

The Companies Act 1985

Company Limited by Guarantee and not having a Share Capital

Articles of Association of

The British Horological Institute Limited

(Adopted by Special Resolution passed at an Extraordinary General Meeting of the Institute held on the 21st May 2000 and amended by Special Resolution passed at an Extraordinary General Meeting of the Institute held on the 12th May 2002 and amended by Special Resolution passed at an Extraordinary General Meeting held on 15th June 2008)

Definitions and Interpretation

1. In these Articles the following expressions shall, unless inconsistent with the context, have the following meanings:

the Act	the Companies Act 1985
the Statutes	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force
the Institute	the Company
the Articles	these Articles of Association as originally adopted or as from time to time altered or amended
the Members of the Council the Directors	
the Seal	the Common Seal of the Institute
members of the Institute	members of the Institute as defined in Article 3 hereof
the Office	the registered office for the time being of the Institute

Unless the context otherwise requires or the contrary intention appears:

- (a) expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form,
- (b) words importing the singular number only shall include the plural number and vice versa and words importing the masculine gender only shall include the feminine gender,
- (c) words or expressions contained in the Articles shall bear the same meaning as in the Statutes,
- (d) the regulations constituting Tables A and C in the Companies (Tables A to F)

Regulations 1985 shall not apply to the Institute.

Members

2. The number of members of the Institute shall be limited to ten thousand, but the Council may from time to time register an increase in this number. The members of the Institute shall be all persons upon whom membership shall be conferred by the Council which shall have an absolute discretion whether or not to grant such membership.

3.(a) Every member of the Institute shall belong to one of the following grades of membership:

- (i) Student
- (ii) Associate
- (iii) Senior Associate
- (iv) Principal Associate
- (v) Graduate
- (vi) Member
- (vii) Fellow
- (viii) Honorary Fellow
- (ix) Corporate Member
- (x) Trade Associate
- (xi) Licentiate

(b) All transfers of grade shall be subject to the approval of the Council.

(c) The Licentiate grade is closed and no new appointments shall be made to this grade.

(d) The following grades shall confer the right to use the designatory letters:

Graduate	-	GradBHI
Member	-	MBHI
Fellow	-	FBHI
Honorary Fellow	-	HonFBHI
Licentiate	-	LBHI

(e) Members from the following grades may display the Armorial Coat of Arms of the Institute in the style and manner from time to time approved by the Council:

Graduate
Member
Fellow
Honorary Fellow
Corporate Member
Trade Associate
Licentiate

(f) The Council may from time to time award to an individual an Honorary grade of the Institute. Such award may be made whether or not the nominee is a member of the Institute. The conferring of any Honorary grade does not require the payment of a fee. The award will normally be made for life and does not itself bestow any voting rights on the nominee.

(g) The Council shall have the power at its sole discretion from time to time to determine and/or alter the qualification for admission to or continued

membership of any grade of membership.

- (h) No member of the Institute who does not belong to one of the grades specified in Article 3(d) or who does belong to one of the grades specified in Article 3(d) but is not a fully paid up subscribing member of the Institute shall make any reference in words or by any abbreviation to their association with the Institute in connection with any commercial activity.
- 4.(a) Every member of the Institute (except an Honorary member holding no other membership classification) shall be entitled to attend and vote at all General Meetings of the Institute so long as all moneys payable by him to the Institute have been paid prior to the date thereof.
- (b) Every member of the Institute shall be entitled to receive a copy of the journal published by the Institute, and such other privileges as shall from time to time be determined by the Council.
- 5.(a) An applicant for membership of the Institute shall forward to the Council an application in writing in such form as the Council may from time to time require, stating the grade of membership to which he desires to belong. His application shall (unless otherwise directed by the Council) explain how he claims to be eligible to join that grade, and should contain an undertaking to abide by the bye-laws of the Institute, and to return any certificate or emblem issued by the Institute to him, upon his membership of the Institute ceasing.
- (b) A member of the Institute may apply to the Council to be transferred from the grade of membership to which he belongs to another grade of membership and such an application must be made in writing in such form as the Council may from time to time require.
 - (c) The Council must consider any application made pursuant to sub-clauses (a) or (b) hereof within a reasonable time and accept or reject such application. The decision of the Council on the question of the eligibility of an applicant to join any grade or to transfer from one grade to another shall be final and conclusive and the Council need not give any reasons for any such decision.
6. All rights of a member of the Institute shall be personal to him and shall not be transferable, and his name shall be removed from the Register of members upon his death.
- 7.(a) Every member of the Institute shall be bound to further to the best of his ability the objects, interests and influences of the Institute.
- (b) Every member of the Institute shall observe all bye-laws of the Institute and shall comply with any Code of Practice which may from time to time be approved by the Council.
- 8.(a) Every member of the Institute shall pay an annual subscription at a rate to be fixed from time to time by the Council. The subscription may vary as between the different grades of membership.
- (b) On becoming a member of the Institute or on transfer to a different grade of membership, every member of the Institute shall pay an entrance fee of such amount (if any) as shall from time to time be fixed by the Council.

- (c) Subscriptions shall be payable forthwith on joining the Institute and thereafter annually on such date or dates and in such manner as the Council shall determine.

9. Upon the entrance fee or subscription of a member of the Institute or any other moneys payable by him to the Institute becoming three months overdue, all his rights and privileges of membership shall, upon service of notice from the Secretary or other person duly authorised by the Council, be forfeited and he shall forthwith upon such service cease to be a member of the Institute. His arrears shall remain a debt due and recoverable by the Institute. The Council may at its absolute discretion reinstate him upon such terms and conditions as it shall think fit.

10. A member of the Institute shall cease to be a member:

- (a) if in the opinion of the Council he shall no longer qualify to continue his membership of any of the grades of membership of the Institute in accordance with the provisions of Article 3; or
- (b) if he ceases to be a member in accordance with the provisions of Article 9; or
- (c) if he resigns by giving notice in writing of his resignation to the Secretary or other person duly authorised by the Council; or
- (d) at the discretion of the Council if he becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs; or
- (e) if being a corporate body or limited company the member is dissolved or goes into liquidation, whether voluntary or compulsory (otherwise than for the purpose of reconstruction), or if a Receiver or Administrative Receiver shall be appointed of the member Company or any of its assets and shall not be discharged within three calendar months from his appointment, or if such member Company makes a conveyance or assignment of its property to a trustee or trustees for the benefit of or executes any deed of arrangement in favour of or makes any composition or arrangement with its creditors generally; or
- (f) if being an individual or the unincorporated association by which the member is nominated the member becomes a bankrupt or makes any assignment for the benefit of or by way of trust for his or their creditors or becomes notour bankrupt in Scotland; or
- (g) if he is expelled in accordance with Article 11; or
- (h) if he otherwise ceases to qualify for membership under the Articles.

11. A member of the Institute may be removed or suspended from his membership for a period not exceeding 12 months in duration, by resolution of not less than one-half of the Members of the Council present and voting. Such member shall have not less than 14 clear days' notice sent to him of the Council Meeting convened for considering his removal or suspension and he may attend the meeting to make such explanation as the Council may request or he may wish to submit. Such member shall not be present during any discussion or vote or take part in the proceedings, except as the Council permits. All proceedings in regard to the removal or suspension of any member under this regulation shall be deemed to be absolutely privileged, and no member so removed or suspended shall be entitled to have any reason or explanation assigned by the Council for its decision. During any period of suspension, a suspended member shall

have no right to vote nor to be nominated for the Council, nor to represent himself to the public at large as a member of the Institute. No refund or rebate of subscription shall be allowed.

12. A person ceasing to be a member of the Institute for whatever reason shall remain liable for and shall pay to the Institute all subscriptions and other moneys falling due before the expiration of one month from the date at which he ceased to be a member of the Institute.

Branches of the Institute

13(a) In order to further the aims of the Institute, the Council may from time to time establish or authorise Branches.

(b) The Council may make such rules and regulations for the constitution, management, financial control and operation of the Branches as it shall from time to time deem fit.

(c) The Council may revoke or suspend the authorisation of any Branch or impose conditions or restrictions on the continued authorisation thereof.

(d) Before the authorisation of any Branch shall be revoked or suspended or conditions or restrictions imposed on its continued authorisation the Branch shall be afforded an opportunity to make written representations to the Council and/or to nominate not more than three of its members as representatives to attend the meeting of the Council at which such revocation or suspension or the imposition of conditions or restrictions is to be considered and to make such explanation or representations as the Council may ask for or the Branch may wish to submit. Not less than fourteen clear days' notice of such meeting of the Council shall be given to the Branch. No representative of the Branch in question shall be present during any discussion of the Council or shall be entitled to vote or take part in the proceedings otherwise than as the Council allows. All proceedings in regard to any Branch as aforesaid shall be deemed to be absolutely privileged, and the Council shall not be obliged to assign any reason to any action or decision which shall be taken or determined by it. The authorisation of any Branch shall not be revoked or suspended unless at least three-quarters of the Members of the Council in attendance at such meeting shall approve.

General Meetings

14. A general meeting of the Institute shall be held in every calendar year as its Annual General Meeting at such time (not being more than fifteen months after the holding of the last preceding General Meeting) and place as the Council shall appoint PROVIDED that so long as the Institute shall hold its first Annual General Meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.

15. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

16. The Council may, when it thinks fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 368 of the Act.

17. Subject to the provisions of Section 378 (2) and (3) of the Act relating to Special

Resolutions, and to the provisions of Section 369 of the Act relating to Annual General Meetings (in both instances requiring 21 days' notice), fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place, the day and the hour of the meeting, and in the case of special business the general nature or such business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the Institute in General Meeting; but with the consent of all the members entitled to receive notice thereof or of such proportion thereof as is prescribed by the Act in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as those members think fit. The accidental omission to give notice to any member, or the non-receipt by any member of such notice, shall not invalidate the proceedings of any General Meeting.

Proceedings at General Meetings

18. The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Council and Auditors, to elect Members of the Council in place of those retiring and also additional Members of the Council, and to elect Auditors and fix their remuneration. All other business transacted at an Annual General Meeting shall be deemed special.

19. No business shall be transacted at any General Meeting, except the adjournment of the meeting, unless a quorum of members is present at the time when the meeting proceeds to business, and such quorum shall consist of not less than twenty-one members personally present.

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

21. The Chairman (if any) of the Council shall preside as Chairman at every General Meeting of the Institute. If there be no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of the Members of the Council present to be Chairman, or if no Member of the Council be present and willing to take the chair, the members present shall choose one of their number to be Chairman.

22. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

23. Subject to the provisions of Article 37 which shall apply solely to the election of Members of the Council, at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or upon the declaration of the result of the show of hands, demanded by the Chairman or by at least three members present in person or by proxy, or by a member or members present in

person or by proxy and representing one-tenth of the total voting rights, of all the members having the right to vote at the meeting, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Institute, 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.

24. Subject to the provisions of the next succeeding Articles, if a poll be demanded in manner aforesaid it shall be taken at such time and place and in such manner as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

25. No poll shall be demanded on the election of a Chairman or a meeting or on any question of adjournment.

26. In the case of any equality votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

27. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business in addition to the question on which a poll shall have been demanded.

Votes of Members

28. Every member shall have one vote.

29(a) Save as herein expressly provided, no person other than a member duly registered shall be entitled to be present or to vote in any question, either personally or by proxy or as proxy for another member at any General Meeting.

(b) Any corporation which is a member of the Institute may by resolution of its governing body authorise such person as it thinks fit to act as its representative at any meeting of the Institute and the person so authorised shall be entitled to exercise the same voting powers on behalf of the corporation he represents as the corporation could have exercised if it were a personal member of the Institute. A corporation represented at a meeting by its authorised representative shall be deemed for all purposes to be present in person. A copy of the resolution appointing its representative which shall be certified as a correct copy by the Chairman or another recognised officer of the governing body of a corporation, shall be conclusive evidence of such appointment.

30. On a show of hands a member present only by proxy shall have no vote, but the representative of a corporation may vote on a show of hands. Except in the case of a corporation, no person shall act as a proxy who is not entitled to be present and vote in his own right. In the event of a poll, votes may be given either personally or by proxy.

31. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.

32. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the Office or at such other place within the United Kingdom as is specified for the purpose in the notice convening the meeting, at least forty eight hours before the time appointed for holding

the meeting or adjourned meeting at which the person named in such instrument proposed to vote, otherwise the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

33. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, provided that no intimation in writing of the death or revocation shall have been received at the Office or other place as aforesaid one hour at least before the time fixed for holding the meeting.

34. An instrument appointing a proxy shall be in the following form, or as near thereto as circumstances will admit:-

"I

of

a member of (hereinafter called "the Institute") and entitled to one vote, hereby appoint

of

another member of the Institute, and failing him

of

another member of the Institute to vote for me and on my behalf at the (Annual or Extraordinary, as the case may be) General meeting of the Institute to be held on the day of and at any adjournment thereof.

Signed by me this day of "

President and Vice-Presidents

35(a) Members of the Institute who have been nominated by the Council shall be eligible for election respectively at an Annual General meeting of the Institute to the offices of President and Vice-President. The President shall retire at the next Annual General meeting following appointment but shall, if duly nominated by the Council, be eligible for re-election. Vice-Presidents of the Institute shall be elected for a term not exceeding six years in duration, but shall be eligible for re-election if the Council approves.

(b) The Council shall from time to time determine the maximum number of Vice-Presidents of the Institute.

(c) The Council has power to fill a casual vacancy arising in the office of President. A President so elected shall retire at the next Annual General meeting but shall be eligible for re-election.

(d) The President and Vice-Presidents shall meet as and when required, with the President acting as Chairman. In the absence of the President the Vice-Presidents will elect a Chairman for that meeting only. The President and Vice Presidents shall meet for the purpose of advising Council and shall not have any power of veto over the actions or deliberations of the Council. The President

and Vice-Presidents shall not be members of the Council and shall have no right to attend the meetings of Council except by invitation of Council.

Constitution of the Council

36. The affairs of the Institute shall be managed by the Council. The number of the Members of the Council shall not be less than six nor more than ten members.

37(a) The Council shall consist of members of the Institute from any grade of membership duly nominated and elected in accordance with the provisions of Article 37(b).

- (b) (i) A candidate for membership of the Council who seeks to be elected as one of the Members of the Council specified in Article 37(a) must be nominated in writing by one Member of the Council or by three members of the Institute and must signify in writing his consent to be so nominated.
- (ii) All such nominations and consents shall be delivered to the Office at least fifty-six days prior to the Annual General Meeting, in such form as the Council may from time to time prescribe, in order for the proxy voting papers to be prepared, issued, and used by those eligible to vote.
- (iii) Candidates for membership of the Council seeking to be elected pursuant to Article 37(a) shall be elected by those members of the Institute entitled to vote who, either attend the Annual General Meeting and vote in person on a poll, or alternatively, vote by proxy on such poll. If there are no more candidates than there are vacancies on the Council, no poll by proxy or in person shall be taken, the candidates then declared at the Annual General Meeting as having been elected. Otherwise those with the highest number of the eligible combined personal and proxy votes shall be elected.
- (iv) At every Annual General Meeting of the Institute any Member of Council holding such appointment pursuant to the provisions specified in Article 37(a) and not having been elected at any of the previous two Annual General Meetings, shall retire but shall be eligible for re-election in accordance with these Articles.
- (c) If any dispute shall arise as to the eligibility of any member nominated for election to the Council, the decision of the Council shall be final and binding on all members of the Institute.

Proceedings of the Council of Management

38. The Council may meet together for the dispatch of business adjourn and otherwise regulate its meetings as it thinks fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined six shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.

39. On the request of two Members of the Council or the Chairman of the Council, the Secretary shall, at any time, summon a meeting of the Council by notice served upon the several Members of the Council. Save for the agreement of all Members of the Council at least 48 hours notice of such meeting shall be given. A Member of the Council who is absent from the United Kingdom and who has no registered address in

the United Kingdom shall not be entitled to notice of a meeting.

40. The Council shall elect a Chairman who shall be entitled to preside at all meetings of the Council at which he shall be present, but if no such Chairman shall be elected or if at any meeting such Chairman shall not be present within five minutes after the time appointed for holding the meeting and willing to preside, the Members of the Council present shall choose one of their number to be Chairman of that Meeting. The Council shall elect its Chairman each year at the first meeting of the Council following the Annual General Meeting of the Institute or otherwise upon the death, resignation or incapacity of the Chairman. Subject thereto a Chairman so elected shall serve until the close of next following Annual General Meeting but shall be eligible for re-election. No Chairman of the Council shall serve as Chairman for more than five consecutive years, but may thereafter be re-elected as Chairman following a minimum gap of two years.

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

42. The Council may delegate any of its powers to any Member of the Council or committee of Members of the Council as it thinks fit, and such Member or committee of Members of the Council shall conform to all regulations and restrictions imposed from time to time by the Council. Any such Member or committee of Members shall report to and be directly responsible to the Council.

43. All acts bona fide done by any meeting of the Council or of any committee of the Council, or by any person acting as a Member of the Council shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Member or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Member of the Council.

44. The Council shall cause proper minutes to be made of all appointments of officers made by the Council and of the names of the Council Members present at each Council meeting and of the proceedings of all meetings of the Institute and of the Council and of committees of the Council, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

45. A resolution signed in writing by all the Members for the time being of the Council who are duly entitled to receive notice of a meeting of the Council shall be valid and effectual as if it had been passed at a meeting of the Council.

Powers of the Council

46. The management of the business and the control of the Institute shall be vested in the Council, who, in addition to the powers and authorities conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done by the Council and are not hereby or by the Act expressly directed or required to be exercised or done by the Institute in General Meeting. At meetings of the Council, each Member of the Council shall have one vote only, except that in the case of equality of votes the Chairman shall, in addition have a second or casting vote.

47. The Members for the time being of the Council may act notwithstanding any vacancy in their body, provided always that if at any time the Members of the Council be

reduced in number below the minimum prescribed by these Articles, it shall be lawful for the Members available to act as the Council for the purpose of admitting persons to membership of the Institute filling up vacancies in their body or of summoning a General Meeting but for no other purpose.

48. The Council may at any time appoint any member to be a Member of the Council either to fill a casual vacancy or as an addition to the existing membership (but not so as to exceed the maximum number of members prescribed by these Articles). Any person so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election or nomination under the provisions contained in Article 37, but shall not be taken into account in determining the number of any Members of the Council who are to retire by rotation at such meeting.

49. Without prejudice to the general powers conferred by Article 46 and to the other powers and authorities conferred as aforesaid, it is hereby expressly declared that the Council shall be entrusted with the following powers, namely:-

Particular Powers

- (1) To purchase or otherwise acquire for the Institute any property, rights or privileges which the Institute is authorised to acquire at such price and generally on such terms and conditions as they may think fit.
- (2) To raise or borrow money for the purposes of the Institute from any person, corporation or other body and may secure the repayment of the same together with any interest and premium thereon, by Mortgage or charge upon the whole or any part of the assets and property of the Institute, present and future, and to issue bonds, debentures, or debenture stock, either charged upon the whole or any part of the assets and property of the Institute or not so charged, and in connection therewith to take out and keep on foot sinking fund or redemption policies.
- (3) At its discretion to pay for any property or rights acquired by or services rendered to the Institute either wholly or partially in cash or in bonds, debentures, or other securities of the Institute.
- (4) With the approval aforesaid to secure the fulfilment of any contracts or engagements entered into by the Institute by Mortgage or charge of all or any of the property and rights of the Institute or in such manner as it may think fit.
- (5) To appoint and at its discretion, remove or suspend such officers and other staff for permanent, temporary or special services as it may from time to time think fit, and to determine their duties and fix their salaries or emoluments, and to require security in such instances and to such amount as it thinks fit.
- (6) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Institute or its officers or otherwise concerning the affairs of the Institute and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Institute.
- (7) To refer any claims or demands by or against the Institute to arbitration

and observe and perform the awards.

- (8) To make and give receipts, releases and other discharges for money payable to the Institute and for the claims and demands of the Institute.
- (9) To determine who shall be entitled to sign on the Institute's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.
- (10) From time to time to make all such regulations and bye-laws as it thinks proper with regard to the affairs and concerns of the Institute, and from time to time to repeal and alter the same or make others in lieu thereof as may seem expedient. Provided that the same do not contravene any of the provisions herein contained, and provided that no bye-laws or regulations shall be made under this power which would amount to such an addition to or modification of the Articles of Association as could only legally be made by a Special Resolution passed in accordance with the provisions of Section 378 of the Act.

50. The Institute may by ordinary resolution, of which special notice has been given in accordance with Section 379 of the Act, remove any Member of the Council before the expiration of his period of office notwithstanding anything in these Articles or in agreement between the Institute and such Member.

51. Without prejudice to the powers of the Council under Article 48 the Members of the Institute in General Meeting shall have no power to appoint any person to be a Member of the Council either to fill a casual vacancy or as an additional Member, save as specifically empowered by these Articles.

Disqualification of Members of the Council

52. The office of a Member of the Council shall be vacated:-

- (a) If he becomes bankrupt or insolvent or compounds with his creditors.
- (b) If he becomes of unsound mind.
- (c) If he be convicted of an offence the commission of which by a Member of the Council could bring the Institute into disrepute.
- (d) If he is requested in writing by not less than two-thirds of his fellow Members of the Council to resign.
- (e) If he gives to the Council one month's notice in writing to the effect that he resigned his office.
- (f) If he is absent without the permission of the Council from all their meetings held within a period of six months and the Council resolves that his appointment be vacated.

Provided always that Section 293 of the Act shall not apply.

53. A Member of the Council who is in any way, whether directly or indirectly interested in a contract or proposed contract, arrangement, or dealing with the Institute

shall declare the nature of his interest at a Meeting of the Council, and subject thereto and subject to the right of the remaining Members of the Council to resolve that he withdraw and not vote on the particular matter, he may be counted in the quorum present at any meeting of the Council whereat such contract, arrangement or dealing with the Institute is considered or entered into and may vote in respect thereof.

Expenses

54. The Council shall be entitled to remunerate out of the funds of the Institute any Member of the Council undertaking at the request of the Council special work or rendering special services to the Institute. The Council shall also be entitled to pay the proper travelling and other expenses incurred by any Member of the Council in connection with the business of the Institute and with the approval of the Council.

The Secretary

55. The Secretary shall be appointed by the Council on such terms as to length of service, remuneration and generally as the Council may think fit and the Council may remove the Secretary so appointed. The provisions of Sections 283 and 284 of the Act shall be observed. The Council may from time to time appoint a deputy or assistant Secretary who may act in the place of the Secretary if there be no Secretary or no Secretary available to act or capable of acting.

The Seal

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

Income of the Institute

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

Accounts

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

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

- (c) Of the assets and liabilities of the Institute.

Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Institute's affairs and to explain its transactions.

59. The books of account shall be kept at the Office or, subject to Section 227 of the Act, at such other place or places as the Council may determine, and shall always be open to the inspection of the Council. The Council may from time to time by resolution determine whether and to what extent and at what times and places and on what conditions the books and accounts of the Institute or any of them shall be open to the inspection of the members not being Members of the Council and the members shall have only such rights of inspection as are given to them by the Act or by such Resolution as aforesaid.

60. At the Annual General Meeting in every year the Council shall lay before the Institute an income and expenditure account for the period since the preceding account. A balance sheet as at the date to which income and expenditure account is made up, shall be made out and laid before the Institute at the Annual General Meeting. Every such balance sheet shall be accompanied by proper reports of the Council and the Auditors. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Institute in General Meeting, together with a copy of the Auditor's report, shall, twenty-one clear days previously to such meeting, be sent to the Auditor and every member entitled to receive notices of General Meeting in the manner in which notices are hereinafter directed to be served.

Audit

61. Auditors shall be appointed and their duties regulated in the manner provided by Sections 384 to 392 (inclusive) of the Act or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if "Member of the Council" and "the Council" were substituted for "Director" and "the Directors" respectively.

Notices

62. A notice may be served by the Institute upon any member either personally or by sending it through the post addressed to such member at his registered address. Such notice may be incorporated in the Institute's journal or may be sent separate from it.

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

64. Any notice if served by post shall be deemed to have been served at the expiration of forty-eight hours after the same shall have been posted, and in providing such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and duly posted.

Dissolution

65. Clause 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 these Articles.

Indemnity

66. Subject to the provisions of the Act every Member of the Council or other officer or Auditor of the Institute shall be indemnified out of the assets of the Institute against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability from negligence, default, breach of duty or breach of trust in relation to the affairs of the Institute.

Headings

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