

ELIZABETH THE SECOND

by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS The Securities Institute (“**the former Institute**”) was incorporated as a Company limited by guarantee under the Companies Act 1985 in 1992.

AND WHEREAS in 2004 the name of the former Institute was changed by resolution to “The Securities & Investment Institute” (“**the current Institute**”):

AND WHEREAS the current Institute has presented a humble Petition unto Us praying that We would be graciously pleased to grant it a Charter and We are minded to accede thereto:

NOW THEREFORE KNOW YE that We, having taken the said Petition into Our Royal Consideration by virtue of Our Prerogative Royal, are graciously pleased by these Presents to grant and declare as follows:

1. The persons who at the date hereof are members of the current Institute and all such persons who may hereafter become members of the body hereby constituted shall forever hereafter be one Body Corporate and Politic by the name of The Chartered Institute for Securities & Investment (“**the Institute**”) and by that name shall have perpetual succession and a Common Seal, with power to break, alter and make anew the said Seal from time to time at the will and pleasure of the Institute and by the same name shall and may sue and be sued in all Courts, and in all manner of actions and suits, and shall have power to do all other matters and things incidental or appertaining to a Body Corporate.

2. The objects for which the Institute is established are to promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investments, to develop high professional, educational and ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas, and to act as an authoritative body for the purpose of consultation and research in matters of educational or public interest concerning securities and investments and in furtherance of the said objects but not further or otherwise the Institute shall have the following powers:-

- (a) to develop, organise and promote programmes of education and training and research in securities and investments for the public benefit;
- (b) to develop, organise and conduct examinations and award qualifications, certificates and diplomas;
- (c) to establish equip and maintain a library or libraries;
- (d) to collect, compile, print, publish and disseminate information and generally to give and exchange information and advice for the public benefit;
- (e) to organise, provide facilities for and hold conferences, seminars, courses of instruction, demonstrations, lectures, exhibitions and competitions;

- (f) to fix and receive fees payable by or on behalf of candidates, members or firms in respect of such events, materials, training, examinations and subscriptions as the Institute may develop, organise or conduct;
 - (g) to found, create, administer, maintain and offer scholarships, exhibitions, prizes and awards for purposes connected with education and research in securities and investments;
 - (h) to promote, foster and maintain the interest and support of persons engaged in securities and investments in the objects and activities of the Institute;
 - (i) to make recommendations for improving or simplifying the law and practice relating to securities and investments, to draw attention to anomalies in such law and to comment on proposed changes in it;
 - (j) to apply for authorisation or recognition under relevant statutory or regulatory schemes;
 - (j) to take any gift of property, whether subject to any special trust or not, for any one or more of the objects of the Institute;
 - (k) to take such steps by personal or written appeals, public meetings or otherwise, as may from time to time be deemed expedient for the purpose of acquiring contributions to the funds of the Institute in the shape of donations, annual subscriptions or otherwise;
 - (l) subject to such consent as may be required by law, to sell, let, mortgage, dispose of or otherwise turn to account all or any of the property or assets of the Institute;
 - (m) subject to Article 5(a) of this Our Charter to employ all such officers, agents or servants as may be required for the purposes of the Institute;
 - (n) to establish and incorporate any charitable company and to acquire and hold any shares, debentures or other securities in any such company;
 - (o) subject to such consents as may be required by law, to borrow or raise money for the purposes of the Institute on such terms and on such security as may be thought fit and in particular by mortgaging or charging all or any such property as may be legally mortgaged or charged or by the issue of debentures or debenture stock charged on all or any of the Institute's property;
 - (p) to invest the monies of the Institute not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, but subject nevertheless to such conditions (if any) and with such sanction (if any) as made for the time being be imposed or required by law;
 - (q) to undertake and execute any charitable trusts which may lawfully be undertaken by the Institute;
 - (r) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts;
 - (s) subject to Article 5(a) of this Our Charter to make all reasonable and necessary provision for the payment of pensions, gratuities, allowances and superannuation to or on behalf of past or present employees and their widows or widowers and other dependants;
 - (t) to give indemnities and guarantees
 - (u) subject to the approval of the Lords of Our Most Honourable Privy Council and to such other consents as may be required by law, to amalgamate with any companies, institutions, societies or associations which are charitable at law and have objects altogether or mainly similar to that of the Institute and prohibit the payment of any dividend or profit to and the distribution of any of their assets amongst their members at least to the same extent as such payments or distributions are prohibited in the case of members of the Institute by this Our Charter;
 - (v) to acquire the property, rights and liabilities of the current Institute; and
 - (w) to do all such other things as shall further the attainment of the Institute's objects or any of them.
3. The property, rights, liabilities and monies of the current Institute (including any property or monies held by them as trustees of the current Institute) shall from a date to be designated by the Board become and be deemed to be the property and monies of the Institute and shall as soon as possible thereafter be formally transferred to the Institute or such person or persons on its behalf as the Bye-Laws may prescribe. As from that date, all acts or omissions of the current Institute undertaken or omitted to be undertaken before that date shall be deemed to have been undertaken or omitted to be undertaken by the Institute and all references to the current Institute in any agreements or other arrangements for which rights or obligations shall pass to the Institute shall be

deemed to be references to the Institute. No rights or actions shall otherwise arise as a result of any such transfer.

4. The income and property of the Institute shall be applied solely towards the promotion of its objects and no member of the Institute shall as such have any personal claim on any of the said income or property.
5. Without prejudice to the generality of Article 4 of this Our Charter, no part of the income or property of the Institute shall be paid or transferred directly or indirectly in any way by way of profits to its members; Provided that nothing herein shall prevent any payment in good faith by the Institute:-
 - (a) of reasonable and proper remuneration to any member, officer or servant of the Institute for any services rendered to the Institute;
 - (b) of interest on money lent by any member of the Institute at a reasonable and proper rate per annum not exceeding 2% less than the published base lending rate of a clearing bank to be selected by the Board with an overriding minimum of zero per cent;
 - (c) of reasonable and proper rent for premises demised or let by any member of the Institute;
 - (d) for the gratuitous distribution among, or sale at a discount to any subscribing member of the Institute of any newspapers, periodicals, journals, books, circulars or other publications, published by the Institute relating to any of its objects above set forth.
6. There shall be a Board of the Institute (“**the Board**”) consisting of such numbers of members, with such qualifications and to be elected or constituted as such members of the Board in such manner and to hold office for such period and on such terms as to re-election and otherwise as the Bye-Laws for the time being of the Institute (“**the Bye-Laws**”) shall direct.
7. The first members of the Board of the Institute shall be the voting members of the Board of the current Institute at the date of this Our Charter.
8. The Institute shall have such other officers as the Board may from time to time appoint.
9. The government and control of the Institute and its affairs shall be vested in the Board subject to the provisions of this Our Charter and to the Bye-Laws. The business of the Board shall be conducted in such manner as the Board may from

time to time determine.

10. No member of the Board shall be appointed to any salaried office of the Institute or any office of the Institute paid by fees (unless such fees shall be waived), and no remuneration or other benefit in money or money's worth shall be given by the Institute to any member of such Board except for the:
 - (a) repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent and reasonable and proper rent for premises demised or let to the Institute; and
 - (b) payment to the Chairman for work done in enhancing the influence and standing of the Institute at such level as is appropriate to the experience and standing of the person appointed Chairman, provided that the Chairman withdraws from any meeting while his or her remuneration is being discussed and that the Chairman takes no part in any other discussions relating to such remuneration.
11. In this Our Charter, unless the context otherwise requires, “members” means the members of the Institute. The Bye-Laws shall specify the categories of membership of the Institute and shall regulate, or provide for the regulation of, all matters relating to the admission, rights and privileges, and discipline of members.
12. An annual general meeting shall be held each year in addition to any other meetings in that year as long as no more than fifteen months will have elapsed between annual general meetings. Other general meetings may be called by the Board whenever they think fit or when required to do so in accordance with the provisions of the Bye-Laws.
13. The timing and functions of all general meetings and the procedure to be followed thereat shall be as prescribed in the Bye-Laws.
14. The Bye-Laws set forth in the Schedule hereto shall be the first Bye-Laws of the Institute and shall remain in force until the same shall be amended in manner hereinafter provided.
15. The Institute may, by a special resolution, revoke, amend or add to the Bye-Laws for the time being in force; but no such revocation, amendment or addition shall have effect until approved by the Lords of Our Most Honourable Privy Council of which approval a Certificate under the hand of the Clerk of Our said Privy Council shall be conclusive evidence.

- 16. The Bye-Laws may direct that any matter which pursuant to this Our Charter may be prescribed or regulated in the Bye-Laws may be further prescribed or regulated by Regulations; provided that any such further prescription or regulation shall not be repugnant to the provisions of this Our Charter or the Bye-Laws. Regulations shall be made, and may be amended or repealed, by a resolution of the Board.
- 17. The Institute may, by special resolution, amend or add to this Our Charter and such amendments or additions shall, when allowed by Us, Our Heirs or Successors in Council become effectual, and this Our Charter shall thenceforth continue to operate as if it had originally been granted and made accordingly. This clause shall apply to this Our Charter as amended or added to in manner aforesaid.
- 18. The Institute may, by special resolution, surrender this Our Charter and any Supplemental Charter subject to the sanction of Us, Our Heirs or Successors in Council and upon such terms as We or They may consider fit and wind up or otherwise deal with the affairs of the Institute in such manner as shall be directed by such general meeting or in default of such direction as the Board shall think expedient having due regard to the liabilities of the Institute for the time being and if on the winding up or dissolution of the Institute there shall remain after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Institute or any of them but shall (subject to any special trusts affecting the same) be given or transferred to some other charitable institutes or societies having objects similar to the object of the Institute and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Institute under or by virtue of this Our Charter, such institutes or societies to be determined by the members of the Institute in general meeting at or before the time of dissolution thereof and

if and so far as effect cannot be given to the foregoing provisions then to some charitable object.

- 19. For the purposes of this Our Charter a “**special resolution**” means a resolution passed at a general meeting of the members convened and held in accordance with the Bye-Laws and Regulations and passed by not less than two-thirds of the members entitled to attend and vote at such meeting as may be present in person or by proxy and may vote at the meeting.
- 20. In any case of conflict, the provisions of this Our Charter shall prevail over those of the Bye-Laws and Regulations, and the provisions of the Bye-Laws shall prevail over those of the Regulations.
- 21. And We do hereby for Us, Our Heirs and Successors in Council grant and declare that these Our Letters or the enrolment or exemplification thereof shall be in all things good, firm, valid and effectual according to the true intent and meaning of the same and shall be taken, construed and adjudged in all Our Courts or elsewhere in the most favourable and beneficial sense and for the best advantage of the said Institute, any misrecital, omission, defect, imperfection, matter or thing whatsoever notwithstanding.

IN WITNESS whereof We have caused these Our Letters to be made Patent.

WITNESS Ourselves at _____ the _____ day of _____
 in the _____ year of Our Reign.

BY WARRANT UNDER THE QUEEN’S SIGN MANUAL

SCHEDULE

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT BYE-LAWS

BYE-LAW 1: APPLICATION AND DEFINITIONS

B1.1 Application of Bye-Laws and Regulations

These Bye-Laws and any Regulations made under them shall apply to:

- (a) a Member or a member of an Attached Class;
- (b) a Firm, where specified; and
- (c) the Institute.

B1.2 Definitions

B1.2.1 Unless the context otherwise requires:

- (a) references to the singular shall include the plural and vice versa; and
- (b) words denoting one gender shall encompass all genders.
- (c) words importing persons shall include corporations and “**corporation**” shall include unincorporated associations.

B1.2.2 The following definitions shall apply to these Bye-Laws and any Regulations made under them.

Annual Accounts

the income and expenditure account, the balance sheet and the Annual Report which are laid before the Institute in accordance with B9

Annual General Meeting

a General Meeting of the Institute held annually in accordance with B8

Annual Report

a yearly statement by the Board and the Executive Team of the operating and financial performance of the Institute

Annual Subscription

the annual fee payable by a Member or a member of an Attached Class

Appeal Panel

a panel of Members and non-members appointed to hear appeals in accordance with Regulations

Attached Classes

the classes of persons who are not Members but who are attached to the Institute as set out in B2

Auditor

a professional auditor appointed by the Members at a General Meeting

Board

the executive body responsible for directing the affairs of the Institute constituted in accordance with B6

Books of Accounts

the books in which the transactions of the Institute are recorded

Bye-Laws (known by the prefix “B”)

the Bye-Laws of the Institute, made from time to time pursuant to Article 6 of the Charter and approved by the Members

Chairman

the member of the Board for the time being holding office as Chairman of the Board

Charter

the Royal Charter to which these Bye-Laws are scheduled, as revoked, amended or added to from time to time, and all Supplemental Charters for the time being in force

Chartered Member

a member of a class as defined in B2.2.1

Chief Executive Officer

the Chief Executive Officer of the Institute appointed by the Board from time to time in accordance with B6.2

Code of Conduct

the set of rules outlining the responsibilities and proper practices for an individual or corporate Member of the Institute published by the Board from time to time

Company

the Company limited by guarantee incorporated on 10th February 1992 under the name “Securities Institute”

Complaints Review Panel

a panel of Members and non-Members appointed to hear complaints in accordance with Regulations

Corporate Member

a Firm registered by the Institute in the Register of Firms

Deputy Chairman

the member of the Board, for the time being, holding office as deputy Chairman of the Board

Designation

a designation given by the Institute to describe a Member’s membership status and/or qualifications in accordance with B3

Designatory Initials

distinguishing letters used after a Member’s name to describe his professional experience and/or qualifications

Disciplinary Committee

a panel of Members and non-members appointed to hear cases in accordance with Regulations

Executive Team

the Chief Executive Officer and other senior staff of the

Institute as determined by the Board in the Regulations from time to time

Extraordinary General Meeting

a General Meeting of the Institute to transact urgent, extraordinary or special business in accordance with B8

Firm

the whole or part of any body corporate, a partnership, a limited liability partnership concerned with the business of financial services or providing other related services

Functions

includes powers and duties

Funds

assets held by the Institute in the form of money

General Meeting

any general meeting of the Members of the Institute in accordance with B8

In writing

any written form in any way which is permanent, including facsimile and email

Member

(except where the context otherwise requires) a person admitted to membership of any class of the Institute but not including a member of an Attached Class

Month

calendar month

Nominated Person

a person designated or authorized by the Board to fulfill a specific function in such circumstances and to such extent as the Board may authorise in Regulations

Non-Chartered Member

a Member specified in B2

Objects

the objects of the Institute as set out in Article 2 of the Charter

Office

the principal office of the Institute

Officers

the persons appointed to the offices specified in B6

Ordinary Resolution

a resolution (other than a Special Resolution) passed by General Meeting (including by postal ballot) by a simple majority of the eligible votes validly cast

Professional Competence

a level of ability and knowledge of financial services, based on qualifications and experience as published from time to time by the Institute

Property

any assets other than money held or owned by the Institute, including any land, building, paper, intellectual property rights or other document

Proxy

the person appointed by a Member to vote on his behalf, who may be the Chairman or any other Member provided he intends to be present at the relevant General Meeting

Register of Members

the official register of Chartered and Non-Chartered Members

Register of Firms

the official register of Corporate Members

Regulations

those Regulations made by the Board from time to time pursuant to Article 16 of the Charter

Special Resolution

a resolution under Articles 19 of the Charter involving a repeal of, and/or alteration or addition to the Charter and/or Bye-Laws (or the making of new Bye-Laws) and passed by a postal ballot or a resolution of a General

Meeting by a two thirds majority of the eligible votes validly cast

Terms of Reference

orders setting out procedures, including for the conduct of meetings, and dealing with the business and composition of committees established under B7

The Institute

The Chartered Institute for Securities & Investment incorporated by Royal Charter

BYE-LAW 2: MEMBERSHIP AND REGISTRATION

B2.1 Classes

B2.1.1 The Members of the Institute shall consist of the following classes:

(a) Chartered Members comprising:

- (i) Chartered Fellows
- (ii) Chartered Members

(b) Non Chartered Members comprising:

- (i) Honorary Fellows
- (ii) Fellows
- (iii) Members
- (iv) Associates

(c) Attached classes comprising:

- (i) Affiliates
- (ii) Students

B2.1.2 The respective rights, privileges and obligations of the Members within each class of membership shall be contained in Regulations made by the Board.

B2.1.3 Subject to any procedures stated in the Regulations, the Board may in respect of any Member other than a Chartered Member:

- (a) change the name or title of any class of membership
- (b) change the criteria or terms of any class of membership
- (c) introduce new classes of membership.

B2.2 Eligibility

B2.2.1 Chartered Member or Non-Chartered Member

To be eligible for admission as a Chartered Fellow, Chartered Member or a Non-Chartered Fellow, Member or Associate, a person:

- (a) shall demonstrate the attainment and maintenance of an appropriate level of Professional Competence, and
- (b) comply with any other requirements as set out in Regulations made by the Board and published from time to time.

B2.2.2 Honorary Fellow

To be eligible for admission as an Honorary Fellow a person shall:

- (a) in the opinion of the Board be able to assist in the promotion of the Objects by reason of his experience, position or eminence, and
- (b) comply with any requirements as set out in Regulations made by the Board and published from time to time.

B2.2.3 Attached Classes

To be eligible for admission as a member of an

Attached Class, a person shall comply with any requirements as set out in Regulations made by the Board and published from time to time.

B2.2.4 Dispensation

The Board may make regulations granting dispensation in whole or in part from any eligibility requirements.

B2.2.5 Voting

The only Members who shall be entitled to vote at General Meetings of the Institute are

- (a) Chartered Fellows;
- (b) Chartered Members;
- (c) Honorary Fellows;
- (d) Fellows; and
- (e) Members.

B2.3 Procedure

B2.3.1 First application

An applicant for membership of the Institute must satisfy such requirements as prescribed by the Regulations in respect of training, experience, examinations, and fitness for membership or otherwise.

B2.3.2 Re-admission following removal

A person whose name has been removed from the Register of Members may be re-admitted to any class of membership subject to any procedure set out in Regulations.

B2.3.3 Transfer between Classes

The Regulations may prescribe the circumstances in which a Member may change his class of membership of the Institute.

B2.3.4 The Register of Members

The Institute shall keep and maintain the Register of Members as set out in Regulations, which shall record any person:

- (a) admitted to any class of membership of the Institute following admission or re-admission;
- (b) expelled or who resigns from any class of membership of the Institute; or
- (c) suspended from membership of the Institute.

B2.3.5 Undertaking on Admission

Any person admitted to any class of membership of the Institute shall give an undertaking on admission in writing in such terms as Regulations may prescribe. Such undertaking on admission will include that:

- (a) he will abide by the Charter, Bye-Laws and Regulations and Code of Conduct (as amended from time to time);
- (b) he will not at any time after ceasing to be a Member of the Institute use or permit to be used in conjunction with:
 - (i) his name; or
 - (ii) the name of any organisation with which he may be associated;

any Designation, Designatory Initials or expression denoting or suggesting any past or present membership of or connection with the Institute that he or the organisation is not otherwise entitled to use;

- (c) he will be liable whilst a Member and will remain liable after ceasing to be a Member

to pay to the Institute promptly on demand any monies payable by him to the Institute, including but not limited to any fee, subscription, levy, fine or other penalty, or reimbursement in accordance with any scheme of compensation; and

(d) he will comply with such other requirements as the Board shall determine.

B2.3.6 Cessation of Membership

The Regulations shall prescribe the circumstances in which a person shall cease to be a Member of the Institute.

B2.3.7 Privileges and Obligations of Membership

Members shall be subject to and shall enjoy such rights and privileges as may from time to time be provided by the Bye-Laws and the Regulations.

B2.4 Registration of Firms

B2.4.1 The Institute shall keep and maintain a Register of Firms who are deemed Corporate Members, which shall record any Firm:

- (a) registered with the Institute;
- (b) removed or de-registered from the Institute;
- (c) suspended from registration with the Institute.

B2.4.2 The Institute may make Regulations setting out:

- (a) the criteria for eligibility of a Firm to be deemed and registered as a Corporate Member by the Institute;
- (b) the procedure for registration; and

(c) the obligations of registration

(d) the procedure to be followed when suspending or de-registering a Corporate Member from the Register of Firms.

B2.4.3 Corporate Members will not be entitled to vote at General Meetings of the Institute.

BYE-LAW 3: DESIGNATIONS

B3.1 Use of Designations

B3.1.1 Chartered Fellows and Members shall be entitled to use the Designations and Designatory Initials as follows:

(a) Chartered Fellow: the Designatory Initials “Chartered FCSI” and the Designation “Chartered Fellow of the Chartered Institute for Securities & Investment”;

(b) Chartered Member: the Designatory Initials “Chartered MCSI” and the Designation “Chartered Member of the Chartered Institute for Securities & Investment”;

B3.1.2 Non Chartered Members shall be entitled to use the Designations and Designatory Initials as follows:

(a) Honorary Fellow: the Designatory Initials FCSI (Hon) and Designation “Honorary Fellow of the Chartered Institute for Securities and Investment”

(b) Fellow: the Designatory Initials FCSI and Designation “Fellow of the Chartered Institute for Securities and Investment”

(c) Member: the Designatory Initials MCSI and Designation “Member of the Chartered Institute for Securities and Investment”

(d) Associate: the Designatory Initials ACSI and Designation “Associate of the Chartered Institute for Securities and Investment”

B3.1.3 Affiliates and Students will not be entitled to use Designatory Initials or Designations.

B3.1.4 The Designatory Initials or Designations of Chartered Members may only be changed by Special Resolution at a General Meeting

B3.2 Alternative Designations

B3.2.1 The Institute may make regulations to permit:

- (a) Corporate Members to use the Corporate Member logo.
- (b) the Board to issue Designations and logos to organisations or individuals who provide services to the Institute which further the Objects provided that no such Designation or logo should infer that the organisation or individual has Chartered or Member status.

B3.3 Other designations

B3.3.1 The Board may issue guidance from time to time about the use of Designations and Designatory Initials by Members.

B3.3.2 Members shall not use any other designations so as to imply that such other designation is also a designation given by the Institute.

BYE-LAW 4: ENTRANCE FEES AND SUBSCRIPTIONS

B4.1 Fees, Subscriptions and other payments

The Board shall have power by Regulation to prescribe examination fees and other annual

subscriptions, entrance or fees or other payments related to admission or readmission to, or retention of, membership of the Institute: provided that annual subscriptions may not be increased more than once a year. Such payments may, at the discretion of the Board, take the form of lump sum payments (in arrears or in advance), periodical payments (annual or otherwise), payments on account, or estimated or provisional payments and may (if the Board so permits) be made by instalments. Any such amount may carry interest until actual payment (and as well after as before judgement) if unpaid at the expiration of ten days commencing on the due date for payment at such rate (including a floating rate) as the Board specify from time to time.

B4.2 Concessions, discounts and reductions

The Board may direct that the subscription or other fees due from an individual Member or firm be reduced or waived and may by Regulation provide for reductions in subscriptions or other fees for groups or sections of Members on any grounds, and specify the conditions on which those concessions shall operate.

B4.3 Payment

A Member or Firm shall be liable for payment of fees, subscription, levy, or other sums payable while in membership.

B4.4 Failure to pay

B4.4.1 If a Member of any class of membership fails to pay

- (a) any moneys due to the Institute within thirty days from the date upon which they became due and payable; or

- (b) any instalment of a subscription or an Annual Subscription by the date on which it becomes due and payable,

the Board may charge interest and take such other action it considers appropriate.

B4.4.2 The Board may defer exercising its power in B4.4.1 until such date as it considers appropriate.

BYE-LAW 5: DISCIPLINE

B5.1 Application

For the purpose of this Bye-Law only, the term "Member" shall include all individual Members of all classes of membership.

B5.2 Liability of Members

B5.2.1 Every Member shall:

- (a) conduct himself in a manner befitting membership of the Institute; and
- (b) comply with any regulations laid down to govern the manner in which his business is conducted; and
- (c) disclose promptly to the Institute the name of any other Member who in his reasonable belief may be in breach of B5.2.1(b); and
- (d) disclose promptly in writing to the Institute that either:
 - (i) he; or
 - (ii) to the best of his information, knowledge and belief, any other Member, has been charged with or been convicted of a criminal offence carrying on first conviction the possibility of a

custodial sentence.

B5.2.2 A Member may be liable to disciplinary action under these Bye-Laws, whether or not he was a Member at the time of the occurrence giving rise to that liability, by reason of:

- (a) conduct liable to bring the Institute into disrepute; or
- (b) a failure to adhere to these Bye-Laws or to Regulations or to the Code of Conduct; or
- (c) having been convicted of a criminal offence which could result in a custodial sentence.

B5.2.3 A Member shall not be entitled to resign from membership of the Institute until all proceedings against him under this Bye-Law have been concluded other than in exceptional cases at the discretion of the Board.

B5.3 Powers

B5.3.1 The Institute shall have the power to:

- (a) monitor compliance with the requirements of these Bye-Laws, the Regulations and the Code of Conduct; and
- (b) investigate complaints, allegations or suspicions of failure to comply with these Bye-Laws, the Regulations and the Code of Conduct.

B5.3.2 The Institute shall have the power to impose one or more of the disciplinary penalties specified in B5.3.3 if, after due enquiry, a Member is found to have done one or more of the things set out in B5.2.2 (a) to (c).

B5.3.3 The disciplinary penalties referred to in B5.3.2 are:

- (a) to deny some or all of the Institute's facilities

for a specified period of time as detailed in Regulations;

- (b) to reprimand the Member;
- (c) to severely reprimand the Member;
- (d) to require the Member to give one or more undertakings as to future conduct;
- (e) to fine the Member;
- (f) to impose conditions on the Member's continued membership of the Institute;
- (g) to suspend a Member from membership for a specified period;
- (h) to expel a Member from membership.

B5.3.4 The Institute may, if it thinks fit, temporarily suspend a Member's registration pending:

- (a) enquiry under B5.3.1; or
- (b) enquiry by another regulatory or judicial body; or
- (c) the outcome of consideration of action under B5.3.1 to B5.3.2.

B5.3.5 If a Member is also a member of another chartered or professional body and the Member is suspended or expelled by that chartered or professional body, the Institute shall have the power without further enquiry to suspend or expel him from membership of the Institute.

B5.3.6 The Disciplinary Committee may, if it thinks fit, take the findings of a properly established court of law as prima facie evidence of factual allegations against a Member.

B5.3.7 The Institute may make such order as it considers just and reasonable for a payment:

- (a) by a Member to the Institute in relation to its costs in connection with any investigation and/or hearing under B5.3.1 to B5.3.3, and/or in relation to the costs of monitoring compliance; or
- (b) to any Member in relation to costs incurred in connection with an investigation and/or hearing under B5.3.1 to B5.3.3.

B5.3.8 The Institute may publish its findings and the courses of action taken under B5.3.2 to B5.3.3 and B5.3.7 (a).

B5.3.9 The powers referred to in B5.4 shall be exercised by the Disciplinary Panel, the Appeal Panel and the Complaints Review Panel or a Nominated Person in such circumstances and to such extent as the Board may authorise in Regulations.

B5.4 Appeals and Review

B5.4.1 Regulations shall be made by the Board setting out the circumstances and manner in which Members and Firms may appeal against any disciplinary penalty imposed.

B5.4.2 The Board may require the Appeal Panel to review a finding or penalty imposed if they believe that the penalty concerned is unduly lenient.

BYE-LAW 6: THE BOARD, OFFICERS AND STAFF

B6.1 The Board

B6.1.1 Composition

Unless otherwise determined by Ordinary Resolution, the Board shall consist of the following:

- (a) up to fifteen, but not less than six, Members elected in accordance with Regulations;
- (b) up to three additional people (who are not also members of staff and who may or may not be Members) co-opted by the Board to hold office for such period and on such terms as the Board may decide.

B6.1.2 Duties and Powers

- (a) The Board shall direct the affairs of the Institute.
- (b) The primary duties and functions of the Board shall be to:
 - (i) determine the strategy and policy of the Institute;
 - (ii) oversee, monitor and assess the performance of the Executive Team;
 - (iii) ensure communication of direction and performance to Members and stakeholders;
 - (iv) make appointments, and to determine duties, terms of reference and other responsibilities in accordance with Regulations;
 - (v) oversee the development and implementation of policy, Regulations and procedures governing the regulation of Members and Firms; and
 - (vi) oversee and be the decision-maker of last resort in respect of administrative activities of the Institute.
- (c) The Board shall cause proper minutes to be made of all appointments of officers and of the proceedings of all meetings of the

Institute and of the Board and of committees of the Board and sub-committees and all business transacted at such meetings and any such minutes of any meeting, if purporting to be signed by the person acting as chairman of such meeting or by the person acting as chairman of the next succeeding meeting shall be sufficient evidence without any further proof of the facts therein stated.

B6.1.3 Proceedings of meetings of the Board and meetings of committees and sub-committees

- (a) Subject to the provisions of the Charter and these Bye-Laws, the members of the Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit. A member of the Board may call a meeting of the Board. It shall not be necessary to give notice of a meeting to a member of the Board who is absent from the United Kingdom. Each member of the Board shall have one vote. Questions arising at a meeting shall be decided by a simple majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
- (b) The quorum necessary for the transaction of the business of the Board may be fixed by the members of the Board and unless so fixed at any other number shall be three or one-third of the number of members of the Board for the time being whichever shall be the greater number.
- (c) The continuing members of the Board or a sole continuing member of the Board may

act notwithstanding any vacancy in their number, but, if and so long as the number of members of the Board is less than the number fixed as the quorum, the continuing members of the Board or member of the Board may act only for the purpose of filling vacancies or calling a General Meeting.

- (d) The members of the Board may from time to time elect and remove a Chairman and Deputy Chairman of their meetings and determine the periods for which and the terms on which they are respectively to hold office. The Chairman or Deputy Chairman shall preside at all meetings of the Board, but if there be no Chairman or Deputy Chairman or if at any meeting neither the Chairman nor any Deputy Chairman be present and willing to act within five minutes after the time appointed for the meeting, the members of the Board present may appoint one of their number to be chairman of the meeting.
- (e) All acts done by a meeting of the Board, or of a committee or sub-committee, or by a person acting as a member of the Board, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any person, or that any of them was disqualified from holding office, or had vacated office, or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued in office and had been entitled to vote.
- (f) A resolution in writing signed by all the members of the Board for the time being entitled to receive notice of a meeting of the

Board or by all the members of a committee or sub-committee shall be as valid and effectual as if it has been passed at a meeting of the Board or (as the case may be) of that committee or sub-committee duly convened and held and may consist of several documents in the like form each signed by one or more members of the Board.

- (g) The contemporaneous linking together by telephone of a number of the members of the Board not less than the quorum, wherever in the world they are, shall be deemed to constitute a meeting of the Board so long as the following conditions are met:
 - (i) All the members of the Board for the time being entitled to receive notice of any meeting of the members of the Board shall be entitled to notice of any meeting by telephone and to be linked by telephone for the purpose of such meeting. Notice of any such meeting may be given by telephone.
 - (ii) Each of the members of the Board taking part must be able to hear each of the other members of the Board taking part subject as hereinafter mentioned throughout the meeting.
 - (iii) At the commencement of the meeting each member of the Board must acknowledge his presence to all the other members of the Board taking part.
 - (iv) Unless he has previously obtained the consent of the chairman of the meeting, a member of the Board may not leave the meeting by disconnecting his

telephone and shall be conclusively presumed to have been present and to have formed part of the quorum throughout the meeting. The meeting shall be deemed to have been validly conducted notwithstanding that a member of the Board's telephone is accidentally disconnected during the meeting, and the proceedings thereof shall be deemed to be as valid as if the telephone had not been disconnected.

- (v) A minute of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by the chairman of the meeting.
- (h) Resolutions of the Board can be passed by way of electronic communications sent to the members of the Board, wherever in the world they are, so long as the following conditions are met:
 - (i) All the members of the Board for the time being entitled to receive notice of and vote on any issue for consideration by the members of the Board shall be sent notice (which may be sent by e-mail) of any proposed resolution(s).
 - (ii) Any proposed resolution(s) contained in electronic communications must be sent to an address for the time being notified to the Institute for that purpose by the member of the Board.
 - (iii) Any response sent by the members of the Board must be sent from the same address as the address to which the resolution(s) were sent as required in (ii)

above.

- (iv) The number of responses sent by the members of the Board in favour of any proposed resolution(s) must be sufficient to constitute a simple majority of the members of the Board.
- (v) A minute of the result or the outcome of any such resolution(s) shall be sufficient evidence thereof and of observance of all necessary formalities if certified by the chairman of the meeting.

B6.1.4 Delegation

The Board shall have power to establish, to delegate its powers and functions (other than the power to make Regulations or its non-delegable powers as trustees), to regulate, and to dissolve, such committees with such functions as the Board may think fit. Such committees may include persons who are not members of the Board or of the Institute. Every committee established by the Board shall have power to establish and dissolve sub-committees subject to such directions as the Board may from time to time impose. The exercise by any committee of any power or function delegated to it by the Board shall be reported to the Board as soon as practicable.

B6.2 Chief Executive Officer and staff

B6.2.1 Appointment

- (a) There shall be a Chief Executive Officer who shall be appointed by the Board.
- (b) The Board may delegate the power of appointment and removal of other members of staff (including members of the Executive

Team) to the Chief Executive Officer or, in the case of any post other than that of the Chief Executive Officer, to any other member of the staff of the Institute.

B6.2.2 Duties

The duties of the Chief Executive Officer shall be determined by the Board.

B6.2.3 Delegation

The Chief Executive Officer may delegate to staff or appropriate third parties any of his functions or duties (including the power to sub-delegate) on such terms and conditions as it sees fit, and may revoke such delegations at any time.

B6.3 Indemnity for members and staff

B6.3.1 Subject to B6.3.2 and any other exceptions set out in Regulations, the Institute shall indemnify every:

- (a) Officer of the Institute;
- (b) member of any committee of the Institute;
- (c) Member acting on behalf of the Institute;
- (d) agent of the Institute;
- (e) Member acting as a trustee of a trust established for the furtherance of some or all of the Objects;
- (f) Member or person appointed to serve on another body by reason of his membership and/or upon the recommendation of the Institute;

and their respective heirs, executors and administrators in respect of any liability incurred exclusively in the course of the performance in good faith of his office or duties on behalf of the Institute or other relevant body.

B6.3.2 The indemnity in B6.3.1 shall not extend to liability resulting from:

- (a) the wilful neglect or default of the person concerned;
- (b) any act or omission which the person concerned knew to be a breach (or which was done in reckless disregard) of trust or duty or outside the Objects; and/or
- (c) a successful criminal prosecution against a person in his capacity as trustee.

BYE-LAW 7: SUBORDINATE COMMITTEES AND OTHER GROUPS

B7.1 General

B7.1.1 The Board shall establish the following sub-boards, committees, group or panels:

- (a) Membership Committee
- (b) Integrity and Ethics Committee
- (c) Examination Board
- (d) Audit Committee
- (e) Disciplinary Committee

B7.1.2 The Board may establish, dissolve, and amalgamate such other sub-boards, committees, group or panels (including entities established overseas) as it considers necessary or desirable for the more efficient functioning of the Institute or the furtherance of its objectives.

B7.1.3 The Board may change the names of any sub-board, committee, group or panel established by it.

B7.1.4 The membership, functions, terms of reference, and procedures of any sub-boards, committees,

group or panels shall be prescribed in the Regulations.

B7.2 Membership Committee

B7.2.1 The Membership Committee shall be responsible for implementing the Membership strategy of the Institute as determined by the Board.

B7.2.2 The Membership Committee shall be subordinate and accountable to the Board.

B7.2.3 The Membership Committee may establish, dissolve, and amalgamate such other boards, committees, group or panels as it considers necessary or desirable to implement the Membership strategy of the Institute, and any such boards, committees, group or panels will be subordinate and accountable to the Membership Committee.

B7.3 Integrity and Ethics Committee

B7.3.1 The Integrity and Ethics Committee shall be responsible for implementing the Integrity and Ethics strategy of the Institute as determined by the Board.

B7.3.2 The Integrity and Ethics Committee shall be subordinate and accountable to the Board.

B7.3.3 The Integrity and Ethics Committee may establish, dissolve, and amalgamate such other boards, committees, group or panels as it considers necessary or desirable to implement the Integrity and Ethics strategy of the Institute, and any such boards, committees, group or panels will be subordinate and accountable to the Integrity and Ethics Committee.

B7.4 Examination Board

B7.4.1 The Examination Board shall consider matters relating to Examinations and Qualifications strategy

B7.4.2 The Examination Board shall be subordinate and accountable to the Board.

B7.4.3 The Examination Board may establish, dissolve, and amalgamate such other boards, committees, group or panels as it considers necessary or desirable to implement the Qualifications strategy of the Institute, and any such boards, committees, group or panels will be subordinate and accountable to the Examination Board.

B7.5 Audit Committee

B7.5.1 The Audit Committee shall consider matters relating to audit arrangements and systems and internal control.

B7.5.2 The Audit Committee shall operate independently of the Board.

B7.5.3 The Audit Committee shall report at least annually to:

- (a) the Board; and
- (b) Members at a General Meeting.

B7.5.4 The procedure for appointing members of the Audit Committee shall be set out in Regulations.

B7.6 Disciplinary Committee

B7.6.1 The Disciplinary Committee shall be responsible for oversight and delivery of the Institute's disciplinary processes as set out in B5.

B7.6.2 The Disciplinary Committee shall operate independently of the Board.

B7.6.3 The Disciplinary Committee shall report at least annually to:

- (a) the Board; and
- (b) Members at a General Meeting.

B7.6.4 The procedure for appointing members of the Disciplinary Committee shall be set out in Regulations.

BYE-LAW 8: PROCEDURE FOR GENERAL MEETINGS

B8.1 Meetings

- (a) The Institute shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Institute and that of the next provided that the first Annual General Meeting of the Institute shall be held not later than eighteen months from the date these Bye-Laws first come into force. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the meeting as such.
- (b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- (c) The Board may, whenever they think fit, convene an Extraordinary General Meeting. If at any time there are not within the United Kingdom sufficient members of the Board capable of acting to form a

quorum of the Board, any member of the Board or any two members of the Institute who are entitled to receive notice of, attend and vote at General Meetings may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

(d) Extraordinary General Meetings may also be convened on the requisition of Members. The provisions set out in sections 303 – 305 (inclusive) of the Companies Act 2006 shall apply to the Institute mutatis mutandis, provided that:

- (i) in those sections references to:
 - (A) “directors” shall be construed as references to “members of the Board”;
 - (B) “company” shall be construed as references to the “Institute”; and
 - (C) “general meetings” shall be construed as references to “Extraordinary General Meetings”; and
- (ii) for the purposes of applying section 303, the Institute shall be deemed to be a private company not having a share capital.

B8.2 Notice of General Meetings

B8.2.1 An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by at least fourteen clear days’ notice in writing, and a meeting of the Institute other than an

Annual General Meeting or a General Meeting for the passing of a Special Resolution shall be called by at least fourteen clear days’ notice in writing but a General Meeting of the Institute may be called by shorter notice if it is so agreed:

- (a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other General Meeting, by a majority in number of the Members having a right to attend and vote at the General Meeting, being a majority together holding not less than ninety-five per cent of the total voting rights at that meeting of all Members.

B8.2.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the meeting as such.

B8.2.3 The notice shall be given to such persons as are, under the Bye-Laws, entitled to receive such notices from the Institute and to the Board and Auditors.

B8.2.4 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

B8.3 Proceedings at General Meetings

B8.3.1 No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, ten persons entitled to vote upon the business to

be transacted appearing at a meeting in person together with at least 30 Proxy votes being held among those attending the meeting shall be a quorum.

- B8.3.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be 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, or to such other day and at such other time and place, as the Board may determine.
- B8.3.3 The Chairman, or in his absence the Deputy Chairman, shall preside as Chairman at every General Meeting of the Institute. If neither the Chairman nor the Deputy Chairman is present within fifteen minutes after the time appointed for the holding of the meeting or shall be unwilling to act, the members of the Board present shall elect one of their number to be chairman of the General Meeting.
- B8.3.4 If no member of the Board is willing to act as chairman, or if no member of the Board is present within fifteen minutes after the time appointed for holding the meeting, the members present who are entitled to attend and vote shall choose one of their number to be chairman of the meeting.
- B8.3.5 The chairman of the meeting may, with the consent of a 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 which might properly have been

transacted at the meeting had the adjournment not taken 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 an adjourned meeting.

- B8.3.6 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. A poll may be demanded:
- (a) by the chairman of the meeting; or
 - (b) by at least three Members entitled to attend and vote at the meeting; or
 - (c) by any Member or Members entitled to attend and vote at the meeting and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting;
- and a demand by a person as Proxy for a Member shall be the same as a demand by the Member.
- B8.3.7 Unless a poll is duly 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 minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- B8.3.8 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent

of the chairman of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

- B8.3.9 Except as provided in Bye-Law B8.3.11, a poll shall be taken in such manner as the chairman of the meeting directs, and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- B8.3.10 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
- B8.3.11 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman of the meeting directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll was demanded.
- B8.3.12 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- B8.3.13 A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed

at a General Meeting at which he was present shall be as effectual as if it had been passed at a General Meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

B8.3.14 The Board may make further Regulations about using electronic communications to facilitate votes held by the Members.

B8.4 VOTES OF MEMBERS

B8.4.1 Subject to Bye-Law B8.4.2:

- (a) on a show of hands, every Member who is personally present and entitled to be present at any General Meeting shall have one vote; and
- (b) on a poll, every Member who is present in person or by Proxy and entitled to be so present at the taking of the poll shall have one vote.

B8.4.2 Members of any class of membership for the time being designated as Associate Members, Student Members or Affiliate Members shall not be entitled to receive notice of or attend and vote at any General Meeting or on a poll.

B8.4.3 A Member entitled to receive notice of or attend and vote at any General Meeting or on a poll and in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that

court, and any such receiver, curator bonis or other person may, on a poll, vote by Proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with the Bye-Laws for the deposit of instruments of proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

B8.4.4 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is rendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

B8.4.5 No Member shall be entitled to vote at any General Meeting or at any separate class meeting, either in person or by Proxy, unless all moneys presently payable by him to the Institute have been paid.

B8.4.6 Any Member entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a Member or not) as his Proxy to attend and vote instead of him and any Proxy so appointed shall have the same right as the Member to speak at the meeting.

B8.4.7 On a poll votes may be given either personally or by Proxy.

B8.4.8 An instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing and shall

be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve) –

“CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT

I/We _____ of,

being a member/members of the above named Institute, hereby appoint
of,

or failing him, _____ of _____,
as my/our proxy to vote in my/our

name[s] and on my/our behalf at the Annual/Extraordinary General Meeting of the Institute to be held on _____ 20____, and at any adjournment thereof.

Signed on _____ 20____ ”

B8.4.9 Where it is desired to afford Members an opportunity of instructing the Proxy how he shall act the instrument appointing a Proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve) –

“CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT

I/We _____ of,

being a member/members of the above named Institute, hereby appoint
of,

or failing him, _____ of _____,
as my/our proxy to vote in my/our

name[s] and on my/our behalf at the Annual/Extraordinary General Meeting of the Institute to be held on 20 , and at any adjournment thereof.

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

Resolution No.1 * for * against

Resolution No.2 * for * against

* Strike out whichever is not desired.

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

Signed on 20 ”

B8.4.10 The instrument appointing a Proxy and the power of attorney or other authority, if any, under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board may -

- (a) be deposited at the office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting or in any instrument of Proxy sent out by the Institute in relation to the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote; or
- (b) in the case of a poll taken more than forty-eight hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty four hours before the time appointed for the taking of the poll; or

- (c) where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the secretary or to any member of the Board;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

B8.4.11 The instrument appointing a Proxy shall be deemed to confer authority to demand or join in demanding a poll.

B8.4.12 A vote given or poll demanded by a Proxy shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of determination was received by the Institute at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

BYE-LAW 9: ACCOUNTS AND AUDIT

B9.1 Books of Account

- B9.1.1 The Board shall cause proper and sufficient Books of Account to be kept in such manner as to give a true and fair view of the state of the Institute's affairs and to explain its transactions, with respect to:
- (a) the assets and liabilities of the Institute;

- (b) sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure takes place;
- (c) all sales and purchases of goods and services by the Institute.

B9.1.2 The Books of Account shall be kept at the office or in such place as the Board shall determine and shall be open to inspection by the members of the Board, the Chief Executive Officer and the Auditor. The Institute in General Meeting may specify reasonable conditions and regulations as to the time within business hours and manner in which the accounts shall be open to inspection by Members.

B9.2 Annual Accounts

B9.2.1 The Annual Accounts shall comprise:

- (a) an income and expenditure account giving a true and fair view of the income and expenditure of the Institute for the preceding financial year;
- (b) a balance sheet giving a true and fair view of the state of the financial affairs of the Institute as at the end of the preceding financial year; and
- (c) an Annual Report with respect to the financial affairs of the Institute for the preceding financial year which shall include a report from the Auditor.

B9.2.2 The Annual Accounts shall be sequentially:

- (a) prepared by the Executive Team;
- (b) audited by the Auditor;
- (c) examined by the Audit Committee and, if

approved by the Audit Committee, recommended to the Board by the Audit Committee;

- (d) approved by the Board; and
- (e) signed by the Chairman and the Chairman of the Audit Committee after they have been Audited and approved by the Board

B9.2.3 The Annual Accounts shall be laid before the Institute at each Annual General Meeting.

B9.3 Appointment of the Auditor

The Auditor shall be appointed and hold office, and his duties and remuneration regulated, in accordance with Regulations.

B9.4 Report of the Auditor

The Auditor shall make a report to the Members on all Annual Accounts laid before the Members during the Auditor's tenure of office, which shall comply with any relevant published audit standards.

BYE-LAW 10: GENERAL

B10.1 Property and Funds

B10.1.1 The Property and Funds of the Institute shall be:

- (a) under the control of the Board; and
- (b) used only to promote the Objects as set out in the Charter.

B10.1.2 The Property and Funds of the Institute shall not be paid or transferred directly or indirectly by way of:

- (a) dividend, gift, bonus or other profit to any person; or

(b) salary or money's worth to any person, except payments in good faith in accordance with the Charter and Regulations.

B10.2 Trustees

B10.2.1 The Board may appoint trustees or nominees or custodians to hold any Property or Funds in the names of such trustees or nominees or custodians, in accordance with the Regulations and subject to the control of the Board.

B10.2.2 No Property of the Institute shall be sold, assigned, transferred, conveyed or otherwise disposed of by the trustees without the authority of the Board.

B10.3 Contracts

B10.3.1 The Institute shall have authority to enter into contracts or legal arrangements provided it has the necessary funds to enter into the commitments undertaken.

B10.3.2 The Regulations shall specify the requirements for any contract or legal instrument made by or on behalf of the Institute.

B10.4 Dissolution or Winding Up

No property of any charity controlled by the Institute shall be applied for purposes which are not charitable in accordance with section 7(4) (a) of the Charities and Trustee Investment (Scotland) Act 2005.

B10.5 Administration

The Board may make Regulations as it sees fit to govern any other administrative matters.

BYE-LAW 11: TRANSITIONAL PROVISIONS

B11.1 Those persons who were members of the Company when the Institute was incorporated and who became Members by virtue of the Charter shall be deemed to have become Members in the same capacity as they were members in the Company at the time of the incorporation of the Institute. The Designations and Designatory Initials which may apply to such Members shall be determined under the Regulations and notified to Members accordingly.

B11.2 The first Annual General Meeting of the Institute shall be held not later than eighteen months from the date these Bye-laws first come into force, in such manner and shall be conducted in accordance with such rules, as may be determined by the Board.

B11.3 The business of the first Annual General Meeting of the Institute shall include the appointment of the first Auditor.

B11.4 The Articles of Association of the Company and any regulations or *bye-laws* made in accordance with the provisions thereof shall, so far as they shall be consistent with the Charter and these Bye-Laws be deemed to be Regulations of the Institute until such time as they shall have been revoked, or replaced by Bye-Laws or Regulations made under the Charter. Such Articles, regulations, or *bye-laws* as could only have been made pursuant to the provisions of the Charter as Bye-Laws may be revoked, added to or amended only by Special Resolution. All other provisions contained in such Articles, regulations or *bye-laws* shall be capable of being altered, added to, amended or repealed as though they were the Regulations.

- B11.5 All persons holding paid appointments in the Company at the date of the Charter shall hold corresponding appointments in the Institute, on the same terms and conditions as to tenure and otherwise but shall not be entitled to receive remuneration both from the Company and from the Institute in respect of the same period of service.
- B11.6 The Board shall have the power to resolve all questions of doubt which may relate to any transitional matter following the grant of the Charter and the establishment of these Bye-Laws and such determination shall be final and binding upon every person who may be affected thereby.