

**INSTITUTE OF DIRECTORS
116 Pall Mall London SW1Y 5ED
ROYAL CHARTER, BY-LAWS AND REGULATIONS**

**The Institute of Directors was formed on 29 April 1903
On 16 July 1906, The Institute of Directors was constituted
a Body Corporate and Politic by Royal Charter**

This Supplemental Royal Charter came into force on 11 February 2004

ROYAL CHARTER

1. Revocation of previous Charters

The original Charter (other than Article 1 thereof) and the Supplemental Charters shall be and are hereby revoked: but nothing in this revocation shall affect the validity or legality of any act, deed or thing lawfully done or executed under the provisions of the Original Charter or the Supplemental Charters.

2. The objects of the Institute are:

- (a) to promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations;
- (b) to promote the study, research and development of the law and practice of corporate governance, and to publish, disseminate or otherwise make available the useful results of such study or research;
- (c) to represent the interests of members and of the business community to government and in all public fora and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation; and
- (d) to advance the interests of members of the Institute, and to provide facilities, services and benefits for them.

3. Without limiting its capacities at law as a chartered corporation, the Institute shall have the following powers for pursuing its objects:

- (a) to acquire, hold or dispose of all or any part of any real or personal property, undertaking, or interest of any nature in any business;
- (b) to enter into any contract or incur or assume any obligation, borrow or raise money, obtain any form of credit or finance, and to give guarantees and indemnities, and mortgage or charge any of the property or assets of the Institute as security for the obligations of any person;

- (c) to invest surplus funds of the Institute in any investments (including, without limitation, shares, debt obligations, participation rights, deposit receipts, notes, instruments and any other rights or obligations) of any description whatsoever, and whether or not carrying any liability (contingent or otherwise), and to delegate power to operate the Institute's investment portfolio to appropriately qualified investment managers;
 - (d) to employ and dismiss staff, and to remunerate them and to provide retirement, death, disability, ill-health and other benefits (pecuniary or otherwise) to them, their families, dependants and others (including former staff);
 - (e) to provide facilities and services of all kinds to any person, and to organise conferences, seminars and other events;
 - (f) to create or co-operate in the creation of, and to administer, bursaries, chairs, exhibitions, and fellowships, and to hold and supervise examinations of the Institute and to award certificates, diplomas, prizes or scholarships, either alone or jointly with other bodies;
 - (g) to publish, in any manner or medium, material of interest to members or of relevance to any aspect of the Institute's objects or activities;
 - (h) to establish and support any company or other body, and to co-operate with other bodies or organisations or to engage in joint activities of any kind, which may advance the objects of the Institute;
 - (i) to act as trustee, personal representative, director or agent of any kind and for any purpose;
 - (j) to exercise any power of the Institute for any consideration of any kind or for no consideration and to do so in any part of the world; and
 - (k) to do all such other lawful things in pursuance of the objects of the Institute.
4. (a) Subject to paragraph (b) of this article, the income and property of the Institute, from wherever derived, shall be applied solely towards the objects for which the Institute is constituted and shall not be paid or distributed to any member, or member of the Board or Council, of the Institute.
- (b) Nothing in paragraph (a) of this article shall prevent any reasonable and proper payment or benefit of any kind being made in good faith by the Institute to or for any member of the Institute or of the Board or Council or to or for any firm of which any such member is a partner or any body corporate in which any such member has a beneficial interest, where such payment or benefit is by way of:

- (i) remuneration or other consideration for the provision of services, facilities or goods to the Institute;
- (ii) out-of-pocket expenses incurred in connection with the attendance at meetings by any member of the Institute or of the Board or Council or otherwise incurred in connection with the discharge of his functions as such member;
- (iii) interest on money lent or rent or other sums in respect of premises let to the Institute;
- (iv) salary, pension or other entitlement for any member or former member of the Institute or the Board or Council who is or was an employee of the Institute;
- (v) premium on any policy of insurance against liability of any member of the Board or Council or other officer or employee of the Institute whether or not the sum assured is for the benefit of such person;
- (vi) payment in accordance with article 10;

provided that no member of the Board or Council shall be present at or participate in any discussion or decision concerning any such payment or benefit to be made to or for him or any firm of which he is a partner or any body corporate in which he has a beneficial interest except any discussion or decision relating to a policy of insurance for the whole Board or the whole Council.

5. The Institute shall consist of such members, in such grades or categories, as the By-Laws may from time to time prescribe. The requirements (including subscription rates) for admission to and continuation of membership, the rights, privileges and obligations of each or any grade or category of member (including designatory letters if any), and the terms under which members may be subject to disciplinary sanctions by the Institute shall be prescribed by the By-Laws or shall be determined in such manner as the By-Laws shall require.
6. There shall be such officers of the Institute, with such functions, tenure and terms of office, as the By-Laws may from time to time prescribe.
7. The government and control of the Institute shall be vested in the Board and the Council of the Institute which shall both be constituted in accordance with the Bylaws, which shall specify the powers and functions (including powers to delegate) of both bodies. No proposal to revoke, amend or add to this Our Supplemental Charter, or the By-laws, shall be notified by the Board to the membership for consideration at a General Meeting unless it has first been approved by the Council.

8. A document signed by a member of the Board and the Secretary, or by two members of the Board, and expressed (in whatever form of words) to be executed by the Institute as a deed shall have the same effect as if executed under the Common Seal of the Institute and any such document shall have effect, upon delivery, as a deed. The Institute may, by By-Laws or Regulations, limit the members of the Board who are authorised to sign such documents.
9. (a) The By-Laws scheduled to this Our Supplemental Charter shall be the By-Laws of the Institute until revoked or amended in accordance with the provisions of this Our Supplemental Charter. The By-Laws may be revoked, amended or added to by a resolution (passed by a simple majority) of the members of the Institute voting personally or by proxy at a General Meeting of which proper notice has been given in accordance with the By-Laws specifying the proposed revocations, amendments or additions, but no such revocation, amendment or addition shall be effective unless allowed by Our Privy Council.

(b) Subject to the terms of this Our Supplemental Charter, the By-Laws may regulate any matter relating to the administration of the Institute and its affairs, and may direct that any matter which, pursuant to this Our Supplemental Charter, might be prescribed or regulated in the By-Laws may be further prescribed or regulated by Regulations. No such further prescription or regulation shall be effective to any extent to which it is inconsistent with the provisions of this Our Supplemental Charter or the By-Laws.
10. The members of the Institute in General Meeting may by Special Resolution determine to surrender this Our Supplemental Charter and any other Charter granted to the Institute, subject to the sanction of Us, Our Heirs or Successors in Council and to wind up or otherwise resolve the affairs of the Institute in such manner as they shall determine, or in default of such determination as the Board may direct, having regard to the liabilities of the Institute at the relevant time. If, on the winding up or dissolution of the Institute, there remain, after the satisfaction of the Institute's debts and liabilities, any assets whatsoever, this shall not be paid or distributed amongst the members of the Institute but shall, subject to any special trusts, be given to another corporate body determined by the Board with the same or similar objects to those of the Institute and whose constitution restricts the distribution of its income and property to members at least to the same extent as that of the Institute under this Our Supplemental Charter. If the requirements of this article cannot be discharged, then such remaining property shall be given to some charitable object.
11. (a) The Members of the Institute may at any time revoke, amend or add to any of the provisions of this Our Supplemental Charter by a Special Resolution in that behalf and such revocation, amendment or addition shall when allowed by Us, Our Heirs or Successors in Council become effectual so that this Our Supplemental Charter shall thenceforward continue and

operate as revoked, amended or added to. This Article shall apply to this Our Supplemental Charter as revoked, amended or added to in manner aforesaid.

(b) For the purposes of this Our Supplemental Charter 'a Special Resolution' means a resolution passed at a General Meeting of the Members convened and held in accordance with the By-Laws for the time being of the Institute and passed by not less than three-quarters of the Members of the Institute voting, whether personally or by proxy.

12. And We do hereby, for Us, Our Heirs and Successors, grant and declare that these Our Letters or the enrolment or exemplification thereof shall be in all things good, firm, valid and effectual according to the true intent and meaning of the same, and shall be taken, construed and adjudged in all Our Courts or elsewhere in the most favourable and beneficial sense and for the best advantage of the Institute, any mis-recital, non-recital, omission, defect, imperfection, matter or thing whatsoever notwithstanding.

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