among themselves.

4. OBJECTS

The Institute's objects ('Objects') are specifically restricted to the following:

to advance public education in the study of nautical science and subject thereto nautical studies generally.

5. POWERS

The Institute has power to do anything which is calculated to further its Objects or is conducive or incidental to doing as. In particular, the Institute has power:

- 5.1 to encourage and promote a high standard of qualification, competence and knowledge among those involved in the control of seagoing craft including non-displacement craft;

- 5.2 to facilitate the exchange and publication of information and ideas on nautical science, to encourage research therein and to publish the results thereof;
- 5.3 to liaise with government departments and others bodies concerned with statutory or other qualifications, and with universities and other educational institutes and authorities in the furtherance of education and training in nautical science and practice;
- 5.4 To establish and maintain appropriate educational and professional standards of membership and to encourage the formation of Branches worldwide;
- 5.5 to raise funds. In doing so the Institute must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations;
- 5.6 to enter into contracts in order to further the Objects;
- 5.7 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- 5.8 to sell, lease or otherwise dispose of all or any part of the property belonging to the Institute. In exercising this power, the Institute must comply as appropriate with sections 117 and 122 of the Charities Act;
- 5.9 to borrow money and to charge the whole or any part of the property belonging to the Institute as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The Institute must comply as appropriate with sections 124 to 126 of the Charities Act, if it wishes to mortgage land;
- 5.10 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- 5.11 to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects and to subscribe or guarantee money for charitable purposes;
- 5.12 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charitable trusts, associations, institutions, societies, companies, social enterprises or voluntary bodies with similar charitable purposes;
- 5.13 to set aside income as a reserve against future expenditure in accordance with the Institute's reserve policies, whereby its Contingency Reserve should be based on 3 months staff costs, 6 months rent and services and the average trade creditors, and Projects Reserve enabling funding of specific projects with approval of the Executive Board, which will be reviewed annually;
- 5.14 to employ and remunerate such staff as are necessary for carrying out the work of the Institute and to make all reasonable and necessary provision for the payment of pensions and superannuation to such persons and their dependants. The Institute may employ one of its members to any salaried position. The Institute may employ or remunerate a Executive Board member only to the extent it is permitted to do so by Article 6 and provided it complies with the conditions in that Article;

5.15 in respect of investments to:

5.15.1 deposit or invest funds;

5.15.2 employ a professional fund manager; and

5.15.3 arrange for the investments or other property of the Institute to be held in the name of a nominee;

in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000, provided that in case the Institute shall take or hold any property which may be subject to any trusts, the Institute shall only deal with or invest the same in such manner as allowed by law having regard to such trusts;

5.16 to provide indemnity insurance for the Executive Board members in accordance with, and subject to the conditions in, section 189 of the Charities Act;

5.17 to make bye laws, rules and regulations with regard to the affairs of the management of the Institute;

5.18 to do all such other lawful things as are necessary to the attainment or furtherance of the said Objects.

6 APPLICATION OF INCOME AND PROPERTY

6.1 The income and property of the Institute shall be applied solely towards the promotion of the Objects.

6.2 Executive Board members and Council members are entitled to be reimbursed from the property of the Institute or may pay out of such property reasonable expenses properly incurred by them when acting on behalf of the Institute.

6.3 An Executive Board member may benefit from trustee indemnity insurance cover purchased at the Institute's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act.

6.4 An Executive Board member may receive an indemnity from the Institute in the circumstances specified in Article 41.

6.5 None of the income or property of the Institute may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Institute. This does not prevent a member receiving:

6.5.1 a benefit from the Institute in the capacity of a beneficiary of the Institute;

6.5.2 reasonable and proper remuneration for any goods or services supplied to the Institute;

6.5.3 a reasonable salary for paid employment within the Institute, including any associated financial or non-financial benefits.

6.6 No Executive Board member or connected person may:

6.6.1 buy any goods or services from the Institute on terms preferential to those applicable to other members of the public;

6.6.2 sell goods, services or any interest in land to the Institute;

6.6.3 be employed by or receive remuneration from the Institute;

6.6.4 receive any other financial benefit from the Institute

unless the payment is permitted by Article 6.7, or authorised by the Court or the prior written consent of the Commission has been obtained.

In this Article a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

6.7 An Executive Board member or connected person may receive a benefit from the Institute in the capacity of a beneficiary of the Institute, provided that a majority of the Executive Board members do not benefit in this way.

6.8 An Executive Board member or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the Institute where that is permitted in accordance with, and subject to the conditions in, sections 185-186 of the Charities Act.

6.9 Subject to Article 6.13, an Executive Board member or connected person may provide the Institute with goods that are not supplied in connection with services provided to the Institute by the Executive Board member or connected person.

6.10 An Executive Board member or connected person may receive interest on money lent to the Institute at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).

6.11 An Executive Board member or connected person may receive rent for premises let by the Executive Board member or connected person to the Institute. The amount of the rent and the other terms of the lease must be reasonable and proper. The Executive Board member concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

6.12 An Executive Board member or connected person may take part in the normal trading and fundraising activities of the Institute on the same terms as members of the public.

6.13 The Institute and its Executive Board may only rely upon the authority provided by Article 6.9 if each of the following conditions is satisfied:

6.13.1 The amount or maximum amount of the payment for the goods is set out in an agreement in writing between:

6.13.1.1 the Institute or its Executive Board (as the case may be); and

6.13.1.2 the Executive Board member or connected person supplying the goods ("the supplier") under which the supplier is to supply the goods in question to or on behalf of the Institute.

6.13.2 The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.

6.13.3 The other Executive Board members are satisfied that it is in the best interests of the Institute to contract with the supplier rather than with someone who is not an Executive Board member or connected person. In reaching that decision the Executive Board must balance the advantage of contracting with an Executive Board member or connected person against the disadvantages of doing so.

6.13.4 The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with them with regard to the supply of goods to the Institute.

6.13.5 The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of Executive Board members is present at the meeting.

6.13.6 The reason for their decision is recorded by the Executive Board in the minute book.

6.13.7 A majority of the Executive Board members then in office are not in receipt of remuneration or payments authorised by Article 6.

6.14 In Articles 6.7-6.13 "Institute" shall include any company in which the Institute:

- holds more than fifty percent (50%) of the shares; or
- controls more than fifty percent (50%) of the voting rights attached to the shares; or
- has the right to appoint one or more directors to the board of the company.

7 MEMBERS

7.1 Apart from the original subscribers, membership is open to other individuals who:

7.1.1 apply to the Institute in the form required by Council; and

7.1.2 are approved by Council.

- 7.2 The Council may make such by-laws or regulations and vary the same from time to time as they consider necessary to govern all matters relating to membership including (but not limited to) classes of members, qualifications for membership, election or admission to membership, transfers between classes of members, fees and subscriptions.
- 7.3 Membership is not transferable.
- 7.4 The Council must keep a register of names and addresses of the members.
- 7.5 Membership applications will be administered by HQ staff on behalf of Council. Applications of concern will be passed to the Nominations Committee for consideration.

8 CLASSES OF MEMBERSHIP

- 8.1 The Executive Board may establish classes of membership with different rights and obligations and shall record the rights and obligations in the register of members.
- 8.2 The classes of voting membership for the time being are:
 - 8.2.1 Fellow
 - 8.2.2 Honorary Fellow
 - 8.2.3 Associate Fellow
 - 8.2.4 Member
 - 8.2.5 Associate Member

but the Executive Board shall have the power to add to the classes at any time.

- 8.3 The Executive Board members may not directly or indirectly alter the rights or obligations attached to an existing class of membership.
- 8.4 The rights attached to a class of membership may only be varied if:
 - 8.4.1 three-quarters of the members of that class consent in writing to the variation;
or
 - 8.4.2 a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation.
- 8.5 The provisions in the Articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members.

9 TERMINATION OF MEMBERSHIP

- 9.1 Membership is terminated if:

9.1.1 the member dies;

9.1.2 the member resigns by written notice to the Institute unless, after the resignation, there would be less than two members;

9.1.3 the member is removed from membership by a resolution of two-thirds of those Council members present at a Council meeting, provided that the member is guilty of any unprofessional conduct or he has wilfully contravened any of the rules, regulations or bye laws of the Institute, or whose continued membership is in the opinion of the Executive Board not in the best interests of the Institute. Any member whose removal from membership is under consideration shall, if he so desires, have reasonable opportunity to be legally represented and state his case at an Executive Board meeting.

9.2 Should any sum due from a member of the Institute be not paid in full within six months, the Executive Board may determine that their membership shall be terminated.

10 GENERAL MEETINGS

10.1 An annual general meeting must be held each year and not more than fifteen months may elapse between successive annual general meetings.

10.2 The Executive Board may call a general meeting at any time.

10.3 Members who hold not less than ten percent (10%) of the voting rights, or five percent (5%) if it is longer than twelve months since the last general meeting, may call a general meeting at any time.

11 NOTICE OF GENERAL MEETINGS

11.1 The minimum periods of notice required to hold a general meeting of the Institute are:

11.1.1 **one** calendar **month** for the annual general meeting;

11.1.2 **twenty-one** clear **days** for a general meeting called for the passing of a special resolution;

11.1.3 **fourteen** clear **days** for all other general meetings.

11.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting, being a majority who together hold not less than ninety percent (90%) of the total voting rights.

11.3 The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006 and Article 16.

- 11.4 The notice must be given to all the members of the Institute and to the Executive Board members, Council members and auditors.
- 11.5 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Institute.

12 PROCEEDINGS AT GENERAL MEETINGS

- 12.1 No business shall be transacted at any general meeting unless a quorum is present.
- 12.2 A quorum is **twenty** members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting.
- 12.3 General meetings shall be chaired by the President of the Institute or, in his absence, the senior Vice-President. In the absence of the President and all Vice-Presidents, the Chairman of the Executive Board shall act as Chairman or, in his absence, a Vice-Chairman of the Executive Board.
- 12.4 If there is only one Executive Board member present and willing to act, he or she shall chair the meeting.
- 12.5 If no Executive Board member is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.

13. ADJOURNMENTS

- 13.1 If a quorum is not present within half an hour from the time appointed for the meeting or, during a meeting a quorum ceases to be present, the meeting shall be adjourned to such time and place as the Executive Board shall determine.
- 13.2 The Executive Board must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
- 13.3 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting, the members present in person or by proxy at that time shall constitute the quorum for that meeting.
- 13.4 The members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- 13.5 The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- 13.6 No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.

- 13.7 If a meeting is adjourned by a resolution of the members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.

14 VOTES OF MEMBERS

- 14.1 Subject to Articles 8 and 14.3, every member shall have one vote. The Executive Board may make provision for postal voting as appropriate.
- 14.2 Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.
- 14.3 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the general meeting shall be entitled to a second or casting vote.
- 14.4 The declaration by the person who is chairing the meeting of the result of the vote shall be conclusive unless a poll is demanded.
- 14.5 The result of the vote must be recorded in the minutes of the Institute but the number or proportion of votes cast need not be recorded.

15 POLL VOTING

- 15.1 Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:
- 15.1.1 by the person chairing the meeting; or
- 15.1.2 by at least **five** members present in person or by proxy and having the right to vote at the meeting; or
- 15.1.3 by a member or members present in person or by proxy representing not less than ten percent (**10%**) of the total voting rights of all the members having the right to vote at the meeting.
- 15.2 A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting.
- 15.3 If the demand for a poll is withdrawn, the demand shall not invalidate the result of a show of hands declared before the demand was made.
- 15.4 A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
- 15.5 Votes may be given on a poll either personally or in writing.
- 15.6 The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

- 15.7 No poll may be demanded on the election of a person to chair a meeting or on a question of adjournment.
- 15.8 A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
- 15.9 The poll must be taken within thirty days after it has been demanded.
- 15.10 If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 15.11 If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

16 CONTENT OF PROXY NOTICES

- 16.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which –
 - 16.1.1 states the name and address of the member appointing the proxy;
 - 16.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 16.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Executive Board may determine; and
 - 16.1.4 is delivered to the Institute in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 16.2 The Institute may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 16.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 16.4 Unless a proxy notice indicates otherwise, it must be treated as –
 - 16.4.1 allowing the person appointed under it as a proxy, discretion as to how to vote on any ancillary or procedural resolutions to put to the meeting; and
 - 16.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as to the meeting itself.

17 DELIVERY OF PROXY NOTICES

- 17.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Institute by or on behalf of that person, provided that a revocation has been received by the Institute as required below..

- 17.2 An appointment under a proxy notice may be revoked by delivering to the Institute a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 17.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 17.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

18 WRITTEN RESOLUTIONS

- 18.1 A resolution in writing agreed by a simple majority, or in the case of a special resolution by a majority of not less than seventy-five percent (75%), of the members who would have been entitled to vote upon it had it been proposed at a general meeting, shall be effective, provided that:
 - 18.1.1 a copy of the proposed resolution has been sent to every eligible member;
 - 18.1.2 a simple majority, or in the case of a special resolution a majority of not less than seventy-five percent (75%), of members have signified their agreement to the resolution; and
 - 18.1.3 it is contained in an authenticated document which has been received at the registered office within the period of twenty-eight days beginning with the circulation date.
- 18.2 A resolution in writing may comprise several copies to which one or more members have signified their agreement.

19 OFFICERS

- 19.1 The following Officers shall be appointed by the members at the annual general meeting:
 - 19.1.1 President, who shall be a Fellow, Honorary Fellow, Associate Fellow or Member and has served on the Executive Board or the Council;
 - 19.1.2 a maximum of **eight** Vice-Presidents, each of whom are likely to have served on the Executive Board or the Council;
 - 19.1.3 Treasurer, who shall be a Fellow, Honorary Fellow or other voting member of the Institute and who shall become a Trustee and Director of the Institute on the Executive Board.
- 19.2 The President and Vice-Presidents shall be members of the Council but not of the Executive Board.
- 19.3 The President shall be appointed for a term of two years.

- 19.4 The immediate Past President, on retiring as President, will automatically remain a member of the Council for a period of **two** years, unless he is elected to the Executive Board.
- 19.5 Vice Presidents shall be appointed for a term of **six** years and may be eligible for re-election for a further period of **three** years. Vice Presidents may not hold office for more than **nine** consecutive years, except in exceptional circumstances, as determined by the Council. One Vice President shall be nominated by the Nominations Committee for election by the Council as the Senior Vice President who shall have a term of office of **two** years.
- 19.6 The Treasurer shall be appointed for a term of **three** years and may be eligible for re-election for a further period of **three** years.
- 19.7 No salaried employee of the Institute shall be nominated to any office of the Institute, save that the Chief Executive as Company Secretary may be an employee.

20 COUNCIL

- 20.1 The Council shall be elected by the members at the annual general meeting and no member of the Council shall be appointed if they are not a member of the Institute.
- 20.2 The Council shall act under delegated authority from the Executive Board and shall be subject to the same restrictions as the Executive Board.
- 20.3 The number of members of the Council shall be not less than thirty-five and not more than fifty-six, including the President, immediate Past President, and Vice Presidents.
- 20.4 The members may from time to time in general meeting increase or reduce the number of members of the Council.
- 20.5 Not less than forty percent (40%) of the Council shall be actively engaged in a seagoing capacity and not more than ten percent (10%) shall be Associate Members. No person shall be eligible for the Council who is not a Fellow, Honorary Fellow, Associate Fellow, Member or Associate Member.
- 20.6 Members of the Council shall be elected for **three** years but may be eligible for re-election. No member may be a member of the Council for more than **six** consecutive years, with the exception of the President and Vice Presidents.

21 POWERS OF THE COUNCIL

- 21.1 The Council shall appoint the Executive Board.
- 21.2 The following appointments shall be made by the Council:
- 21.2.1 Chairman of the Executive Board;
 - 21.2.2 Vice-Chairmen of the Executive Board;
 - 21.2.3 Chairmen of each of the Committees (Article 34);

- 21.3 The Chairman, Vice-Chairman and Hon Treasurer of the Executive Board shall be appointed for a term of three years and may be eligible for re-election for a further period of **three** years. In exceptional circumstances the appointments may be extended at the discretion of the Council, provided that his or her total terms of office on the Executive Board does not exceed **twelve** years.
- 21.4 The Council shall advise the Executive Board on any particular matter or matters which are referred to it by the Executive Board or the Committees or which the Council may wish to draw to the attention of the Executive Board. The Council shall have no fiscal or executive authority.

22 APPOINTMENT OF MEMBERS OF THE COUNCIL

- 22.1 Not less than three months before the annual general meeting, the Executive Board shall send to each member entitled to vote at the meeting through publication in Seaways a list of the vacancies about to occur in the offices of President, Vice President, Council member and Treasurer at the conclusion of the annual general meeting.
- 22.2 Not later than two months after the issue of the Executive Board's list, any two members entitled to vote may nominate eligible persons to fill vacancies about to occur in the offices of Council members by delivering such nomination in writing, together with the consent of such persons to accept office if elected, but each such nominator shall be debarred from nominating any other person for the same election.
- 22.3 The persons so elected shall take office at the conclusion of the annual general meeting.
- 22.4 Members of the Council may appoint a member who is willing to act to be a member of the Council, either to fill a vacancy or as an additional member of the Council, provided that:
- 22.4.1 the appointment does not cause the number of members of the Council to exceed the maximum;
- 22.4.2 the member so appointed shall only hold office until the next annual general meeting; and
- 22.4.3 if not re-appointed at the next annual general meeting, shall vacate office at the conclusion of that meeting.

23 DISQUALIFICATION AND REMOVAL OF COUNCIL MEMBERS

- 23.1 A Council member shall cease to hold office if he or she:
- 23.1.1 ceases to be a member of the Institute;
- 23.1.2 becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs; or
- 23.1.3 resigns as a Council member by notice to the Institute.

- 23.2 The members of the Institute may, by ordinary resolution, remove any member of the Council before the expiration of his period of office and may, by ordinary resolution, appoint another qualified member in his stead; but any person so appointed shall retain his office so long only as the member in whose place he is appointed would have held the same if he had not been removed.
- 23.3 If a member of the Council 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.

24 PROCEEDINGS OF THE COUNCIL

- 24.1 The Council may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, subject to the provisions of the Articles.
- 24.2 The President of the Institute or, in his absence, the senior Vice-President present or, in the absence of any Vice-President, the senior ordinary Council member present shall act as Chairman at meetings of the Council.
- 24.3 The Chairman of the Council may call a Council meeting at any time. **Five** or more Council members may, and upon their request the Chief Executive shall, at any time, summon a meeting of the Council by notice served upon the Council members.
- 24.4 Questions arising at a meeting shall be decided by a majority of votes.
- 24.5 In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.
- 24.6 No decision may be made by a meeting of the Council members unless a quorum is present at the time the decision is purported to be made.
- 24.7 The quorum shall be **six** Council members, or such larger number as may be decided from time to time by the Council.
- 24.8 A Council member shall not be counted in the quorum present when any decision is made about a matter upon which that Council member is not entitled to vote.

25 EXECUTIVE BOARD

- 25.1 An Executive Board member must be a natural person aged 18 years or older.
- 25.2 No one may be appointed an Executive Board member if he or she would be disqualified from acting under the provisions of Article 28.
- 25.3 No person shall be eligible for the Executive Board who is not a Fellow, Honorary Fellow, Associate Fellow or Member.
- 25.4 The number of Executive Board members shall be not less than **eight** and not more than **fifteen**, including the Treasurer. The company secretary shall be entitled to attend ex-officio.
- 25.5 The members of the Institute may from time to time increase or reduce the number of members of the Executive Board and determine the period of office.
- 25.6 An Executive Board member may not appoint an alternate Executive Board member or anyone to act on his or her behalf at meetings of the Executive Board.

26 POWERS OF THE EXECUTIVE BOARD

- 26.1 The Executive Board shall manage the business of the Institute and may exercise all the powers of the Institute, unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any special resolution of the members.
- 26.2 No alteration of the Articles or any special resolution shall have retrospective effect to invalidate any prior act of the Executive Board.
- 26.3 Any meeting of the Executive Board at which a quorum (Article 30.8) is present at the time the relevant decision is made, may exercise all the powers exercisable by the Executive Board.

27 APPOINTMENT OF EXECUTIVE BOARD MEMBERS

- 27.1 The Executive Board shall be elected by the Council and, if the appointed person is a member of the Council at the time, shall cease to be a member of the Council upon appointment to the Executive Board.
- 27.2 The Treasurer shall be appointed for the term of office in Article 19.6. Other members of the Executive Board shall be appointed for **three** years or such lesser term as Council may decide but may be eligible for re-election. No member of the Executive Board shall be in office for longer than **six** consecutive years measured from the beginning of their first full term of three years, with the exception of the Chairman, Vice Chairman and Hon Treasurer as set out in Article 21.3.

28 DISQUALIFICATION AND REMOVAL OF EXECUTIVE BOARD MEMBERS

- 28.1 An Executive Board member shall cease to hold office if he:
 - 28.1.1 ceases to be an Executive Board member by virtue of any provision in the Companies Acts or is prohibited by law from being a company director;
 - 28.1.2 is disqualified from acting as a trustee by virtue of section 178 and 179 of the Charities Act (or any statutory re-enactment or modification of that provision);
 - 28.1.3 ceases to be a member of the Institute;
 - 28.1.4 in the written opinion, given to the Institute, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as an Executive Board member and may remain so for more than three months;
 - 28.1.5 resigns as an Executive Board member by notice to the Institute (but only if at least two Executive Board members will remain in office when the notice of resignation is to take effect);
 - 28.1.6 is absent without the permission of the Executive Board members from all their meetings held within a period of one year and the Executive Board members resolve that his office be vacated; or
 - 28.1.7 fails to contribute to meetings of the Executive Board, either in person or

electronically, and the Executive Board members resolve that his office be vacated.

- 28.2 The Council shall have power to remove a member of the Executive Board, subject to ratification by the members at the next general meeting.

29 REMUNERATION OF EXECUTIVE BOARD MEMBERS

The Executive Board members must not be paid any remuneration unless it is authorised by Article 6.

30 PROCEEDINGS OF THE EXECUTIVE BOARD MEMBERS

- 30.1 The Executive Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, subject to the provisions of the Articles.
- 30.2 The Chairman of the Executive Board or, in his absence, the Vice-Chairman, shall act as Chairman of meetings of the Executive Board. In the event of the absence of the Chairman and the Vice-Chairman of the Executive Board, the senior ordinary Executive Board member shall chair the meeting.
- 30.3 The Chairman of the Executive Board may call an Executive Board meeting at any time. **Three** or more Executive Board members may, and upon their request the Chief Executive shall, at any time, summon a meeting of the Executive Board by notice served upon the Executive Board members.
- 30.4 Questions arising at a meeting shall be decided by a majority of votes.
- 30.5 In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.
- 30.6 A meeting may be held by suitable electronic means agreed by the Executive Board members in which each participant may communicate with all the other participants.
- 30.7 No decision may be made by a meeting of the Executive Board members unless a quorum is present at the time the decision is purported to be made. 'Present' includes being present by suitable electronic means agreed by the Executive Board in which a participant or participants may communicate with all the other participants.
- 30.8 The quorum shall be **four** Executive Board members, or such larger number as may be decided from time to time by the Executive Board.
- 30.9 An Executive Board member shall not be counted in the quorum present when any decision is made about a matter upon which that Executive Board member is not entitled to vote.
- 30.10 If the number of Executive Board members is less than the number fixed as the minimum number, the continuing Executive Board members or Executive Board member may act only for the purpose of filling vacancies or of calling a general meeting.

- 30.11 A resolution in writing or in electronic form agreed by a simple majority of all the Executive Board members entitled to receive notice of a meeting of the Executive Board, or of a Committee of Executive Board members, and to vote upon the resolution, shall be as valid and effectual as if it had been passed at a meeting of the Executive Board members, or Committee of Executive Board members, duly convened and held.
- 30.12 The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more Executive Board members has signified their agreement.

31 DECLARATION OF EXECUTIVE BOARD MEMBERS' INTERESTS

- 31.1 An Executive Board member must declare the nature and extent of any interest, direct or indirect, which he has in a proposed transaction or arrangement with the Institute or in any transaction or arrangement entered into by the Institute which has not previously been declared. An Executive Board member must absent himself from any discussions of the Executive Board in which it is possible that a conflict will arise between his duty to act solely in the interests of the Institute and any personal interest (including but not limited to any personal financial interest).

32 CONFLICTS OF INTEREST

- 32.1 If a conflict of interests arises for an Executive Board member because of a duty of loyalty owed to another organisation or person, and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted Executive Board members may authorise such a conflict of interest where the following conditions apply:

32.1.1 the conflicted Executive Board member is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

32.1.2 the conflicted Executive Board member does not vote on any such matter and is not to be counted when considering whether a quorum of Executive Board members is present at the meeting; and

32.1.3 the unconflicted Executive Board members consider it is in the interests of the Institute to authorise the conflict of interests in the circumstances applying.

- 32.2 In this Article a conflict of interest arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to an Executive Board member.

33 VALIDITY OF EXECUTIVE BOARD MEMBERS' DECISIONS

- 33.1 Subject to Article 33.2, all acts done by a meeting of the Executive Board, or of a Committee of Executive Board members, shall be valid notwithstanding the participation in any vote of an Executive Board member:

33.1.1 who was disqualified from holding office;

33.1.2 who had previously retired or who had been obliged by the constitution to vacate office;

33.1.3 who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if without:

33.1.4 the vote of that Executive Board member; and

33.1.5 that Executive Board member being counted in the quorum;

the decision has been made by a majority of the Executive Board members at a quorate meeting.

33.2 Article 33.1 does not permit an Executive Board member to keep any benefit that may be conferred upon him by a resolution of the Executive Board members or of a Committee of Executive Board members if, but for Article 33.1, the resolution would have been void, or if the Executive Board member has not complied with Article 31.

34 DELEGATION

34.1 The Executive Board may delegate any of their powers or functions to Committees consisting of such Executive Board members, members of the Council, other members of the Institute and staff as they think fit, but the terms of any delegation must be recorded in the minute book.

34.2 The Executive Board may impose conditions when delegating, including the conditions that:

34.2.1 the relevant powers are to be exercised exclusively by the committee to whom they delegate;

34.2.2 no expenditure may be incurred on behalf of the Institute except in accordance with a budget previously agreed with the Executive Board.

34.3 The Executive Board may revoke or alter a delegation at any time.

34.4 The Committees may include, but shall not be limited to, the following:

34.4.1 Assurance Committee

34.4.2 Nominations Committee

34.4.3 Financial/Audit Committee

34.4.4 such Specialist Committees as shall be required.

34.5 The Assurance Committee and the Nominations Committee shall report to and make recommendations to the Council.

- 34.6 The Financial/Audit Committee shall report fully and promptly to the Executive Board.
- 34.7 The Specialist Committees shall report fully and promptly to Council and to the Executive Board as appropriate.
- 34.8 The Council shall be responsible for appointing the Chairman of each of the Committees, who shall be appointed for a term not exceeding **six** years. In exceptional circumstances the appointments may be extended at the discretion of the Council.

35 CHIEF EXECUTIVE/COMPANY SECRETARY

- 35.1 The Chief Executive, who may also act as company secretary, shall be appointed by the Executive Board for such time, at such remuneration and upon such conditions as it may think fit, and any Chief Executive so appointed may be removed by the Executive Board.
- 35.2 The Executive Board may from time to time by resolution appoint an assistant or deputy, and any person so appointed may act in place of the Chief Executive if there be no Chief Executive or no Chief Executive capable of acting.
- 35.3 Subject to the directions of the Executive Board, it shall be the duty of the Chief Executive to:

- 35.3.1 conduct the correspondence of the Institute;

- 35.3.2 attend meetings of the Institute, the Council and the Executive Board;

- 35.3.3 ensure that minutes are taken of proceedings of such meetings;

- 35.3.4 read all minutes and communications that may be needed to be read;

- 35.3.5 superintend the publication of such papers and publications as the Executive Board may direct;

- 35.3.6 have charge of the library;

- 35.3.7 direct the collection of subscriptions and other amounts due to the Institute;

- 35.3.8 ensure the preparation of the accounts on the expenditure of the funds; and

- 35.3.9 present all accounts to the Executive Board for inspection and approval.

- 35.4 The Chief Executive shall engage, subject to the approval of the Executive Board, and be responsible for all persons employed under him and shall generally conduct the ordinary business of the Institute under the direction of the Executive Board.

36 SEAL

- 36.1 If the Institute has a seal it must only be used by the authority of the Executive Board or of a Committee of Executive Board members authorised by the Executive Board. The Executive Board may determine who shall sign any instrument to which the seal

is affixed and, unless otherwise so determined, it shall be signed by an Executive Board member and by the Chief Executive or by a second Executive Board member.

37 MINUTES

37.1 The Executive Board shall ensure that minutes are kept of the following:

37.1.1 appointments of Officers, Council members, Executive Board members and Committee members;

37.1.2 proceedings at meetings of the Institute, the Council, the Executive Board and the Committees.

37.2 The minutes of meetings shall include:

37.2.1 the names of those present at the meeting;

37.2.2 the decisions made at the meetings; and

37.2.3 where appropriate, the reasons for the decisions.

37.3 The minutes shall be signed by the Chairman of the relevant meeting and shall be approved by the members at the next subsequent meeting.

38 ACCOUNTS

38.1 The Executive Board must prepare accounts for each financial year as required by the Companies Acts. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.

38.2 The Executive Board must keep accounting records as required by the Companies Acts and ensure that the accounts are subject to independent examination or audit, as required.

39 ANNUAL REPORT AND RETURN AND REGISTER OF CHARITIES

39.1 The Executive Board must comply with the requirements of the Charities Act with regard to the:

39.1.1 transmission of the statements of account to the Institute;

39.1.2 preparation of an Annual Report and its transmission to the Commission;

39.1.3 preparation of an Annual Return and its transmission to the Commission.

39.2 The Executive Board must notify the Commission promptly of any changes to the Institute's entry on the Central Register of Charities.

40 MEANS OF COMMUNICATION TO BE USED

- 40.1 Subject to the Articles, anything sent or supplied by or to the Institute under the Articles may be sent or supplied in any way in which the Companies Acts provide for documents or information which are authorised or required by any provision of those Acts to be sent or supplied by or to the Institute.
- 40.2 Subject to the Articles, any notice or document to be sent or supplied to an Executive Board member in connection with the taking of decisions by the Executive Board may also be sent or supplied by the means by which that Executive Board member has asked to be sent or supplied with such notices or documents for the time being.
- 40.3 Any notice to be given to or by any person pursuant to the Articles:
- 40.3.1 must be in writing; or
 - 40.3.2 must be given in electronic form.
- 40.4 The Institute may give any notice to a member either:
- 40.4.1 personally; or
 - 40.4.2 by sending it by post in a prepaid envelope addressed to the member at his or her address; or
 - 40.4.3 by leaving it at the address of the member; or
 - 40.4.4 by giving it in electronic form to the member's address; or
 - 40.4.5 by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place, date and time of the meeting.
- 40.5 A member present in person at any meeting of the Institute shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 40.6 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- 40.7 Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- 40.8 In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
- 40.8.1 48 hours after the envelope containing it was posted; or
 - 40.8.2 in the case of an electronic form of communication, 48 hours after it was sent.

41 INDEMNITY

- 41.1 The Institute shall indemnify any Executive Board member against any liability incurred by him in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.
- 41.2 In this Article a "relevant Executive Board member" means any Executive Board member or former Executive Board member of the Institute.

42 BRANCHES

- 42.1 The Executive Board may establish branches of the Institute in areas where, in its opinion, a sufficient number of members are resident, to ensure that local activities can be carried out satisfactorily.
- 42.2 The Executive Board shall approve bye laws for the conduct of such branches and make such provision as it thinks fit for the expenses of a branch. Should the activities of any branch be, in the opinion of the Executive Board, not conducted in the interests of the Institute, the Executive Board may close down the branch concerned.

43 RULES

- 43.1 The Executive Board may from time to time make and amend such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the Institute.
- 43.2 The bye laws may regulate the following matters but are not restricted to them:
- 43.2.1 the process and criteria for admission of members of the Institute, categories of membership, the rights and privileges of such members, the entrance fees, subscriptions and other fees or payments to be made by members;
 - 43.2.2 the governance procedures of the Institute, the Advisory Council, the Executive Board and the Committees;
 - 43.2.3 procedures at general meetings, meetings of the Advisory Council and meetings of the Executive Board, in so far as such procedures are not regulated by the Companies Acts or by the Articles;
 - 43.2.4 branch bye laws;
 - 43.2.5 the setting aside of the whole or any part or parts of the Institute's premises at any particular time or times or for any particular purpose or purposes;
 - 43.2.6 the Professional Code of Conduct;
 - 43.2.7 the conduct of members of the Institute in relation to one another, and to the Institute's employees and volunteers;

43.2.8 staff and contractual matters, including the Staff Handbook;

43.2.9 generally, all such matters as are commonly the subject matter of company rules.

43.3 The Executive Board must adopt such means as they think fit to bring the rules and bye laws to the notice of members of the Institute.

43.4 The rules or bye laws shall be binding on all members of the Institute. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Articles.

44 DISSOLUTION

44.1 The members of the Institute may at any time before, and in expectation of, its dissolution resolve that any net assets of the Institute after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Institute be applied or transferred in any of the following ways:

44.1.1 directly for the Objects; or

44.1.2 by transfer to any charity or charities for purposes similar to the Objects; or

44.1.3 to any charity or charities for use for particular purposes that fall within the Objects.

44.2 Subject to any such resolution of the members of the Institute, the Executive Board of the Institute may at any time before, and in expectation of the Institute's dissolution, resolve that any net assets of the Institute, after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the Institute be applied or transferred:

44.2.1 directly for the Objects; or

44.2.2 by transfer to any charity or charities for purposes similar to the Objects; or

44.2.3 to any charity or charities for use for particular purposes that fall within the Objects.

44.3 In no circumstances shall the net assets of the Institute be paid to or distributed among the members of the Institute (except to a member that is itself a charity) and, if no resolution in accordance with Article 44.1 or 44.2 is passed by the members or the Executive Board members, the net assets of the Institute shall be applied for charitable purposes as directed by the Court or the Commission.