

Member Regulations

Interpretation Clause

- MR1. In the event of any inconsistency between the provisions of the Charter and the By-Laws and the provisions of these Member Regulations, the provisions of the Charter and the By-Laws will prevail.
- MR2. Words and expressions used in these Member Regulations shall bear the same meanings as are respectively assigned to them in the By-Laws and/or as defined in the definitions schedule (which can be found at the end of the Board Regulations).

Conditions of Membership

Fellows

- MR3. An Institute Member may become a Fellow if:
- a. they are invited by the Board in writing to become a Fellow;
- And**
- b. they have been appointed as an Institute Member for at least one year (this may be waived by the Board in the case of senior invitees);
- And**
- c. they are (or, at any time during the five years immediately preceding their invitation to become a Fellow were) a Director of an Entity whose annual turnover or budget exceeds £5,000,000 (or such higher sum as determined by the Board);
- And**
- d. either:
 - (i) they have been a Director of an Entity for a minimum of ten years and been in business for a minimum of fifteen years; or
 - (ii) they have been a Director of an Entity for a minimum of five years and been in business for a minimum of ten years and they have attended the Institute's course titled "the Role of Company Director" (or such other course as the Board may determine);
- Or**
- e. they are admitted as a Chartered Director.

Honorary Fellow

- MR4. The Board shall, at its absolute discretion, determine who shall be admitted as an Honorary Fellow.
- MR5. The Board shall determine the total number of Honorary Fellows at any one time.

Members

- MR6. To qualify for admission as an Institute Member, an individual must:
- a. be a Director of an Entity which is a solvent going concern of Substance (being an Entity with a minimum annual turnover or budget of £250,000, or such higher figure as the Board may determine from time to time);
- And**
- b. either:
 - (i) have been a Director of an Entity for a minimum of three years and have been in business for a minimum of seven years; or
 - (ii) have been a Director of an Entity for a minimum of one year, have been in business for a minimum of five years and have attended the Institute's course titled "the Role of Company Director" (or such other course as the Board may determine).

Honorary Members

MR7. The Board shall, at its absolute discretion, determine who shall be admitted as an Honorary Member.

MR8. The Board shall determine the total number of Honorary Members at any one time. **[Privy Council please note: stipulating the number of Honorary positions was considered too restrictive and has therefore been relaxed (cross-reference B9 of the current By-Laws)]**

Associates

MR9. To qualify for admission as an Associate, an individual must:

a. be a Director (regardless of the length of time they have been a Director) of any Entity which is actively carrying on business even though it may not meet the conditions regarding the annual turnover or budget of an Entity of Substance;

Or

b. be a proprietor of an enterprise which has active operations even though it may not meet the conditions regarding annual turnover or budget described above;

Or

c. be a partner in a professional practice or a senior executive or officer of another Entity and (while not being a member of the body that is responsible for the strategic direction of the practice and/or the Entity and the implementation of its corporate governance) who reports directly to the members of that body,

and the Board (or an individual nominated by the Board for that purpose) are satisfied that the individual proposing to be admitted as an Associate is interested in the promotion of the best interests of Directors

MR10. An individual may apply to become an Associate even if they are (or it is considered that they may be) qualified to become an Institute Member.

Student

MR11. To qualify for admission as a Student Member, an individual must (at the time of their application) be studying for a recognised qualification at a university or college, or be in a sixth form (or equivalent) of a British school.

MR12. Student membership is available for a term of up to five years during the studying period at the institution referred to above. Following the expiry of this period, a Student Member's membership may be extended for the first two years of a Student Member's employment (or longer, if considered appropriate) at the discretion of the Board.

Other Categories

MR13. The Board may divide any category of membership of the Institute into separate subdivisions in any manner which may be lawful, for example taking into consideration whether or not the Institute Member in question is retired and/or resides overseas. **[Privy Council please note: the words "and/or resides overseas" has been added to the end of this clause as this was covered in a separate clause in our previous regulations]**

Privileges of Membership

MR14. Institute Members shall have such privileges, benefits, services and products as may be respectively determined by the Board from time to time. The Board may delegate its power pursuant to this Member Regulation to any officers and/or employees of the Institute as the Board may decide from time to time.

MR15. Nothing in these Member Regulations shall require all benefits, services and products to be made available to all Institute Members or shall preclude differentiation being made between Institute Members on any basis (subject to compliance with any applicable Laws of the Institute).

Annual Subscriptions and Admission Fees

MR16. Save as otherwise provided in these Member Regulations, every Institute Member (except for Honorary Members and Honorary Fellows) shall pay:

- a. any admission fee required at the time of their application;

And

- b. an annual subscription fee in respect of their Institute membership.

MR17. Annual subscriptions shall be payable in full in advance or may be payable in instalments in advance at the Board's discretion. The first subscription fee payable by the Institute Member shall be due when their application for admission as an Institute Member is made.

MR18. The annual subscription fee and the admission fee payable by each category or subdivision of Institute Member (taking into account any discounts available to Institute Members) shall be such amounts as the Board shall determine each year, subject to approval by the Voting Members at general meeting in the event the Board propose to increase the annual subscription fee by six percent or more, or, if higher, two percent above the increase in the Retail Prices Index published by the UK Government for the year in question (or if no such index is published, by its nearest successor (as determined by the Board)).

MR19. An Institute Member may apply for specified multi-year terms of membership, for each category or subdivision for Institute membership. The Board may determine the subscription fee payable for terms of membership exceeding one year.

MR20. The Board may, in its absolute discretion, or the Director General may, subject to any limits imposed by the Board, reduce or waive any subscription fee and/or other fee(s) payable by any Institute Member. **[Privy Council please note: in the spirit of consistency, ultimate power resides with the Board, which may delegate to the Director General]** Such reduction or waiver may be made whether or not the subscription and/or other fee has become due and payable. The Director General may delegate the discretion to reduce or waive a subscription or other fee to the Institute Secretary and any other employee of the Institute who shall act jointly. In exercising such discretion, regard may be had to any relevant factor. The Director General may, in accordance with policies approved by the Board, authorise:

- a. the reduction of any subscription or other fee on the grounds of bulk membership for Institute Members who are Directors of the same Entity or related Entities;

And

- b. discounts for payment in advance of subscription fees for a period of two years or more.

Membership Conduct

MR21. Pursuant to BL5, and as declared on the application form or thereafter by written notice to the Institute Secretary, and as a condition of Institute membership, each Institute Member must agree at all times, to:

- a. be bound by the Laws of the Institute and all rules and regulations made under it from time to time;

And

- b. declare any unspent criminal convictions (other than minor traffic offences), any undischarged bankruptcies or bankruptcy proceedings being brought against them,

and any current disqualification (whether by court order or voluntary undertaking) or the commencement of any director disqualification proceedings;

And

- c. conduct themselves, both publicly and privately, in a professional manner and so as to uphold the Institute's reputation and standing and not to cause embarrassment or distress to other Institute Members or the Institute's officers and employees;

And

- d. not represent publicly the views of the Institute or to claim its support, without the consent of the Board (or of an officer or employee of the Institute nominated by the Board for such purpose).

MR22. The Board shall set out Member Rules which will include a summary of the conduct required of Institute Members and it shall also include premises rules and when Institute Members can be excluded from Institute premises. **[Privy Council please note: Member Rules have been put in place to govern member-related conduct and rules; they are set out at the end of the document.]**

Ceasing to be an Institute Member or Chartered Director and Conduct Provisions

[Privy Council please note: 1) the heading currently used, "Termination of Membership", has been updated; 2) the procedures for Institute Members and Chartered Directors have been standardised; this section accordingly applies to both, in contrast to the current constitution which details them separately]

MR23. An Institute Member or Chartered Director will immediately cease to be an Institute Member or Chartered Director if:

- a. the Institute Member or Chartered Director resigns (such resignation to have effect on the date of receipt by the Institute or such later date as any written notice may specify);

Or

- b. having defaulted in payment of any subscription or other fees or amounts due to the Institute, the Institute Member or Chartered Director fails to make payment by any deadline which the Board may, in its absolute discretion, determine (either generally or in any specific case or cases).

MR24. An Institute Member or Chartered Director who ceases to be an Institute Member or Chartered Director pursuant to MR23 may, if they so request in writing, be re-instated as an Institute Member or Chartered Director if (subject to guidelines, if any, set by the Board) the Director General (or as delegated by the Director General to the Institute Secretary) so decides in their absolute discretion, and upon such terms and conditions as may be specified by the Director General.

MR25. An Institute Member or Chartered Director will immediately cease to be an Institute Member or Chartered Director upon the happening of any of the following events:

- a. if the Institute Member or Chartered Director becomes prohibited by law from being a Director or they give an undertaking not to act as a Director (and, for this purpose, no account shall be taken of the fact that they may be permitted to act as a Director of one or more identified Entities);

Or

- b. if the Institute Member or Chartered Director becomes bankrupt or makes any arrangement or composition with their creditors;

Or

- c. following the outcome of any conduct review, the Institute Member or Chartered Director has been removed pursuant to MR35.d;

MR26. If an Institute Member or Chartered Director ceases to be an Institute Member or Chartered Director pursuant to MR25, the Institute Member or Chartered Director concerned shall be entitled to re-apply for membership of the Institute or for Chartered Director status (as appropriate), subject to their becoming eligible and satisfying the requirements of the Laws of the Institute at the time of their application.

MR27. An Institute Member or Chartered Director who ceases to be an Institute Member or Chartered Director as a result of these Member Regulations shall remain liable to the Institute for all subscriptions, fees and other sums which may be due from them at the date of the cessation of their Institute membership or chartered directorship and shall not be entitled to any refund of any sum, including any payment in respect of any future year of Institute membership or chartered directorship.

MR28. An Institute Member or Chartered Director shall not cease to be an Institute Member or Chartered Director merely by virtue of the fact that the Institute Member or Chartered Director has ceased to hold office as a Director of an Entity.

Conduct Procedure [Privy Council please note: 1) the heading currently used, “Disciplinary Procedures”, has been updated; 2) the procedures for Institute Members and Chartered Directors have been standardised; this section accordingly applies to both, in contrast to the current constitution which details them separately; 3) the procedures have been completely revised ensure a swift process which still ensure principles of natural justice are complied with.

MR29. Any review of a complaint of misconduct in respect of an Institute Member or Chartered Director will be investigated and determined in accordance with the procedures set out in these Member Regulations (MR29 to MR68 inclusive).

MR30. For the purposes of these Member Regulations the following shall constitute misconduct:

- a. the Institute Member or Chartered Director:
 - (i) has been convicted of any criminal offence which is unspent or otherwise remains outstanding; or
 - (ii) has made a serious misrepresentation to the Institute (which shall include, but not be limited to, any misrepresentation as to the qualifications or directorships of that Institute Member); or
 - (iii) has breached any Laws of the Institute;
- And/Or**
- b. the Chartered Director has breached the Code of Conduct or the Board Regulations which demonstrate the Charter Director’s commitment to professionalism and probity.

MR31. Any complaint of misconduct shall be carried out by way of a three stage process:

- (a) initial assessment (MR39 to MR53 inclusive)
- (b) review of the complaint (MR54 to MR60 inclusive); and
- (c) appeal (MR61 to MR68 inclusive).

MR32. The Board (or as delegated pursuant to the Scheme of Delegation) shall only impose such sanction as it considers proportionate in the circumstances.

MR33. For the purpose of these Member Regulations, any decision as to whether any complaint of misconduct falls to be determined as a complaint of minor misconduct or serious misconduct by the Institute Secretary and the Director General acting jointly, as provided for at MR43 below.

MR34. The sanctions which may be imposed for a finding of minor misconduct shall include such sanctions as are delegated by the Board pursuant to the Scheme of Delegation, provided

always that any sanction imposed in respect of minor misconduct shall not have an effect on the Institute Member or Chartered Directors membership rights.

- MR35. The sanctions that may be imposed for serious misconduct shall include:
- a. admonition;
- And/Or**
- b. suspension for any period of Institute membership or their position as a Chartered Director (as appropriate);
- And/Or**
- c. suspension for any period or permanent withdrawal of all or any of the Institute Member's or Chartered Director's rights and privileges (including, but not limited to, the right to use any designation or to hold themselves out as an Institute Member or as a Chartered Director);
- And/Or**
- d. termination of Institute membership.
- MR36. An enquiry and determination into any complaint of misconduct against an Institute Member or Chartered Director shall be undertaken with the minimum of delay, shall adhere to and be carried out in line with the principles of natural justice and shall be proportionate, fair, consistent, accountable and transparent.
- MR37. A full report on all complaints received will be given to the Membership Committee to ensure a formal mechanism for oversight.
- MR38. Decisions of the Initial Assessment Stage, Review Panel Stage or Appeal Stage may be published. The extent of the publication will be at the discretion of the Board. No publication of any decision will be made whilst any appeal is pending.

Conduct Review Procedure- Stage 1 (Initial Assessment Stage)

- MR39. A complaint of misconduct against any Institute Member or Chartered Director ('Respondent') may be made in writing by any person or organisation (which shall include Institute Members and the Institute) and shall be delivered to the Institute Secretary.
- MR40. If the Institute Secretary or Director General is the subject of the complaint in question or they are the complainant, they shall not be entitled to exercise their powers in relation to the complaint and the Board shall appoint another suitably qualified person to act in regard to that complaint.
- MR41. If the subject matter of a complaint is subject to (or it is anticipated that it is about to become subject to) any form of legal proceedings or any disciplinary or grievance, criminal proceedings or police investigation, the Institute Secretary and Director General may, at their sole discretion, place the conduct procedures on hold until the conclusion, dismissal or adjournment of such proceedings.
- MR42. The Institute Secretary shall notify the Respondent concerned in writing of the complaint along with any other relevant parties required to be notified by law (if any) within fourteen days. The notice to the Respondent shall include:
- a. the complaint made together with copies of any relevant supporting documentation;
- And**
- b. confirmation that the Respondent is entitled to submit a written reply with written submissions and/or supporting material in relation to the complaint within twenty-one Clear Days of receipt (or deemed receipt, whichever is later) of the notice by the Respondent.

MR43. Not more than twenty-one days after the deemed receipt of the notice of complaint by the Respondent, the Institute Secretary and the Director General shall (1) ensure that any additional enquiries required have been carried out, that the Respondent has been notified of any such enquiries and has been given the opportunity to reply and (2) review the submissions and supported material provided to date and jointly determine:

a. where there appears to be no prima facie case to answer or the complaint is unfounded or vexatious, that the complaint be dismissed. The Institute Secretary shall notify the Respondent accordingly and shall submit a summary to the Membership Committee;

Or

b. where there appears to be a case to answer, one of the following steps be taken:

(i) if the complaint is founded and is determined by the Institute Secretary and Director General acting jointly to be of a minor nature and could be sufficiently addressed by the category of sanction determined by the Board at MR34 to apply to minor misconduct then the Institute Secretary and Director General acting jointly may impose such sanction. In such cases, a report on the decisions taken by the Institute Secretary and Director General will be provided to the Membership Committee. If the Institute Secretary and Director General cannot agree on a sanction the matter will be automatically referred to the Review Panel Stage. In the event that a finding is reached by the Institute Secretary and the Director General, the Respondent will have a right to appeal the decision or the procedure followed and this will be referred directly to the Appeal Stage of the process; or

(ii) if the complaint and outcome of the initial review is such that circumstances permit, or the Respondent admits to the complaint, the Institute Secretary and Director General may, at their sole discretion, propose that an agreement be entered into between the Institute and the Respondent, which may provide an obligation on the Respondent to undertake or refrain from certain actions and/or to pay a fine to the Institute. Any agreement made shall state that it is made pursuant to this MR43, be in such form as determined by the Institute Secretary and/or Director General and shall be signed by the Respondent and the Institute Secretary and/or Director General on behalf of the Institute. If the Institute Secretary and Director General cannot agree a sanction under this paragraph (ii), the matter will be automatically referred to the Review Panel Stage; or

(iii) if the Institute Secretary and Director General determine that the complaint may involve allegations of serious misconduct and that there is a prima facie case, the complaint shall be referred by way of a report submitted by the Institute Secretary to the Membership Committee with a request to initiate the Review Panel Stage. The Institute Secretary shall notify the Respondent and complainant accordingly.

MR44. Following a decision of the Institute Secretary and the Director General pursuant to MR43 above, the Institute Secretary shall send notification to the Respondent of the decision within seven Clear Days following the decision, such notice to include details of the decision and in the case of MR43.b(i) and (ii) any sanction(s) to be imposed on the Respondent and the Respondent's right to appeal the decision of the Institute Secretary and the Director General in accordance with these Member Regulations (MR61 to MR68 inclusive).

MR45. If the complaint is referred to the Review Panel Stage, the Institute Secretary shall prepare a report for the Membership Committee, which shall be sent to the Membership Committee within seven days of conclusion of the review and which shall include the following:

- a. the complaint against the Respondent, together with all relevant supporting documentation;

And

- b. any response received from the Respondent following notification of the complaint, together with any supporting documentation.

MR46. A Respondent who is subject to consideration under these conduct procedures shall have the right to remain an Institute Member and/or Chartered Director until such time as a final decision is reached, save as otherwise provided under MR47.

MR47. In exceptional circumstances, where a Respondent is the subject of pending criminal charges or is the subject of a police investigation or in the reasonable opinion of the Director General and Institute Secretary is the subject of allegations of a serious nature, the Director General and Institute Secretary may, at their sole discretion, restrict or suspend the Respondent without prejudice (thereby restricting or suspending any rights enjoyed by the Respondent by virtue of their membership and/or their position as a Chartered Director) in accordance with MR48 to MR53 below and the Respondent shall be notified in writing of such suspension within seventy-two hours of such suspension taking effect, or as soon as practicable.

MR48. Suspension should only be used where restriction from specified activities or facilities of the Institute would be inadequate.

MR49. In the event that the Director General and the Institute Secretary delegate the power to suspend or restrict, a full report shall be made by the Director General and the Institute Secretary to the Membership Committee of any restriction or suspension under this MR49.

MR50. Suspension or restriction pending a meeting under the Review Panel Stage must not be used as a penalty. The power to suspend or restrict under MR47 is to protect Institute Members and Chartered Directors in general or a particular Institute Member/Chartered Director or Institute Members/Chartered Directors and shall only be used where the Director General and the Institute Secretary are both of the reasonable opinion that it is urgent and necessary to take such action. Written reasons for the decision will be recorded and made available to the Respondent.

MR51. No Respondent shall be suspended or restricted unless they have been given an opportunity to make representations in person to the Director General and the Institute Secretary. Where, for any reason it would not in the reasonable opinion of the Director General and Institute Secretary be possible for the Respondent to attend in person they shall be entitled to make written representations.

MR52. In cases of great urgency, the Director General and Institute Secretary may suspend a Respondent with immediate effect provided that the opportunities described in MR51 are given and the matter reviewed within five days of any such suspension or restriction being imposed.

MR53. No suspension or restriction shall exceed twenty-one days unless the complaint has progressed (or it is anticipated that it will progress) to the Review Panel Stage, or any police investigation or criminal proceedings are still on going in which case the reasonableness of the restriction or suspension shall be reviewed every subsequent twenty-one days until the conclusion of the Review Panel Stage and/or criminal proceedings or police investigation or in light of any developments and of any representations made by the Respondent or a party

acting on their behalf (or for such lesser period as the Director General and Institute Secretary may determine).

Conduct Review Procedure- Stage 2 (Review Panel Stage)

MR54. The Membership Committee shall appoint a Review Panel, comprising a minimum of three Institute Members appointed for the purpose of the review and at least one person shall share the same category of membership as the Respondent. In addition, where the Respondent is a Chartered Director at least one person appointed to the Review Panel shall be a Chartered Director with relevant experience in conduct matters (such experience to be determined by the Membership Committee). The Review Panel shall consider the investigation report and supporting material received from the Institute Secretary and shall regulate the conduct of the review including the proposed review process to be followed.

MR55. The Review Panel shall, within fourteen Clear Days of receipt of the report from the Institute Secretary, send written notice to the Respondent with the following details:

a. the complaint under consideration;

And

b. the composition of the Membership Committee appointed Review Panel;

And

c. the potential sanctions available to the Review Panel;

And

d. the proposed process to be followed:

- (i) where the Review Panel proposes that the Respondent will submit information in written form only, the Respondent will be given the opportunity to request a submission in person provided such request is made in writing to the Institute Secretary within fourteen days of the date of the notice;
- (ii) where the Review Panel proposes that the Respondent will submit information in written form and in person, the Review Panel will specify the amount of time available for the Respondent to present to the Review Panel meeting;
- (iii) the right of the Respondent to bring another person to the meeting to represent them (or in that capacity to act as their advisor and/or advocate) and their right to challenge any disputed material at the meeting (also noting that a representative from the Institute shall also be entitled to challenge any disputed material);
- (iv) that the Respondent must submit to the Review Panel within fourteen days of the date of the notice: the written submission; and/or type of submission the Respondent intends to make in person; and if they intend to bring a person to represent them and any qualification that person may have;

And

e. the time and date of the Review Panel meeting, being a date no less than twenty-one Clear Days following the date of the notice;

And

f. if the Respondent fails to comply with the deadline for delivery of any written representations or documents, the Review Panel will have discretion not to admit any representations or material provided after any applicable deadline;

And

g. should the Respondent fail to attend, without tendering any reasonable excuse, the Review Panel will have discretion to proceed with its determination of any allegation of misconduct in their absence.

MR56. Notwithstanding MR55, the Review Panel may, at its own discretion and where necessary to retain the integrity and fairness of the process, reasonably extend the time limits.

- MR57. The Review Panel meeting shall be in private.
- MR58. The Review Panel shall consider the information available and any representations made by the Respondent and shall decide whether to uphold or dismiss the complaint.
- MR59. If the complaint is upheld, the Review Panel shall decide which sanction(s) to apply and it shall notify the Respondent of its decision within seven Clear Days following its decision, such notice to include details of:
- a. the decision of the Review Panel and any sanction(s) which are to be imposed on the Respondent;
- And**
- b. the findings as to the facts in connection with the complaint;
- And**
- c. the Respondent's right to appeal the decision of the Review Panel or the procedure followed;
- And**
- d. if the Institute Member's membership is to cease, the time period during which such Institute Member shall not be eligible for Institute membership.
- MR60. If the Review Panel dismisses the complaint the Respondent shall be informed of the outcome and no further action shall be taken. If the Respondent has been suspended pursuant to the conduct procedure detailed in these Member Regulations, the Membership Committee shall ensure that the suspension is lifted and the Respondent's rights are restored to the position prior to the suspension.

Conduct Review Procedure- Stage 3 (Appeal Stage)

- MR61. If the Respondent wishes to appeal the decision of the Review Panel Stage or the sanctions imposed as part of the Initial Assessment Stage, they shall send written notice to the Board within twenty-eight Clear Days of deemed service on the Respondent of the decision notice from the Initial Assessment Stage or Review Panel Stage (as appropriate), such notice to include:
- a. details of which aspect of the decision they wish to appeal and the grounds on which the Respondent seeks to rely;
- And**
- b. the grounds on which a Respondent may bring an appeal, which may be any one of the following:
 - (i) process irregularity;
 - (ii) the severity or proportionality of the sanction(s); or
 - (iii) new relevant documentation, of which the Respondent was not reasonably aware of at the time has now come to light.
- MR62. The Board shall appoint an Appeal Panel (appointed for the purpose of hearing the appeal) comprising a minimum of three people and at least one person shall share the same category of membership as the Respondent, provided always that the majority of the Appeal Panel members shall be Non-Executive Directors. In addition, where the Respondent is a Chartered Director at least one person appointed to the Appeal Panel shall be a Chartered Director with relevant experience in conduct matters (such experience to be determined by the Board). No person who has been involved in the procedure with the complaint up to that date shall be entitled to act on the Appeal Panel for the purposes of the appeal in question. The quorum of the Appeal Panel shall be no less than three members present in person and entitled to vote.

- MR63. The Appeal Panel shall convene a meeting within twenty one Clear Days of receipt of the appeal notice and no less than fourteen Clear Days written notice of the appeal meeting shall be given to the Respondent, such notice to include:
- a. the time and date of the appeal meeting;
And
 - b. the right of the Respondent to present not less than seven Clear Days prior to the Appeal Panel, in writing, any new information which is relevant in connection with the complaint, along with the reason(s) why such information was not produced previously. The Appeal Panel shall have sole discretion to decide whether to allow such further evidence to be reviewed at the appeal meeting if such new information is not produced prior to seven Clear Days prior to the appeal meeting;
And
 - c. their right to make written submissions or submissions in person at the meeting;
And
 - d. the right of the Respondent to bring another person to the meeting to represent them (or in that capacity to act as their advisor and/or advocate) and their right to challenge any disputed material at the meeting (also noting that a representative from the Institute shall also be entitled to challenge any disputed material);
And
 - e. that the Respondent must submit to the Appeal Panel not less than seven Clear Days prior to the proposed date of the meeting: any written submission; and/or type of submission the Respondent intends to make in person; and if they intend to bring a person to represent them and any qualification that person may have.
And
 - f. should the Respondent fail to attend the meeting, without tendering any reasonable excuse, the Appeal Panel will have discretion to proceed with its determination of the matter in their absence.
- MR64. Notwithstanding MR63, the Appeal Panel may, at its discretion and where necessary to retain the integrity and fairness of the process, extend the time limits.
- MR65. The Appeal Panel meeting shall be in private.
- MR66. The Appeal Panel shall consider the decision of the Review Panel or the Initial Assessment Stage and shall have regard to:
- a. the information presented to the Review Panel, or the information reviewed by the Institute Secretary and Director General at the Initial Assessment Stage;
And
 - b. the Respondent's grounds of appeal;
And
 - c. any additional information presented as part of the appeal.
- MR67. The Appeal Panel may decide, in relation to the sanctions applied and/or the decision reached by the Institute Secretary and Director General at the Initial Assessment Stage or by the Review Panel, to:
- a. uphold the substantive decision and sanction (if any);
Or
 - b. uphold the substantive decision but amend the sanction (if any);
Or
 - c. refer the matter back to the Membership Committee (to be considered by a fresh panel on the basis that the decision was unjust because of a serious procedural irregularity);
Or

- d. dismiss the appeal.

MR68. The Appeal Panel shall send written notice of its decision to the Respondent within seven Clear Days of the appeal meeting, which shall confirm that the decision of the Appeal Stage and any sanction to be applied is final and that there is no further right of appeal.

Eligibility for appointment as Office Holders

[Privy Council please note: this is a new section and brings together both the Non-Executive Directors and Council members, as many of the conditions apply to each; it also standardises the terms in line with the proposals sent previously]

MR69. No person shall be appointed as a Non-Executive Director or a Council member unless they are an Institute Member.

MR70. A Code of Conduct and letter of appointment shall be set out for each Non-Executive Director and Council member detailing the provisions which must be complied with, noting in particular, that the Board and the Council shall at all times act in the best interests of the Institute when carrying out their duties.

MR71. A Non-Executive Director or a Council member may:

- a. serve a term of three years, after which time they may, if eligible be re-appointed to serve a second term of three years;

And

- b. in exceptional circumstances, serve a third term of three years, but shall not be eligible to serve longer than a nine year period. All Non-Executive Director and Council member periods of service will be included when calculating the nine years;

And

- c. notwithstanding the above, if a Non-Executive Director or Council member ceases to hold office for a period of six years and it is proposed that they be re-appointed to the Board or Council following the expiry of this period, they shall be entitled to hold office for the full periods referred to above, irrespective of whether they served a full nine year period during their previous appointment.

Board Appointments

MR72. Board members will be openly recruited in line with the Institute's appointment principles and processes. The Board shall comprise of:

- a. the Chair of the Institute (who shall also be the chair of the Board and the chair of the Council) and appointed in line with BL56;

And

- b. a majority of Non-Executive Directors, appointed in line with BL52;

And

- c. a chief executive officer of the Institute (known as the Director General), appointed in line with BL46;

And

- d. other Executive Directors who will be appointed, re-appointed and removed by the Board (acting by the Non-Executive Directors and the Director General only) having considered any recommendation of the Nomination Committee.

Ceasing to be a Board Member

MR73. A Board member shall cease to hold office at their written request or:

- a. if they cease for any reason to be an Institute Member;

Or

- b. on the expiry of their term of office;

Or

- c. in the case of the Director General or Executive Directors, if they cease to be an employee of the Institute.

- MR74. A Non-Executive Director (including the Chair of the Institute) shall cease to hold office:
- a. if the Non-Executive Director is removed from office as a Board member by the Council pursuant to a resolution passed by a three-quarters majority. The Council shall consider the recommendation of the Nomination Committee before taking any decision. The Non-Executive Director will be given at least twenty-one Clear Days' notice in writing of the meeting of the Nomination Committee and the proposed resolution to remove them and shall be given an opportunity to make reasonable representations on their own behalf. The Non-Executive Director concerned will have the opportunity to appeal the recommendation of the Nomination Committee to the Council before the final and binding decision of Council is taken. The Board (acting by the Non-Executive Directors only) may agree by a three-quarters majority of those voting to suspend a Non-Executive Director pending the outcome of the decision of the Council;
- Or**
- b. if they are absent from meetings of the Board for two thirds of the scheduled meetings each year without the consent of the Board and Council, and the Nomination Committee recommends that, by a simple majority voting on a poll, the Board member in question should not remain a member of the Board and such recommendation is approved by the Council.

Council Composition

MR75. The Council shall comprise twenty-four members and the Chair of the Institute. No member of the Board (except the Chair of the Institute) or any employee of the Institute shall be a Council member.

MR76. Of the twenty-four Council positions: **[Privy Council please note: this section has been completely revised to ensure the appointment procedures and processes for all Council members are open, fair and transparent and that Institute Members at the general meeting, appointment all]**

- a. up to thirteen shall be openly recruited Institute Members;

And

- b. up to eleven shall be openly recruited Institute Members residing within the geographical areas which equate to the geographical sections of the Institute, at least one of which shall be from overseas, Scotland, Northern Ireland and Wales.

Appointment to Council

MR77. All Council member appointments shall be by open recruitment in line with the Institute's appointment principles and processes, unless requisitioned by the appropriate number of Institute Members, in accordance with Regulation MR81 (in which case the remainder of this MR77 shall not apply). The open recruitment process will be overseen by the Nomination Committee who shall recommend Council candidates to the Voting Members for approval at an annual general meeting with due regard for balance of skills, background, geographical spread, knowledge, experience and diversity.

MR78. The Nomination Committee will oversee two routes for application to Council positions:

- a. application in response to open advertisement (MR76.a);

And

- b. application from Institute Members based in geographical sections in response to open advertisement (MR76.b).

MR79. All Council Members (save for the Chair of the Institute) shall be appointed by the Voting Members at an annual general meeting and their appointments shall become effective from the end of the annual general meeting in question.

MR80. The Council may from time to time appoint any person to be a Council member under MR76 to fill a casual vacancy, having considered any recommendation of the Nomination Committee. Any Council member so appointed shall retire from their office at the next annual general meeting following their appointment but shall then be proposed for approval to the next annual general meeting.

Requisition of a Council Member by Institute Members

MR81. In exceptional circumstances, **[Privy Council please note: these words have been inserted to clarify that appointment by requisition is not the normal route]** candidates may be proposed as Council members for a vacant Council position by not less than forty Voting Members, each of whom has been an Institute Member for not less than three years (or shall have been an Institute Member for such period at the date of the first annual general meeting after such proposal is lodged with the Institute).

MR82. Any candidate so proposed, must be proposed in one or more document(s) signed by each of the Voting Members requisitioning the candidate. Such document(s) must be lodged with the Institute Secretary within the first four months following the end of any financial year of the Institute, together with:

- a. the signed consent of the candidate being proposed for election and confirmation by them that if elected, on taking office, none of the grounds for ceasing to hold office as specified under these Member Regulations would apply;

And

- b. the candidate's full name and address and Institute membership number;

And

- c. any directorships currently held by the candidate and any directorships held within the previous five years, with the dates of appointment and whether the candidate has ceased to hold such office(s);

And

- d. a statement (not exceeding 500 words in total) giving details of the candidate's career and other information which the candidate requests to be supplied to Institute Members;

And

- e. a personal statement by the candidate in support of their proposal.

MR83. The Institute shall not be obliged to supply a statement to Institute Members if, having taken advice, the Council considers the requisition or anything in it to be defamatory or considers the request to be for frivolous or vexatious purposes.

MR84. If the number of candidates nominated for election as Council Members exceeds the maximum number of vacant positions permissible on the Council, each Institute Member entitled to vote shall be entitled to cast no more votes than the number of vacancies (and shall not be entitled to cast more than one vote in favour of any candidate). The duly elected candidates shall be those with the largest number of votes taken in descending order until all the vacancies are filled. If there are two or more candidates with an equal number of votes to fill the last vacancy, the Chair of the Institute shall have a casting vote or may, at their discretion, determine that the final vacancy is not to be filled.

MR85. If the total number of candidates nominated for election as Council Members is equal to or less than the number of vacancies, each Institute Member entitled to vote shall be entitled

to the same number of votes as there are candidates and may vote in favour or against the election of each candidate. Each candidate who receives more votes in favour than against their election shall be elected.

MR86. For the avoidance of doubt, all provisions of the Laws of the Institute relating to Council members (including but not limited to term of office, duties and removal) shall apply to all Council members, notwithstanding that they may have been appointed pursuant to the requisition procedure detailed above.

Ceasing to be a Council Member

MR87. A Council member shall cease to hold office at their written request to the Institute Secretary or:

a. on the expiry of their term of office;

Or

b. if they cease for any reason to be an Institute Member.

MR88. A Council member (including the Chair of the Institute) shall cease to hold office:

a. if they are removed from their office as a Council member at a general meeting (the Council member will have the right to reply before any decision is made);

Or

b. if they are removed from their office as a Council member by the Council pursuant to a resolution passed by a three-quarters majority. The Council shall consider the recommendation of the Nomination Committee before taking any decision to remove a Council member. The Council member in question will be given at least twenty-one Clear Days' notice in writing of the meeting of the Nomination Committee and the proposed resolution to remove them and shall be given an opportunity to make reasonable representations on their own behalf. The Council member will have the opportunity to appeal the recommendation of the Nomination Committee to the Council before the final and binding decision of Council is taken;

Or

c. if they are absent from meetings of the Council for two thirds of the scheduled meetings each year without the consent of the Council, and the Nomination Committee recommends that, by a simple majority of Council members, the Council member in question should not remain a Council member.

Appointment of the Chair of the Institute

MR89. The Chair of the Institute shall be subject to the same provisions as Board members and Council members save that:

a. the Chair of the Institute may serve a maximum of two terms of three years (six years in total as Chair of the Institute);

And

b. the appointment of the Chair of the Institute shall be ratified at the next general meeting immediately following their proposal for appointment.

Performance of the Chair of the Institute [Privy Council please note: this is a new section]

- MR90. The Senior Independent Council Member and the Deputy Chair of the Board shall review the performance of the Chair of the Institute on an annual basis and shall take input from both of the Board and Council. All parties will act in the best interests of the Institute at all times.
- MR91. If, following a review of the performance of the Chair of the Institute (or at any other time), it is determined the Chair of the Institute's performance is unsatisfactory, the Chair of the Institute, the Senior Independent Council Member and the Deputy Chair of the Board will seek to find an informal resolution.
- MR92. Should an informal resolution not be found, two additional informal performance reviews may be held:
- a. the Senior Independent Council Member may request that a Council meeting be held to consider the Chair of the Institute's performance (at which meeting the Chair of the Institute would not be entitled to vote on their own performance);
- Or**
- b. the Deputy Chair of the Board may request that an item be added to the agenda for the next scheduled Board meeting (if applicable) in order to consider the Chair of the Institute's performance (at which meeting the Chair of the Institute would not be entitled to vote on their own performance).
- MR93. Should the complaint be a significant issue a formal method of removal should be instigated to ensure natural justice is maintained, as set out in the Council member "Ceasing to be Council member" procedure and the Non-Executive Director "Ceasing to be a Non-Executive Director" procedure.

Officer Appointments

Director General

- MR94. Having considered the recommendation of the Nomination Committee, the Board (acting by the Non-Executive Directors only) shall select and appoint the Director General, for which the usual term of office shall be three years (or as otherwise determined by the Board). The Board (acting by the Non-Executive Directors only) may, having considered the recommendation of the Nomination Committee, appoint the Director General for a second (but no further) term of office of not more than two years.
- MR95. In exceptional circumstances, the Director General may, at the invitation of the Nomination Committee, offer themselves for re-election after the expiry of a second term of office (but shall not be entitled to do so following any subsequent terms of office). The maximum period for which a Director General may hold office is seven years but they may remain in office beyond this period until the Board has found a suitable replacement at the expiry of the term of office.
- MR96. The Director General may be removed from office pursuant to a resolution passed by a three-quarters majority of the Board (acting by the Non-Executive Directors only). Any such removal shall be without prejudice to any claim for damages for breach of contract or otherwise. The Board shall consider the recommendation of the Nomination Committee and the provisions set out in the employment contract of the Director General (the terms of which shall prevail) before taking any decision. The Director General will be given at least twenty-one Clear Days' notice in writing of the meeting of the Nomination Committee and the proposed resolution to remove them and shall be given an opportunity to make reasonable representations. The Director General will have the opportunity to appeal the recommendation of the Nomination Committee to the Board (acting by the Non-Executive

Directors only) and to make reasonable representations before the final and binding decision of the Board is taken.

Institute Secretary

MR97. The Institute Secretary shall be appointed by the Board (acting by the Non-Executive Directors and the Director General only) having considered the recommendation of the Nomination Committee, for such period and on such terms and conditions as the Board shall determine.

MR98. The Institute Secretary shall cease to hold office:

- a. if they are removed by the Board pursuant to a resolution passed by a three-quarters majority of the Board (acting by the Non-Executive Directors and the Director General only). Any such removal shall be without prejudice to any claim for damages for breach of contract or otherwise. The Board shall consider the recommendation of the Nomination Committee and the provisions set out in the employment contract of the Institute Secretary before taking any decision. The Institute Secretary will be given at least twenty one Clear Days' notice in writing of the Nomination Committee meeting and the proposed resolution to remove them and shall be given an opportunity at the meeting to make reasonable representations. The Institute Secretary will have the opportunity to appeal the recommendation of the Nomination Committee to the Board (acting by the Non-Executive Directors and the Director General only) and to make reasonable representations before the final and binding decision of the Board is taken;

Or

- b. if they are no longer an employee of the Institute.

Executive Directors

[Privy Council please note: this is a new section]

MR99. An Executive Director is appointed by the Board (acting by the Non-Executive Directors and the Director General only), following any recommendation of the board panel to which this has been delegated which the Director General will chair ("Board Panel"). The Executive Directors' terms of tenure shall be in line with their respective service contracts.

MR100. An Executive Director shall cease to hold office:

- a. if the Executive Director is removed from office pursuant to a resolution passed by a three-quarters majority of the Board (acting by the Non-Executive Directors and the Director General only). Any such removal shall be without prejudice to any claim for damages for breach of contract or otherwise. The Board shall consider the recommendation of the Board Panel and the provisions set out in the employment contract of the Executive Director before taking any decision. The Executive Director will be given at least twenty one Clear Days' notice in writing of the Board Panel meeting and the proposed resolution to remove them and shall be given an opportunity at the meeting to make reasonable representations. The Executive Director will have the opportunity to appeal the recommendation of the Board Panel to the Board before the final and binding decision of the Board is taken. No person who has participated in the Board Panel may take part in the final decision;

Or

- b. if they are no longer an employee of the Institute.

Managing Interests of Office Holders

MR101. The Institute requires that all Board members, Council members, committee members and any other office holders avoid any interests which may compete with those of the Institute. Board members, Council members and committee members are required to make annual

declarations of any such likely interests, regardless of whether or not a contract or arrangement has been entered in to by the Institute.

Managing Interests of Board

MR102. Any Board member who is in any way, whether directly or indirectly, interested in a contract or arrangement or a proposed contract or arrangement with the Institute which is to be considered at a Board shall declare their interest at the meeting at which it is to be discussed or, if later, as soon as they become aware of it. The provisions of this Member Regulation shall not apply where:

a. the interest falls within any class of interests which the Chair of the Institute has specified in writing to be exempt from the duty of disclosure on the grounds of immateriality;

Or

b. the Board member concerned (reasonably believing the interest to be immaterial) has made full disclosure of the relevant facts to the Chair of the Institute and the Chair of the Institute (after notification to the Institute Secretary) has confirmed that they have waived the duty to declare that interest on the grounds of immateriality;

Or

c. the Board member concerned has no knowledge of their interest and it is unreasonable to expect them to have any such knowledge.

MR103. A Board member shall not participate in the discussions (except to the extent requested to provide information) or vote on any resolution relating to a contract or arrangement (or proposed contract or arrangement) in which they have a material interest. Materiality shall be determined by the Chair of the Institute, after consultation with the Institute Secretary.

MR104. Provided a Board member in question has complied with this provision, the Board may approve that the Board member in question:

a. may be a party to, or otherwise have an interest in, any contract or arrangement with the Institute or in which the Institute is interested;

And

b. may be a director or other officer of or employed by, or be a party to any transaction or arrangement with, or otherwise be interested in, any body corporate promoted by the Institute or in which the Institute is otherwise interested;

And

c. shall not, by reason of their office, be accountable to the Institute for any benefit which they derive from any such contract or arrangement or from any interest in any such body corporate and no such contract or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

MR105. Any decision made shall stand irrespective of the subsequent emergence of interest.

Committees of the Board

MR106. The Board may establish and dissolve committees or groups of the Board and may delegate to any committees or groups such of its powers as it determines from time to time pursuant to the powers set out in BL46.

MR107. Without limiting the power given above, the Board shall appoint as a minimum:

a. a Remuneration Committee whose function shall be to develop and maintain a formal and transparent procedure for developing policies on remuneration;

And

- b. a Professional Standards Committee whose function shall include the setting of the professional standards for candidates for the principal professional assessments conducted by and under the auspices of the Institute;

And

- c. an Audit and Risk Committee whose function shall be to review the integrity and effectiveness of the Institute's governance, risks and internal controls;

And

- d. a Membership Committee whose function shall include member conduct oversight.

MR108. The purpose and functions of each committee shall be defined by the Board and each such committee shall be provided with its own terms and guidance to which they must adhere in line with the Scheme of Delegation.

MR109. The Board shall determine how many members each committee shall have and how many of them (if any) are required to be Board members. The Board may make provision relating to the proceedings of any committee but, to the extent that no express provision shall be made the following shall apply:

- a. all committee members shall be appointed by the Board and may be removed by the Board. An independent panel will be established by the Board (as and when required) to hear any appeal regarding the removal of a committee member;

And

- b. all committee members who are also Board or Council members shall continue to be a member of that committee in line with their Board or Council term of office;

And

- c. any independent (of Board and Council) committee member shall serve for three years and, following the expiry of their office, shall be eligible for re-appointment for a further term of three years with an exceptional additional three year term possible;

And

- d. all committee members shall cease to be a member of that committee at their written request or if they cease for any reason to be an Institute Member or if they are absent from two thirds of scheduled meetings annually without providing advance written notification to the Institute Secretary;

And

- e. all committee members shall declare their interest in any matter considered by the committee in the same manner as a Board member is required to declare their interest in any contract or proposed contract with the Institute;

And

- f. all committee members shall be entitled to be reimbursed expenses properly incurred in the course of their attending meetings of the committee but shall not be entitled to any remuneration;

And

- g. in the absence of the Board making any other provision, the quorum for meetings of any committee shall be three;

And

- h. in the event of the committee falling below the quorum, no decisions will be taken by the committee;

And

- i. the Institute Secretary shall nominate a secretary for the Committee;

And

- j. the Institute Secretary shall be available to advise and support the Committee.

Nomination Committee

[Privy Council please note: the membership and powers of the Nomination Committee have been revised and clearly defined]

MR110. Pursuant to BL54, the Nomination Committee shall comprise:

- a. at least three Board members, selected by the Board;
- And**
- b. at least three Council members, selected by the Council;
- Or**
- c. should the number of members of the Nomination Committee exceed six, such other equal number of Board members and Council members (excluding the Ex-Officio Members) appointed by a joint decision of the Board and Council.

MR111. The Senior Independent Council Member will be an Ex-Officio Member of the Nomination Committee and will act as the chair of the Nomination Committee.

MR112. The Chair of the Institute and the Deputy Chair of the Board will be Ex-Officio Members of the Nomination Committee.

MR113. The purpose, powers and terms of reference of the Nomination Committee shall include:

- a. approving the principles and the process for appointment of all office holders;
- And**
- b. recommending the terms of appointment and codes of conduct of all office holders;
- And**
- c. approving the process for evaluation of the governance functions of the Institute and reviewing the outcome of the annual review of the performance of the Board and Council;
- And**
- d. selecting appointment panels responsible for nominating office holders;
- And**
- e. recommending candidates as the Chair of the Institute, Council members, Non-Executive Directors, the Director General and the Institute Secretary;
- And**
- f. ensuring that all appointments of office holders are made on merit and against objective criteria and deliver due regard and respect for balance of skills, background, geographical spread, knowledge, experience and diversity;
- And**
- g. any other responsibilities as specified in the terms of reference.

MR114. The quorum for a meeting of the Nomination Committee shall be three Nomination Committee members, which must include at least one Board member and one Council member. The Nomination Committee shall be supported and advised by the Institute Secretary. The Director General shall be invited to attend meetings of the Nomination Committee.

Donations [Privy Council please note: in the current constitution, donations are dealt with under Annual Subscriptions and Admission Fees (cross-reference B.10 of current Regulations); however, this was felt to be inappropriate – donations may be received from both Members and Non-Members]

MR115. The Board may accept, on behalf of the Institute, any donation made to (or for the benefit of) the Institute, unless:

- a. such donation is of a political nature;
- And/Or**

- b. the Board considers such donation to be for a purpose inappropriate and/or inconsistent with the Institute's objectives;

And/Or

- c. the Board considers that the donation may prejudice the Institute's standing, reputation and/or integrity,

in which case the Board shall be entitled, in its absolute discretion, to reject any donation and shall not be obliged to give any reason therefore.

Board Regulations [Privy Council please note: these are new Regulations to hold the more detailed aspects of procedures. Previously the Board Regulations were contained within the 'Regulations' and marked as BReg]

- BR1. In the event of any inconsistency between the provisions of the Charter, By-Laws and Member Regulations and the provision of these Board Regulations, the provisions of the Charter, By-Laws and the Member Regulations will prevail.
- BR2. Words and expressions used in these Board Regulations shall bear the same meanings as are respectively assigned to them in the By-Laws and/or as defined in the definitions schedule (which can be found at the end of these Board Regulations).

Application Procedure for Institute Members [Privy Council please note: in the current constitution, these appear under B.8 of the Regulations (BReg)]

- BR3. Every application for Institute membership must be made on the appropriate form as determined by the Board and submitted to the Institute by post, facsimile, electronically, in person, or by such other method which the Institute Secretary confirms is acceptable.
- BR4. The application form must be signed by the applicant, confirming that the information contained in the application form is correct and that the undertakings in the application form will be honoured.
- BR5. In the case of applications by electronic means, submission of the completed form together with the undertakings, shall be treated as though the sender had signed the form.
- BR6. Such undertakings shall be in the following form, or in such other form as the Board (or the person nominated by the Board for such purpose) may specify or accept from time to time:
"I hereby apply for membership of the Institute of Directors and I irrevocably agree to be bound by the Laws of the Institute and all rules and regulations made under it from time to time. I confirm that:
- *I do not have any unspent criminal convictions (other than minor traffic offences);*
 - *I am not an undischarged bankrupt nor am I aware of any circumstances that may lead to bankruptcy proceedings being brought against me; and*
 - *I am not disqualified (by court order or voluntary undertaking) from being a director of any company, nor am I aware of any circumstances which may lead to such disqualification.*
- I hereby undertake:*
- *to conduct myself, both publicly and privately, in a professional manner and so as to uphold the Institute's reputation and standing and not to cause embarrassment or distress to other members of the Institute or its employees; and*
 - *not to represent publicly the views of the Institute or to claim its support, without the consent of the Board (or of an officer or employee of the Institute nominated by the Board for such purpose)."*
- BR7. If requested by the Board, an applicant may be required to:
- a. supply the names of one or more Institute Members prepared to support their application;
- And/Or**
- b. produce satisfactory evidence that they are duly qualified to become an Institute Member of the category referred to in their application;

And/Or

- c. attend an interview with an officer or employee of the Institute;

And/Or

- d. supply information concerning their character and suitability for admission as an Institute Member.

BR8. An application for Institute membership must be accompanied by payment of the first year's annual subscription fee (which is dependent on the grade of Institute membership) together with any applicable admission fee.

BR9. The Board shall have the power (at its absolute discretion) to accept, decline or postpone any decision on an application for admission for Institute membership or a change of category of Institute membership and the Board shall not be obliged to give any reasons for its decision, notwithstanding that the applicant may have fulfilled all the conditions for the relevant category of Institute membership. If the application is declined or is not determined by the Board within the six months immediately following receipt of the application, the Institute will refund such payment to the applicant without delay. The Board may delegate its power pursuant to this BR9 in whole or in part to the Director General, the Institute Secretary or to such other employee of the Institute as the Board may determine from time to time.

Affiliates [Privy Council please note: in the current constitution, these appear under Section G of the Regulations (BReg)]

BR10. The Board may enter into affiliation with organisations having objects similar to or compatible with those of the Institute. Such arrangements may contain such terms as the Board may consider appropriate and (by way of example and without limiting the scope of those terms) may include provisions for:

- a. the use by the other organisation of any logo or mark owned by the Institute;

And/Or

- b. the sharing of information or services between the Institute and the other organisations;

And/Or

- c. the use of specified services and facilities of the Institute by members of the other organisation and reciprocal arrangements for Institute Members;

And/Or

- d. the payment of capitation fees payable by the other organisation.

BR11. The Board may enter into agreements relating to the use by members of other organisations of services and facilities provided by the Institute and the payment of fees and other charges.

Geographic Sections [Privy Council please note: in the current constitution, these appear under Section F of the Regulations (BReg)]

BR12. The Board may establish and vary sections of the membership of the Institute on geographical bases (whether in the United Kingdom or elsewhere) and may give such names or titles to such sections as it thinks fit.

BR13. The Board may determine that any specified geographical section may be grouped together for any purpose.

BR14. The Board will issue a handbook for:

- a. the regulation and administration of geographical sections;

And

- b. the appointment, removal and suspension of committees, chair and other officers of a geographical section, the setting out of their terms of office and other provisions

relating to the terms of appointment on which they hold office, and their duties, powers and responsibilities (including provisions as to conflict of interests);

And

- c. the minimum number of members a geographical section needs to qualify as a geographical section and taking steps, where the geographical section no longer qualifies, to dissolve it and/or merge it with another geographical section;

And

- d. all other matters relating to any geographical section.

BR15. No chair of any geographical section or sub-division of a geographical section may be appointed or re-appointed without the approval of the Board. All appointments will be appointed in line with the appointment principles set out by the Institute and the processes approved by the Nomination Committee. The chair of a geographical section or sub-division of a geographical section may be removed if the Board considers it in the best interest of the Institute, without prejudicing any of their rights to a fair hearing.

BR16. A chair of a geographical section shall be responsible within their own geographical section for:

- a. the Institute's reputation, image, profile, media relations and high profile contacts;

And

- b. running the geographical-based committee;

And

- c. liaising with the geographical staff (if any) and the branches (if any) within their geographical section.

BR17. If a geographical section wishes to honour a senior past chair of a geographical section, they may recommend that consideration be given by the Board to grant them Honorary Fellowship or Institute membership for life.

BR18. As IoD Scotland, Wales and Northern Ireland each have their own devolved Governments within the UK, it is recognised that an additional leadership role and responsibility falls to them in respect of policy and lobbying on Governmental devolved matters. How this is delivered will be delegated to the Director General. **[Privy Council please note: this is a new clause in recognition of the changing external environment]**

Chartered Directors [Privy Council please note: in the current constitution, these appear under Section I (1.1) of the By-Laws. These have been summarised in BL12-17 and set out in detail here]

Chartered Directors - Admission

BR19. The Institute may admit a person to be a Chartered Director if they:

- a. are an Institute Member or a member of an affiliate body which satisfies the conditions in BL11;

And

- b. have the experience and qualifications (if any) specified in BR20 and BR22 to BR25 (inclusive) below;

And

- c. have satisfactorily completed the requirements (including a viva voce examination) set out in the Laws of the Institute relating to their competencies and experience, including (but not limited to) competencies and experience in relation to strategic perception, decision-making, the analysis and use of information, communication and interaction with others;

And

- d. have undertaken:

- (i) to comply with the Institute’s Code of Conduct and the conduct review procedure detailed in the Member Regulations;
- (ii) to undergo continuous professional development (“CPD”) in accordance with the Institute’s standards (as specified in the Laws of the Institute) and to submit their record of CPD annually to the Institute;
- (iii) to notify to the Institute on an annual basis of the directorships they hold, giving such details of each directorship and of the entity with which the directorship is held as the Institute may from time to time reasonably require;
- (iv) to provide such information as the Institute may from time to time reasonably require concerning their admission as a Chartered Director, their compliance with the undertaking given by them in accordance with this Board Regulation or any circumstances which may be relevant to matters governed by the conduct review procedure set out in the Laws of the Institute; and
- (v) to pay to the Institute such annual fee as is required for continuation as Chartered Director.

BR20. To show the necessary experience and qualifications for the purposes of BR19 above, a person must satisfy the Institute that they fulfil the requirements of either of the following sub-clauses:

- a. they have had at least three years’ appropriate experience and:
 - (i) hold a first (honours) degree or a post-graduate degree in such disciplines and granted by such institutions as may be specified by the Institute; or
 - (ii) have been admitted as a member of a profession whose designated authority is listed in Schedule I of the European Communities (Recognition of Professional Qualifications) Regulations 1991 SI1991//824) as amended or substituted, or a member of those other bodies listed in the European Union Sectoral Directives governing other professions. For the avoidance of doubt, all bodies listed in the European Union Sectoral Directives governing other professions are hereby included.

Or

- b. they have had at least five years’ appropriate experience.

Chartered Directors - Required Qualifications, Competencies and Experience

BR21. The competencies and experience required of an individual wishing to be admitted as a Chartered Director are set out below:

Chartered Directors -Qualifications

BR22. The Institute Member or member of an affiliate body proposing to be a Chartered Director must:

- a. be a Director of an Entity;

And

- b. either:
 - (i) have an executive role with authority derived directly from the board of directors or governing body; or
 - (ii) have a non-executive role; or
 - (iii) be the company secretary (or equivalent) having responsibility for the supervision of the development and implementation of the governance of the relevant Entity, being an entity of Substance;

And

- c. actively participate in reviewing, determining and developing the strategy and the direction of the Entity.

and the Board shall decide whether a particular individual proposing to be admitted as a Chartered Director satisfies the criteria at (a) to (c) (inclusive) above.

Chartered Directors - Competence

BR23. The individual proposing to be admitted as a Chartered Director must:

- a. have the ability to discern the need for development in the strategy and direction of the relevant Entity, the personal capabilities to persuade their colleagues of the need to review the strategy and direction, the ability, skill and knowledge to contribute positively to that review and the determination and strength of character to ensure that such review is carried out and its conclusions adopted;

And

- b. have the ability to identify what delegation of management powers is suitable, to monitor the performance of those to whom powers have been delegated and to identify criteria to satisfy the board or governing body whether or not its strategy is being delivered appropriately;

And

- c. have the knowledge, skill and ability to fulfil their duties of care and to ensure that their actions and those of the board or governing body are accounted for appropriately to the relevant Stakeholders.

Chartered Directors - Experience

BR24. The appropriate experience required to be shown by an individual proposed to be admitted as a Chartered Director pursuant to BR20 is experience as a Director of one or more Entities which are solvent going concerns as follows:

- a. for a candidate within BR20(a), experience as such a Director for at least three years during the five years prior to submitting their application;

And

- b. for a candidate within BR20(b), experience as such a Director for at least five years in the seven years prior to submitting their application.

BR25. The period of experience must be a continuous period ending on the date of the individual's application to become a Chartered Director, unless the Board is satisfied that there are good reasons in the case of that candidate not to require a continuous period up to that date and that the quality of the candidate's experience is sufficient.

Chartered Directors - Standing of Chartered Directors and Applicant Chartered Directors

BR26. To ensure the highest standards for the profession of Chartered Director, the Institute may require information to be provided (including but not limited to the professional review process on a candidate's current and former roles, educational background and other aspects of their application or portfolio as it sees fit). The Institute shall ensure that any confidential information received shall be dealt with appropriately.

BR27. The Board may, at its discretion, refuse to accept any application which may place the Institute or the profession at risk.

Chartered Directors - Annual Fee

BR28. The annual fee payable in advance by a Chartered Director shall be determined by the Board.

Chartered Directors - Continuing Professional Development [Privy Council please note: in the current constitution, these appear under Section I of the Regulations. These have been summarised in BL12-17 and set out in detail here]

The requirements of Chartered Directors in relation to CPD are as follows:

BR29. A Chartered Director shall undertake:

- a. Subject to BR35, at least thirty hours of CPD in every calendar year;
- And**
- b. at least twelve hours of CPD each year in accordance with BR34.

BR30. A Chartered Director is required to annually audit their current knowledge and skills and set out their aims and objectives in relation to their business or career activities in a personal development plan, the outcomes of which should be reviewed annually.

BR31. A significant proportion of a Chartered Director's CPD (such proportion to be determined by the Board) should be in accordance with their personal development plan.

BR32. A majority of the content of the CPD should relate to the field of company direction.

BR33. The Chartered Director is required to record and enter on the Institute's online system (or may otherwise be agreed having regard to a Chartered Director's circumstances) the following details of each of their CPD activities:

- a. date undertaken;
- And**
- b. duration;
- And**
- c. subject area;
- And**
- d. purpose of the activity so far as the Chartered Director is concerned;
- And**
- e. outcome of the activity so far as the Chartered Director is concerned.

BR34. Activities will constitute CPD if the Chartered Director obtains a material learning outcome. Guidance on the types of activities which would be considered acceptable as CPD are as detailed in the Chartered Directors Handbook (or other document) as updated from time to time and include (but are not limited to) the following activities:

- a. planning and running an in-house training event;
- And/Or**
- b. learning a new discipline;
- And/Or**
- c. writing an article or review for publication in relation to business, economics, corporate governance etc;
- And/Or**
- d. writing and/or lecturing in relation to business, economics, corporate governance or other subject for the public benefit;
- And/Or**
- e. taking a professional education course leading to a relevant recognised qualification, course of study for a degree, or participation in distance learning programme.

BR35. A Chartered Director will be exempt from the CPD requirements of the Institute detailed in these Board Regulations if:

- a. they are unable to meet the requirements due to ill health;
- Or**
- b. they are on secondment, on a career break or currently unemployed, in which event the requirements shall apply with such modifications (including the obligation to give an undertaking regarding future CPD activities) as the Institute shall from time to time reasonably specify);
- Or**

- c. they are a retired member of the Institute and are undertaking no paid work.

Chartered Directors - Code of Conduct [Privy Council please note: in the current constitution, these appear under Section I (I.5 of the By-Laws. These have been summarised in BL12-17 and set out in detail here]

BR36. The Institute requires all Chartered Directors to adhere to its Code of Conduct, as set out from time to time by the Board.

BR37. The Code of Conduct provides guidance to directors and lays down the standards that the Institute expects of Chartered Directors.

BR38. The failure by a Chartered Director to observe any part of the Code of Conduct shall be treated as grounds for complaint against such person.

Chartered Directors - Withdrawal or Suspension of Admission [Privy Council please note: in the current constitution, these appear under Section I (I.2) of the Regulations]

BR39. Admission as a Chartered Director shall be withdrawn if:

- a. they cease to be an Institute Member or in the case of a member of an affiliate body, they cease to be a member (or relevant specified class of member) of that affiliate body and/or the agreement between that affiliate body and the Institute is terminated or otherwise ceases to exist);

Or

- b. they are removed as a Chartered Director as a result of the conduct review procedure detailed in the Member Regulations (MR29 to MR68 inclusive);

Or

- c. any events listed in MR23 and/or MR25 (Ceasing to be an Institute Member or Chartered Director) take place.

Academic Regulations

- BR25. Academic Regulations (updated regulations currently being finalised)
- a. Cert
 - b. Diploma
 - c. Professional Review

Definitions Schedule

In the Laws of the Institute, unless the context otherwise requires, the following words shall bear these meanings:

Accounts	means the financial statements required to be laid before the annual general meeting of the Institute in accordance with the Laws of the Institute;
Annual Report	means the annual report prepared by the Board in relation to the affairs of the Institute;
Appeal Panel	means a panel appointed by the Board and whose function shall be the hearing of any appeal under the Member Regulations;
Associate	means a category of Institute Member;
Auditors Report	means the report prepared by the External Auditors in accordance with the Laws of the Institute;
Audit and Risk Committee	means a committee appointed by the Board and whose function shall be to review the integrity and effectiveness of the Institute's governance, risks and internal controls;
Business	means the activities of an Entity, including those activities that are not conducted for commercial purposes;
By-Laws	means the by-laws of the Institute from time to time;
Chair of the Institute	means the chair of the Board and the Council, who shall be appointed and hold office in accordance with the Laws of the Institute;
Chartered Directors	means an Institute Member or a member of an affiliate body who satisfies the conditions (including but not limited to the experience, qualifications and competencies) detailed in the Laws of the Institute;
Code of Conduct	means the code of conduct approved by the Board from time to time;
Council	means the body, constituted in accordance with the Laws of the Institute, who shall act as the guardian of the Institute and shall have such duties as are detailed in the Laws of the Institute;
Council Report	means the annual report prepared by the Council relating to the delivery and performance of the Board;
Council Rules	means rules approved by the Council from time to time relating to Council proceedings;
CPD	means continuous professional development;
Deputy Chair of the Board	means the deputy chair of the Board from time to time, appointed by the Board in accordance with the Laws of the Institute;
Director	means a member of the body that is responsible for the strategic business direction of an Entity and the implementation of its corporate governance and which makes the decisions that determine its success and integrity, and the expression may include a divisional director where the division is equivalent to an Entity of Substance, or a leader of an Entity not conducted

	for commercial purposes;
Director General	means the chief executive of the Institute, who shall be appointed and hold office in accordance with the Laws of the Institute;
Executive Director	means a person who is a member of the Board and who is also an employee of the Institute;
Ex-Officio Members	means a person who is a member of a body and/or committee by virtue of the person holding another position within the Institute;
External Auditors	means the auditors of the Institute from time to time, appointed in accordance with the Laws of the Institute;
Fellow	means a category of Institute Member;
Honorary Chartered Director	means a Chartered Director who has been granted honorary status in accordance with the Laws of the Institute;
Honorary Fellow	means a Fellow who has been granted honorary status in accordance with the Laws of the Institute;
Honorary Member	means an Institute Member who has been granted honorary status in accordance with the Laws of the Institute;
Institute Secretary	means the secretary of the Institute from time to time;
Membership Committee	means a committee of the Institute appointed by the Board in accordance with the Laws of the Institute and whose functions include member conduct oversight;
Member Rules	means rules approved by the Board from time to time relating to the Institute Members;
Nomination Committee	means a committee of the Institute appointed by the Board and the Council in accordance with the Laws of the Institute;
Non-Executive Director	means a person who is a member of the Board and who is not an employee of the Institute;
Privileges	Means the privileges as set out in members regulations (MR14);
Professional Standards Committee	means a committee of the Institute appointed by the Board in accordance with the Laws of the Institute and whose function shall include the setting of the professional standards for candidates for the principal professional assessments conducted by and under the auspices of the Institute;
Remuneration Committee	means a committee appointed by the Board in accordance with the Laws of the Institute, whose function shall be to develop and maintain a formal and transparent procedure for developing policies on remuneration;
Respondent	means an Institute Member or Chartered Director subject to the conduct review procedure detailed in the Member Regulations;
Review Panel	means a panel appointed by the Membership Committee for the purposes of reviewing any complaint referred to the Membership Committee under the Member Regulations;
Scheme of Delegation	means the rules determined by the Board from time to time setting out the procedure by which the Board may delegate its functions to other office holders and/or bodies of the Institute;
Senior Independent	means the deputy chair of the Council appointed by the Council in accordance

Council Member	with the Laws of the Institute;
Special Resolution	a resolution passed at a general meeting of the Institute Members convened and held in accordance with the By-Laws and passed by not less than three-quarters of the Voting Members, whether personally or by proxy;
Stakeholder	This is defined in the engagement policy;
Student Member	means a category of Institute Member; and
Substance	has the meaning given to it in MR6(a) for Institute Members and MR3(c) for Fellows.

Rules

In the event of any inconsistency between the provisions of the Charter, By-Laws, Member Regulations and Board Regulations and the provisions of these Rules, the provisions of the Charter, By-Laws, Member Regulations and the Board Regulations will prevail.

Words and expressions used in these Rules shall bear the same meanings as are respectively assigned to them in the By-Laws and/or as defined in the definitions schedule (which can be found at the end of the Board Regulations).

Board Rules for Board Proceedings

- A.1 Pursuant to BL49, the Board may regulate its proceedings as it thinks fit.
- A.2 The Chair of the Institute or any two Board members may at any time call a meeting of the Board.
- A.3 The Deputy Chair of the Board may call a Board meeting to discuss the Chair of the Institute's performance. Upon receipt of such request, the Institute Secretary shall convene a Board meeting.
- A.4 All notices of Board meetings shall be sent to each of the Board members pursuant to A.5.
- A.5 At least five Clear Days' notice shall be given of any Board meeting unless at least seventy-five per cent of the Board members consent to shorter notice.
- A.6 The quorum for transaction of business at a Board meeting shall be four Board members (of which not less than three shall be Non-Executive Directors. No business shall be conducted if the quorum is not present. If a resolution at the meeting relates to a Board member and they are not entitled to vote, in accordance with MR103 (Interests) they shall not be counted in the quorum.
- A.7 Each Board member shall notify the Institute Secretary in writing of an address where all notices and other documents relating to the business of the Board should be sent for their attention. All notices sent to Board members at the addresses notified to the Institute Secretary shall be deemed to have been properly served.

Proceedings of Board Meetings

- A.8 If they are present and are willing to do so, the Chair of the Institute shall chair Board meetings. If the Chair of the Institute is not present or willing, the meeting shall be chaired by the Deputy Chair of the Board. However, if the Deputy Chair of the Board is not present or willing, the meeting shall be chaired by another Board member selected by the Board members present via a simple majority vote.
- A.9 The chair of the Board meeting shall (subject to these Board Rules) monitor the conduct of the Board meeting and decide what order the business of the meeting is to be transacted.
- A.10 Save as otherwise provided in these Board Rules, questions arising at any Board meeting shall be decided by a resolution passed by a simple majority of the Board members present and eligible to vote, and in the case of a split decision, the chair of the Board meeting shall have the casting vote.

- A.11 A Board meeting may be held in person or via teleconference and shall be duly constituted and its proceedings valid if (in addition to the other provisions of these Board Rules relating to Board meetings) the chair of the Board meeting is satisfied that there are adequate facilities to enable each person present to contribute to the meeting.
- A.12 Regardless of their location, each Board member present at the meeting and entitled to vote shall be counted in the quorum for the Board meeting.
- A.13 A written resolution signed, approved in writing by email or other online communication by at least seventy-five per cent of the Board members shall be as valid and effectual as if it had been passed at a duly convened Board meeting.
- A.14 If a question arises as to whether a Board member is disqualified from voting (by reason of them having a material interest or otherwise), the Chair of the Institute, having taken advice from the Institute Secretary, will decide and their decision shall be final and conclusive. If the question relates to the qualification of the Chair of the Institute, a ruling shall be made by the Deputy Chair of the Board, having taken advice from the Institute Secretary.

Council Rules for Council Proceedings

- A.15 The Council shall meet at least twice annually and normally three times a year.
- A.16 Not less than five Clear Days' notice of a Council meeting shall be given in writing to each Council member. Shorter notice of a Council meeting may be given, provided that at least seventy-five per cent of the Council members agree to shorter notice.
- A.17 A Council meeting may be convened:
- a. by the Chair of the Institute (at any time);
- Or**
- b. by the Senior Independent Council Member for any matter relating to the Chair of the Institute's performance;
- Or**
- c. by the Institute Secretary at the request in writing by no less than ten Council members. When a Council meeting is convened in this manner, the notice of the meeting must state the nature of the business to be discussed and the full text of any resolution to be proposed and considered at the meeting. No other business and/or resolution shall be discussed at the Council meeting (save for procedural resolutions) unless permitted by the Chair of the Institute.
- A.18 Each Council member shall notify the Institute Secretary in writing of an address, where all notices and other documents relating to the business of the Council should be sent for their attention. All notices sent to Council members at the addresses notified to the Institute Secretary shall be deemed to have been properly served.
- A.19 The quorum for the transaction of business at Council meetings shall be eight Council members. No business shall be conducted if a quorum is not present at the time of the meeting. If a Council member is not entitled to vote (by reason of a conflict of interest or otherwise), they shall not be counted in the quorum for the purpose of that item.
- A.20 Any Board member shall be entitled to attend Council meetings as an observer unless (and except to the extent) requested by the chair of the Council meeting (either prior to or during the meeting) to absent themselves.

Conduct of Council Meetings

- A.21 If they are present and are willing to do so, the Chair of the Institute shall chair Council meetings.
- A.22 Failing the Chair of the Institute being present, willing or in the event they are conflicted, the meeting will be chaired by the Senior Independent Council Member. If the Senior Independent Council Member is not present or willing, the meeting shall be chaired by another Council member selected by the Council members present via a simple majority vote.
- A.23 When discussing concerns relating to one or more Non-Executive Directors, the Senior Independent Council Member shall chair the meeting. If the Senior Independent Council Member is not present, or willing to chair the meeting, the meeting shall be chaired by another Council member selected by the Council members present via a simple majority vote.
- A.24 The agenda for Council meetings will be prepared by the Chair of the Institute in consultation with the Senior Independent Council Member.

- A.25 The Chair of the Institute shall (subject to these Council Rules) regulate the conduct of the Council meeting and decide what order the business of the meeting is to be conducted.
- A.26 Save as otherwise provided in these Council Rules, questions arising at any Council meeting shall be decided by a resolution passed by a simple majority of the Council members present. In the case of a split decision, the Chair of the Institute shall have the casting vote.
- A.27 A written resolution signed, approved in writing by email or other online communication by no less than seventy-five per cent (or such other percentage as the Chair of the Institute may determine for any particular resolution, provided always that such percentage shall not be lower than a simple majority) of all of the Council members, shall be as valid and effective as if it had been passed at a duly convened Council meeting.
- A.28 A Council meeting may be held in person or via teleconference and shall be duly constituted and its proceedings valid if (in addition to the other provisions of these Council Rules relating to Council meetings) the Chair of the Institute is satisfied that there are adequate facilities to enable each person present to contribute to the meeting.
- A.29 Regardless of their location, each Council member present at the meeting and entitled to vote shall be counted in the quorum for the Council meeting.
- A.30 If a question arises at a Council meeting regarding the right of a Council member to vote on any resolution, the question may, before the voting on that particular resolution takes place be referred to the Chair of the Institute and their ruling in relation to any Council member (other than themselves) shall be final and conclusive. If the question relates to the right of the Chair of the Institute to vote on a resolution, a ruling shall be made by the Senior Independent Council Member or one or more of the Council members appointed for that purpose (who shall be appointed by the Council members present at the meeting), following advice from the Institute Secretary.