

Company number: 975635

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**



**ARTICLES OF ASSOCIATION**

**of**

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED**

**(adopted by special resolution passed on 14<sup>th</sup> January 2016)**

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**1 EXCLUSION OF OTHER REGULATIONS**

No regulations for management of a company set out in any statute or subordinate legislation concerning companies shall apply to the Institute and the following shall be the articles of association of the Institute.

**2 INTERPRETATION**

2.1 In these Articles:

**the "Act"**

means the Companies Act 2006;

**"Articles"**

means these articles of association as the same may be varied from time to time;

**"Associate Directors"**

means persons nominated by resolution of the Board to attend meetings of the Board;

**the "Board"**

means the Board of Directors for the time being of the Institute and **"Board Director"** is any person elected or nominated by Board resolution onto the Board in accordance with these Articles;

**"Chairman of the Board"**

means a person who has (at the discretion of the Board) suitable qualifications and/or experience to have the position of Chairman and who may be nominated by the outgoing Chairman of the Board or may be nominated by Members and whose appointment is approved by an Ordinary Resolution;

**"Constituency"**

means any one of the three categories of Corporate Members as described in Article 14, having the right to elect Board Directors in accordance with Article 22;

**"Corporate Member"**

means a Member being a body corporate, a partnership, an incorporated or unincorporated association, whether charitable or 'for profit' and whether owned privately or publicly and whether under the control or otherwise of any other entity or organisation including any central or local government, provided that such entity has traded for at least two years and:

- (a) promotes its own products or services as principal direct to consumers and/or businesses; or

- (b) promotes the products or services of others or provides promotional marketing, operational, administrative or consultancy facilities or services; or
- (c) if it is a charity registered with The Charity Commission or a political party, raises funds to further its legitimate interests;

**“document”**

includes, unless otherwise specified, any document sent or supplied in electronic form;

**“electronic form”**

has the meaning given in section 1168 of the Act;

**“Full Member”**

means a Corporate Member having an annual turnover (as stated in its relevant accounts) equal to or exceeding the Turnover Threshold on the date that person applied to become a Corporate Member or, if later, on the subsequent renewal date(s) of its Membership;

**“Independent Panel”**

refers to a group of appropriately qualified or experienced people (so determined at the discretion of the Board) organised by the Board for the purposes of investigating (and if requested to do so by the Board, adjudicating upon) written complaints against Members regarding promotional marketing operations, monitoring compliance with such codes of conduct, practice or standards applicable to the promotional marketing industry from time to time, making recommendations as to changes or alterations to those codes of conduct, practice or standards and preparing such reports as the Board may from time to time require;

**the “Industry”**

means the promotional marketing industry;

**“Institute”**

means The Institute of Promotional Marketing Limited;

**“Members”**

the members of the Institute are the people who subscribed to the memorandum of association of the Institute on incorporation and each other person who agrees to become a member of the Institute and whose name is in the register of members of the Institute and who has not ceased to be a member and includes Corporate Members and Personal Members and **“Membership”** shall be construed accordingly;

**“Nominated Representatives”**

means representatives of Corporate Members appointed in accordance with the provisions of Article 10;

**“Ordinary Resolution”**

means a resolution of the Members passed by a simple majority. A written resolution is passed by a simple majority if it is passed by Members representing a simple majority of the total voting rights of Members eligible to vote. A resolution passed at a meeting on a show of hands is passed by a simple majority if it is passed by a simple majority of the votes cast by those entitled to vote. A resolution passed on a poll taken at a Members’ meeting is passed by a simple majority if it is passed by Members representing a simple majority of the total voting rights of Members who (being entitled to do so) vote in person by proxy or in advance on the resolution;

**“Personal Member”**

a Member being an individual engaged in the promotional marketing industry in some capacity such as work or study and who may be designated as a “Full Personal Member”, an “Associate Personal Member”, an “Affiliate Personal Member” or a “Student Member” based upon such criteria as the Board may establish from time to time including (but not limited to) the experience and qualification of such Members;

**“Purpose”**

means the purpose for which the Institute is established as set out in the Appendix to these Articles;

**“Reduced Rate Member”**

means a Corporate Member who has an annual turnover (as stated in its relevant accounts) of less than the Turnover Threshold as at the date of its application to become a Member or, if later, the subsequent renewal date(s) of its Membership;

**“Managing Director”**

Managing Director refers to the person appointed by the Board to that office of the Institute from time to time;

**“Turnover Threshold”**

means £1,000,000 or such higher or lower amount that the Board may in its absolute discretion decide provided that the Turnover Threshold shall not be increased by more than 10% in any year without the approval of an Ordinary Resolution;

**“writing” or “written”**

means the representation or reproduction of words, symbols or other information in a legible, non-transitory form by any method or combination of methods, whether in electronic form or otherwise;

- 2.2 Unless the context otherwise requires, words or expressions contained in these Articles have the same meaning as in the Act as in force on the date when these Articles become binding on the Institute and from time to time afterwards.
- 2.3 Words importing the singular number shall include the plural number and vice versa, words denoting any gender include a reference to each other gender and words denoting persons shall include bodies corporate or unincorporated.

**3 INCOME AND PROPERTY OF THE INSTITUTE AND ITS PURPOSE**

- 3.1 The income and property of the Institute, however derived, shall be applied solely towards the promotion of the Purpose and no part of the income or property shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the Members, save that nothing in these Articles shall prevent the payment, in good faith, of reasonable and proper remuneration, pensions, gratuities or other monies to any officer or servant past or present of the Institute or their dependants, or to any Member, in return for any services rendered to the Institute, nor prevent the payment of out-of-pocket expenses on behalf of or in connection with the activities of the Institute, nor prevent the payment of interest at a commercial rate on money lent, or reasonable and proper rent for premises demised or let by any Member.
- 3.2 The Institute is established for the Purpose and the Institute has the power to do anything which is calculated to further the Purpose or is conducive or incidental to doing so.

#### **4 LIABILITY OF MEMBERS**

- 4.1 The liability of the Corporate Members is limited.
- 4.2 Subject always to Article 4.3, every Corporate Member undertakes to contribute to the assets of the Institute, in the event of it being wound up while that person is a Corporate Member or within one year afterwards, towards
- (a) payment of the debts and liabilities of the Institute contracted before that person ceased to be a Corporate Member; and
  - (b) the costs charges and expenses of winding up; and
  - (c) in any adjustment of the rights of the Corporate Members amongst themselves, an additional amount (after payment of the Corporate Member's outstanding liabilities to the Institute) as may be required.
- 4.3 No Corporate Member is obliged to contribute any amount under Article 4.2 in excess of the current annual Membership subscription as it applies to that Corporate Member.
- 4.4 The liability of every Personal Member in the event of the Institute being wound up or dissolved is limited to the settlement in full of any Personal Membership subscription and other fees or dues outstanding on the date of a winding up or dissolution.
- 4.5 If upon the winding up or dissolution of the Institute there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members, but shall be given or transferred to some other institution or institutions, having objects similar to the Purpose, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Institute under or by these Articles, such institution or institutions to be determined by the Members at or before the time of dissolution and if and so far as effect cannot be given to such provision then to some other charitable object.

#### **5 MEMBERS**

- 5.1 There is no limit on the number of Members.
- 5.2 The Members comprise:
- (a) Corporate Members; and
  - (b) Personal Members.
- 5.3 Every Member shall comply with any code of conduct, practice or standards or such other recommendations or requirements for the good conduct of Members as the Board may from time to time specify.

#### **6 CORPORATE MEMBERS**

- 6.1 In relation to Corporate Members, the Board shall in its absolute discretion be able to reconsider and vary, on a case by case basis, in the light of any material change in the business, finances or status of any given applicant or existing Corporate Member whether such Corporate Member should be or remain a Full Member or a Reduced Rate Member and the Board may in order to reach such decision undertake an independent audit of such applicant's or Corporate Members' relevant accounts.

- 6.2 Corporate Membership entitles Corporate Members to the following voting rights (further details of which are contained in these Articles):
- (a) Full Members are entitled to have an unlimited number of Nominated Representatives of which six have voting rights;
  - (b) Reduced Rate Members are entitled to have up to and including ten Nominated Representatives of which two have voting rights.
- 6.3 Where a Corporate Member is part of a group of companies, any other company or entity in that group may become a Member in its own right but will not automatically be a Member by virtue of being in the same group as that Corporate Member.

## **7 PERSONAL MEMBERS**

- 7.1 A Personal Member is entitled to partake in the range of services that are from time to time offered by the Institute to Personal Members.
- 7.2 A Personal Member may attend but is not entitled to vote at any General Meetings.
- 7.3 A Personal Member is not entitled to vote in elections to the Board (unless that Personal Member is a Nominated Representative of a Corporate Member or a Fellow and is voting in that capacity).
- 7.4 A Personal Member is not eligible to stand as a candidate in elections to the Board but is eligible to be nominated by the Board to serve as an Associate Director in accordance with Article 24.3.

## **8 FELLOWS**

- 8.1 The Board may elect any person who in the absolute discretion of the Board satisfies the following criteria to become a Fellow of the Institute:

*a Fellow will be, or will have been, a Member (or a Nominated Representative of a Corporate Member) who, in the opinion of the Board has made an outstanding contribution to promotional marketing.*

- 8.2 A Fellow has the right to receive notice of and may attend and vote at General Meetings and has one vote.
- 8.3 If the Fellow is also a Nominated Representative of a Corporate Member then that Fellow must only cast one vote (as the Nominated Representative) at any general meetings or in any elections to the Board.
- 8.4 If a Fellow is appointed to any salaried position in the Institute, the Fellow's voting rights will be suspended for the duration of the appointment.
- 8.5 A Fellow is only eligible to stand for election to the Board of the Institute if that Fellow is also a Nominated Representative of a Corporate Member and stands in that capacity and not otherwise. The Board may appoint a Fellow to be an Associate Director.

## **9 MEMBER SUBSCRIPTIONS AND OTHER FEES**

- 9.1 Any rights of a Member contained in these Articles (including any voting rights) are only exercisable by that Member upon payment of the annual subscription.
- 9.2 Subject to Article 9.4, each Member shall pay such annual or other subscription to the Institute as the Board may from time to time prescribe. Subscriptions are due and

payable on the date of admission to Membership and thereafter subscriptions shall be payable annually on such day(s) in each year as the Board may prescribe.

- 9.3 The Board shall in its absolute discretion (but subject always to Article 9.4) decide the appropriate subscription of any Member and may reconsider and vary such decisions in the light of any material change in the business, finances or status of any Member or Members.
- 9.4 The implementation of any recommendation by the Board to raise any or all annual subscriptions of Members by 10% or more over the previous annual subscription(s) is conditional upon the approval of an Ordinary Resolution.
- 9.5 Any liability of a Member to the Institute for due but unpaid subscription fees or any other sums owing to the Institute for services provided as at the date of that person ceasing to be a Member shall continue notwithstanding the cessation of Membership, unless the Board shall otherwise determine.

## **10 NOMINATED REPRESENTATIVES**

- 10.1 A Corporate Member is entitled to appoint any number of people from within its organisation (expected to be senior level management and responsible for, or engaged in, the promotional marketing function) to act as its Nominated Representatives at informal meetings and general meetings of the Institute.
- 10.2 In relation to the Nominated Representatives of Corporate Members (and subject to Article 10.4):
- (a) six of the Nominated Representatives of a Full Member shall be entitled to exercise one vote each; and
  - (b) two of the Nominated Representatives of a Reduced Rate Member shall be entitled to exercise one vote each.
- 10.3 Each Corporate Member shall send in writing to the Managing Director the name, contact details and job title of each Nominated Representative in the form prescribed by the Institute from time to time and shall state on such form whether that Nominated Representative is entitled to exercise a vote or not.
- 10.4 A Corporate Member may at any time by giving notice in writing to the Institute terminate the appointment of any Nominated Representative and may appoint a substitute Nominated Representative.
- 10.5 Nominated Representatives who are designated as being eligible to vote shall be entitled to vote on any resolution put to the Members and in the elections of Board Directors.

## **11 APPLICATION FOR MEMBERSHIP**

- 11.1 Every application for admission to Membership shall be in writing and in such form as the Board may from time to time prescribe.
- 11.2 Subject to Article 11.3, a person shall not become a Member until the application is approved:
- (a) by the Board (in the case of an application to become a Corporate Member); and
  - (b) the Managing Director (in the case of an application to become a Personal Member); and

- (c) in each case, the name of the applicant is entered in the register of Members.
- 11.3 No person shall become a Member unless any subscription fee payable in connection with the application has been received by the Institute.
- 11.4 The Institute is not required to give any reason for accepting or refusing the application of any person to become a Member.
- 11.5 The Board may at any time, admit as a Member, any person who had previously ceased to be a Member.
- 11.6 Membership of the Institute or any Constituency Committees may not be assigned or transferred.

## **12 CESSATION OF MEMBERSHIP**

- 12.1 A Member shall cease to be a Member:
  - (a) on the expiry of three months' of that Member giving notice to the Board;
  - (b) if any subscription due and payable by such Member remains unpaid six months after its due date and the Board has resolved to terminate that Membership;
  - (c) if the Board, resolves that the Member has ceased to meet the relevant Membership criteria (including those of any relevant Constituency Committee);
  - (d) on written notice from the Institute if, in the opinion of the Board (after any such investigation as the Board may deem necessary and taking into account, where appropriate, any recommendation from the Independent Panel or other appropriate advisors) and subject to Article 12.2, the Member has acted in such a way as to prejudice the reputation of the Institute or the Industry; or
  - (e) in the case of a Personal Member, upon a bankruptcy order being made against that Member and in the case of a Corporate Member upon the appointment of any liquidator, receiver, administrative receiver, administrator or similar officer in respect of that Member or any of its assets, or (in either case) upon a Member making or agreeing to make any assignment for the benefit of creditors, or making or proposing to make any composition with creditors.
- 12.2 If the Board proposes a resolution to terminate (or in accordance with Article 13.1, suspend) the Membership of a Member in accordance with Article 12.1(d) it shall notify that Member in writing not less than thirty days before the Board's meeting at which the Board's intention to consider the termination of the Member's Membership will be held. Such notice must state that the Member has the opportunity to make representations to the Board in connection with the proposed termination of Membership either in writing to the Board or, at the option of that Member, by personal attendance at the Board's meeting.

## **13 MEMBERSHIP SUSPENSION**

- 13.1 Without prejudice to powers given to the Board by Article 12.1(c) and 12.1(d) the Board may, in cases arising under Article 12.1(c) and 12.1(d), suspend Membership for such period and on such terms as it may deem appropriate in the circumstances and may vary such period and terms from time to time, suspension shall be subject to the provisions of the following Article 13.2.



- 13.2 The suspension of a Member under Article 13.1 will have the effect for the period of suspension of removing from such Member all rights under these Articles attaching to such Membership except the right to receive notices of meetings (but not to attend or exercise any rights at any meetings). Notwithstanding suspension, such Member shall continue to be liable for payment of Membership subscription in accordance with Article 9.

#### **14 CONSTITUENCIES**

- 14.1 Corporate Members shall, for the purposes of exercising their voting rights under Article 20 be allocated by resolution of the Board into one of the categories of activity represented by three Constituencies depending upon the main activity of the Corporate Member in the promotional marketing industry. The three Constituencies comprise:
- (a) "Promoter or Brand" Constituency: being brands or owners of brands who market their own products or services to consumers and/or businesses; or
  - (b) "Agency or Consultancy" Constituency: being organisations who supply to Promoters or Brands, marketing and related services; or
  - (c) "Service Agencies" Constituency: being organisations who supply to either Promoters or Brands (directly or via agency) promotional marketing and communication support services including, but not limited to, handling, fulfilment, telemarketing, computer services, merchandise, design, print and exhibition services.
- 14.2 The purpose of the Constituencies is to ensure proper representation on the Board of all of the constituent parts of the Industry through the voting procedures provided for in Article 20.
- 14.3 The Institute will annotate the register of Members with the Constituency allocation of each Corporate Member.

#### **15 ANNUAL GENERAL MEETINGS**

- 15.1 The Institute must hold an annual general meeting each year, and shall specify the meeting as being the annual general meeting in the notice calling it. Not more than fifteen months shall elapse between the date of one annual general meeting and the next.

#### **16 CALLING GENERAL MEETINGS**

- 16.1 The Board may call a general meeting at any time on giving appropriate notice.
- 16.2 If at any time there are not within the United Kingdom sufficient Board Directors capable of acting to form a quorum for a meeting of the Board to convene a general meeting, six Corporate Members may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

#### **17 NOTICE OF GENERAL MEETINGS**

- 17.1 The minimum periods of notice required to hold a general meeting of the Members are:
- (a) twenty one clear days for an annual general meeting; or
  - (b) twenty one clear days for a general meeting for the passing of a Special Resolution;

- (c) fourteen clear days for all other general meetings
- 17.2 The notice of general meeting must specify the place, the day and the time of meeting and the general nature of the business to be transacted. If the meeting is the annual general meeting the notice must say so. The notice must contain a statement setting out the rights of those Members who are entitled to do so, to appoint a proxy under section 324 of the Act and Article 22. The notice must be given to such persons as are under these Articles entitled to receive such notice but the accidental omission to give notice or the failure of any person to receive notice will not invalidate the proceedings at that meeting.
- 17.3 A general meeting which is called by shorter notice than is specified in Article 17.1, will be deemed to have been duly convened if it is so agreed:
- (a) in the case of a meeting called as the annual general meeting, by all the Corporate Members entitled to attend and vote at the general meeting; and
  - (b) in the case of any other general meeting, by a majority in number of the Corporate Members having a right to attend and vote at the meeting, being a majority together representing not less than seventy-five per cent of the total voting rights of all the Corporate Members at the meeting.

## **18 PROCEEDINGS AT GENERAL MEETINGS**

- 18.1 No business shall be transacted at any general meeting unless a quorum is present.
- 18.2 A quorum is at least six Corporate Members, including the Chairman and any Fellows, present in person or by proxy or represented by a Nominated Representative.
- 18.3 If:
- (a) within half an hour from the time appointed for the meeting a quorum is not present; or
  - (b) during a meeting a quorum ceases to be present,
- the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other later day and at such other time and place as the Corporate Members present may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those Corporate Members present shall be a quorum and if there are no Corporate Members present the meeting shall be dissolved.
- 18.4 The Chairman of the Board shall preside as Chairman at every general meeting, or if there is no such Chairman, or if he shall not be present at the time appointed for the holding of the meeting or is unwilling to act, the Vice Chairman, if present and willing, will preside. If neither the Chairman or Vice Chairman are present or willing to act, the Board Directors present shall elect one of their number to be Chairman of the meeting and if no Board Director is willing to act as Chairman (or if no Board Director is present within fifteen minutes after the time appointed for holding the meeting) the Corporate Members present shall choose one of their number to be Chairman of the meeting.

## **19 ADJOURNING GENERAL MEETINGS**

- 19.1 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.
- 19.2 No business shall be transacted at any reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.
- 19.3 If a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting but otherwise it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **20 VOTING AT GENERAL MEETINGS**

- 20.1 Subject to these Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
- (a) by the Chairman of the meeting; or
  - (b) by at least four Corporate Members (including any Fellows) present in person or represented by a Nominated Representative or by proxy; or
  - (c) by any Corporate Members present in person or represented by a Nominated Representative or by proxy and together representing not less than one-tenth of the total voting rights of all the Corporate Members having the right to vote at the meeting.
- 20.2 At a general meeting, voting by Members is as follows:
- (a) on a show of hands, every Nominated Representative and every Fellow (in his own right or where that Fellow is a Nominated Representative of a Corporate Member in that capacity (but not both)) present in person shall have one vote; and
  - (b) on a poll, every Corporate Member shall have one vote for each Nominated Representative eligible to vote on the date of the poll and may instruct one Nominated Representative to exercise that number of votes and each Fellow shall have one vote (either in his own capacity or as a Nominated Representative of a Corporate Member (but not both)).
- 20.3 Voting for Board Directors shall be by voting papers issued to each Nominated Representative eligible to vote on the date of issue of such papers and to any Fellow who is not also registered as a Nominated Representative. Votes are exercised by placing a cross or other legible mark against not more than the number of candidates for which there are vacancies. Corporate Members are eligible to vote in respect of all candidates for election to the Board and are not restricted to voting only for representatives of the Constituency to which that Corporate Member is allocated.
- 20.4 A declaration by the Chairman shall be conclusive evidence unless a poll is demanded. The results of the vote must be recorded in the minutes of the Institute but the number or proportion of the votes cast need not be recorded.
- 20.5 A demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chairman and, if the demand for a poll is withdrawn, the demand shall not invalidate the result of a show of hands declared before the demand was made.

- 20.6 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
- 20.7 A poll demanded on the election of a Chairman of the meeting, or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken at such time as the Chairman of the meeting directs being not more than thirty days after the poll is demanded. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. If a poll is demanded, the meeting may continue to deal with any other business that may be conducted at the meeting.

## **21 WRITTEN RESOLUTIONS OF MEMBERS**

- 21.1 Subject to the provisions of the Act, a resolution in writing signed by all the Corporate Members or on their behalf by all of the Nominated Representatives eligible to vote, for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting.
- 21.2 A written resolution may consist of several instruments in the like form each executed by one or more Corporate Members and/or their Nominated Representatives.

## **22 CONTENT AND DELIVERY OF PROXY NOTICES**

- 22.1 Proxies may only validly be appointed by a notice in writing (a '**proxy notice**') which:
- (a) states the name and address of the Member appointing the proxy;
  - (b) identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Board may determine from time to time; and
  - (d) is delivered to the registered office of the Institute in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.
- 22.2 The Board may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 22.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 22.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 22.5 A Member (including a Fellow) who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered by or on behalf of that Member.
- 22.6 An appointment under a proxy notice may be revoked by delivering to the registered office of the Institute a notice in writing given by or on behalf of the Member by whom or on whose behalf the proxy notice was given

- 22.7 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 22.8 If a proxy notice is not executed by the Corporate Member or Nominated Representative appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on behalf of that Corporate Member or Nominated Member.

## **23 THE BOARD**

- 23.1 A Corporate Member may propose any number of candidates for election to the Board to represent any Constituency from among the Nominated Representatives of that Constituency. Each candidate for election to the Board shall be seconded by a Nominated Representative of any other Corporate Member.
- 23.2 The Board shall (subject to the consent of the persons mentioned) consist of:
- (a) The following three categories of Board Directors elected under Article 20:
    - (i) not more than four persons, being Nominated Representatives of Promoter or Brand Members;
    - (ii) not more than four persons, being Nominated Representatives of Agency or Consultancy Members;
    - (iii) not more than four persons, being Nominated Representatives of Service Agencies Members;
  - (b) the person who held the post of Chairman immediately prior to the current Chairman (whose tenure is co-terminous with the tenure of the current Chairman);
  - (c) the Chairman of the Board; and
  - (d) any Associate Directors.

## **24 APPOINTMENT OF BOARD DIRECTORS**

- 24.1 Any casual vacancy among the elected Board Directors may be filled by the Board from among Corporate Members allocated to the Constituency whose Board representation falls short of the entitlement under Article 23.2(a). Board Directors appointed to fill a casual vacancy shall hold office only until the next following annual general meeting and shall then be eligible for election as a Board Director.
- 24.2 The Board may appoint any person or persons to serve as an Associate Director. An Associate Director may attend meetings of the Board but has no right to speak or right to vote at meetings of the Board. Such persons need not be Members or Nominated Representatives;
- 24.3 No person is entitled to become an elected Board Director unless that person has confirmed, in writing, that he or she is willing to act and has been proposed in writing by a Corporate Member (and seconded in accordance with Article 23.1) by notice sent to the Managing Director at least 28 days before the date of the general meeting at which the election is to take place. The notice shall be in such form as the Board may from time to time direct but in the absence of any direction should be signed by the candidate, state his or her name and address and confirm his or her willingness to stand as a director.

**25 REMUNERATION OF BOARD DIRECTORS**

- 25.1 The remuneration, if any, of the Board Directors shall from time to time be determined by Ordinary Resolution.
- 25.2 Board Directors are not ordinarily paid travelling, hotel and other expenses incurred in attending and travelling to and from meetings of the Board, any committee of the Board, general meetings or otherwise in connection with the proper business of the Institute. Such expenses may be reimbursed if written authorisation of the Board to such reimbursement is received by the Board Director in advance of such expenses being incurred.

**26 DECLARATION OF INTERESTS**

- 26.1 Provided that a Board Director has disclosed to the Board the nature and extent of any material interest of his or hers, a Board Director:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Institute or in which the Institute is otherwise interested; and
  - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Institute or in which the Institute is otherwise interested; and
  - (c) shall not, by reason of being a Board Director, be accountable to the Institute for any benefit derived from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
  - (d) shall not infringe his or her duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Institute as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate;
  - (e) shall not be required to disclose to the Institute, or use in performing his or her duties as Board Director, any confidential information relating to such office, employment, transaction, arrangement or interest if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by that Board Director in relation to or in connection with that office, employment, transaction, arrangement or interest;
  - (f) may absent himself or herself from discussions, whether in meetings of the Board or otherwise and exclude himself or herself from information, which will or may relate to that office, employment, transaction, arrangement or interest.
- 26.2 For the purposes of this Article 26:
- (a) a general notice given to the Board that a Member of the Board is to be regarded as having an interest of the nature and to the extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be sufficient disclosure of that interest;
  - (b) an interest of which a Board Director has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers; and

- (c) a Board Director need not disclose an interest if it cannot be reasonably regarded as likely to give rise to a conflict of interest; and
- (d) a Board Director need not disclose an interest if, or to the extent that, the other Board Directors are already aware of it (and for this purpose the other Board Directors are treated as being aware of anything of which they might reasonably be expected to be aware).

## **27 BOARD AUTHORISATION OF BOARD DIRECTOR'S CONFLICT OF INTEREST**

27.1 The Board may (subject to any terms and conditions it may think fit, and subject always to its right at any time to vary or terminate such authorisation) authorise, pursuant to section 175 of the Act, any matter which would otherwise result in a Board Director infringing his or her duty to avoid a situation in which that Board Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Institute and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties).

27.2 If a matter has been authorised by the Board in accordance with Article 27.1, then, subject in any such case to any limits or conditions attached to such authorisation by the Board:

- (a) the authorisation shall extend to any other actual or potential conflict of interest or duty which may reasonably be expected to arise out of the matter so authorised;
- (b) the Board Director shall not be required to disclose to the Institute, or to use or apply, in performing his duties as Board Director, any confidential information relating to such matter, if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to that matter;
- (c) the Board Director may either attend or absent himself from:
  - (i) meetings of the Board, or of any committee of the Board, at which anything relating to that matter will or may be discussed; or
  - (ii) any discussion on such matter, at a meeting or otherwise,and the Board may exclude him from any such meeting or discussion;
- (d) the Board may make arrangements for the Institute either to send and make available to that Board Director (or not to send or make available) any documents and information relating to that matter;
- (e) the Board Director shall be entitled to accept any benefit derived from that matter, and shall not be accountable to the Institute for any benefit derived from any such matter; and
- (f) no transaction or arrangement in relation to such matter shall be liable to be avoided on the ground of the Board Director's interest, duty or benefit,

and the Board Director shall not be in breach of any general duties to the Institute as a director in relation to such matter, so long as that Board Director does not infringe these Articles and any terms and conditions of the authorisation in relation to such matter.

27.3 Articles 27.1 and 27.2 are without prejudice to the operation of any other provision or procedure authorising the conflict of interest of a Board Director.

## **28 BORROWING POWERS**

28.1 The Board may exercise all the powers of the Institute to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Institute or of any third party.

## **29 POWERS AND DUTIES OF THE BOARD**

29.1 The policies of the Institute shall be set by the Board, who shall appoint a Managing Director to oversee the day to day business of the Institute within the policies laid down by the Board. The Board may exercise all powers of the Institute unless they are subject to any restrictions imposed by the Act, these Articles or any Special Resolution.

29.2 No alteration of these Articles or Special Resolution shall have retrospective effect to invalidate any prior act of the Board.

29.3 Without prejudice to the generality of the preceding provisions of this Article 29, the Board shall be responsible for altering or amending any code of practice or conduct of the Institute and any associated regulations in such manner as it shall determine, taking into account where applicable any recommendations of the appropriate Constituency Council or Councils whose Members might be affected by such alteration or amendment and after consultation with the Independent Panel.

## **30 MINUTES**

30.1 The Board shall cause minutes to be made in books provided for that purpose:

- (a) of all appointments of officers made by the Board;
- (b) of the names of the Board Directors present at each meeting of the Board and of any committee of the Board;
- (c) of all meetings of the Institute, including meetings of the Board, of executive committees of Constituency Councils, committees of the Board and all general meetings and the Chairman of the Board (or if appropriate the person elected to be Chairman of any such meeting) shall sign his name in a book to be kept for that purpose.

30.2 The minutes of the meetings of the Board must, where appropriate record the reasons for the decisions taken.

## **31 DISQUALIFICATION AND RETIREMENT OF BOARD DIRECTORS**

31.1 The office of a Board Director shall be vacated:

- (a) if that Board Director becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
- (b) if the Corporate Member that Board Director represents or of whom that Board Director is a Nominated Representative ceases to be a Member, or ceases to be allocated to the Constituency for which that Board Director is the elected representative;
- (c) if by notice in writing to the Institute that Board Director resigns or, if being a Nominated Representative, that Board Director's appointment is revoked or he



or she ceases to be qualified to be the Nominated Representative of the relevant Corporate Member;

- (d) if the Board Director is removed from office in accordance with s198 of the Act;
- (e) if the Board Director is prohibited from holding office by virtue of any provision of the Act; or
- (f) if the Board Director shall have been absent without permission of the Board from three or more successive meetings of the Board.

## **32 ROTATION OF THE BOARD**

- 32.1 At each Annual General Meeting any elected Board Director who has been in office for two years or more shall retire but shall (subject to the following proviso) be eligible to stand for re-election. If the preceding provision would result in more than one half of elected Board Directors standing for re-election at one meeting then, of those due to stand for re-election, such number may offer (and such offer(s) to be accepted or not by resolution of the Board) to serve for an additional year and stand for re-election at the next following Annual General Meeting so that not more than one half of elected Board Directors retire at any one Annual General Meeting. In determining who is eligible to retire, those longest serving Board Directors shall take priority.
- 32.2 The number of elected Board Directors required to retire from office under this Article shall be reduced by the number of casual vacancies, if any, created by the resignation, retirement or expulsion of Board Directors pursuant to Article 31. Where the number of such casual vacancies, retirements or expulsions is the same as or exceeds the number of elected Board Directors required to retire from office, no elected Board Director shall be required to retire.
- 32.3 The Chairman of the Board shall be appointed for a term of two years and is entitled to stand for re-election for a further two year term, but no person who has been Chairman of the Board for a continuous period of four years is eligible for re-election as Chairman of the Board until a period of at least one year has elapsed after the expiry of that four year period.
- 32.4 Except as otherwise resolved by Special Resolution, the elected Board Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Board Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 32.5 The Members may from time to time by Special Resolution increase or reduce the number of Board Directors and vary the rotation requirements applicable to the increased or reduced number of Board Directors.

## **33 PROCEEDINGS OF THE BOARD**

- 33.1 The Board may meet together for the despatch of business, adjourn, and otherwise regulate its meetings, as it thinks fit
- 33.2 Questions arising at any meeting of the Board shall be decided by a majority of votes and each Board Director present in person shall have one vote.
- 33.3 In the case of an equality of votes the Chairman of the Board shall have a second or casting vote.

- 33.4 One or more Board Directors may, and the Managing Director on the requisition of such Board Director or Members shall, at any time summon a meeting of the Board.
- 33.5 It shall not be necessary to give notice of a meeting of the Board to any Board Director for the time being absent from the United Kingdom.

#### **34 QUORUM FOR BOARD MEETINGS**

- 34.1 No decision may be made by a meeting of the Board unless a quorum is present at the time the decision is purported to be made. (For these purposes "present" includes being present by suitable electronic means agreed by the Board in which a participant or participants may communicate with all the other participants.)
- 34.2 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed shall be six elected Board Directors.
- 34.3 The continuing Board Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum for the Board, the continuing Board Director or Board Directors may act for the purpose of increasing the number of the Board to that number, or of summoning a general meeting, but for no other purpose.
- 34.4 All acts done by the Board or a Committee of the Board or any Board Director shall be valid notwithstanding the participation in any vote of the Board Director:
- (a) who was disqualified from holding office;
  - (b) who had previously retired or who had been obliged by these Articles to vacate office; or
  - (c) who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;
- if without:
- (d) the vote of that Board Director; and
  - (e) that Board Director not being counted in the quorum;
- The decision has been made by a majority of the Board Directors at a quorate meeting.

#### **35 BOARD RESOLUTIONS**

- 35.1 A resolution in writing signed by all Board Directors entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Board Directors.

#### **36 OFFICERS OF THE INSTITUTE**

- 36.1 At the first meeting of the Board immediately following the election of Board Directors by the Members, the Board Director present shall be entitled to elect from amongst their number for the ensuing year:
- (a) a person to act as Vice Chairman;
  - (b) a Board representative for each of the three Constituencies; and

- (c) one or more persons to act as Chair of any committees established or to be established by the Board.

Any casual vacancy in any of the above offices may be filled by the Board, in the same manner, at the first meeting of the Board after such vacancy shall have occurred.

- 36.2 The Board is entitled to appoint a person to act as Managing Director of the Institute for such period and on such terms as the Board may determine and may remove the person so appointed. The Managing Director need not be a Member or a Board Director. The Managing Director will report to the Chairman of the Board.
- 36.3 The Chairman of the Board, Vice Chairman, Committee Chairmen and Constituency representatives shall each, provided that each one is a Board Director at the relevant time, be eligible for re-election to their respective offices under Article 36.1 (and subject always to clause 32.3 in the case of the Chairman of the Board).

### **37 COMMITTEES OF THE BOARD**

- 37.1 The Board may from time to time constitute such standing or other committees, as it may determine.
- 37.2 After consultation with the chairman of each committee elected under Article 36.1 and with the Managing Director, the Board shall appoint (and has the power to remove) such persons to these committees (who need not be Nominated Representatives nor Board Directors except in the case of the Executive Committee and the Finance and Membership Committee) as it shall think fit but taking into account the benefits of having a balance of interests.
- 37.3 The committees shall have authority, subject to any directions and in accordance with any principles laid down from time to time by the Board, to exercise such powers as the Board may from time to time determine.
- 37.4 The Chairman of the Board, the Vice Chairman and the Managing Director shall be entitled to attend all committee meetings.
- 37.5 All committees constituted by the Board shall remain in office until the first meeting of the Board next to be held after the Annual General Meeting following the appointment of such committee, or for such shorter period as the Board may direct.
- 37.6 The Board shall from time to time make such regulations concerning the conduct and constitution of committees as it considers appropriate.

### **38 PRESIDENT**

- 38.1 The Board may at its first meeting after the Annual General Meeting in each year, elect a President of the Institute to hold office until at least the first meeting of the Board after the Annual General Meeting in the following year.
- 38.2 The Board may at any time fill a casual vacancy in the office of President by appointing a person to hold the same until the next due date to elect a President.
- 38.3 A retiring President may be re-elected from time to time provided that no person shall hold office for more than five years consecutively.

**39 SEAL**

39.1 If the Institute has a seal, it must only be used by the authority of the Board. The Board must determine who shall sign any instrument to which the seal is affixed and unless otherwise determined shall be signed by a Board Director and countersigned by a second Board Director.

**40 ACCOUNTS**

40.1 The Board must prepare for each financial year accounts as required by the Act.

40.2 The Board must keep accounting records as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records or any of them shall be open to the inspection of Members not being Board Directors, and no Member (not being a Board Director) shall have any right of inspecting any accounting records except as conferred by statute or authorised by the Board or by Ordinary Resolution.

40.3 The Board shall, in respect of each financial year, lay before the Members in general meeting, not later than nine months after the end of the relevant accounting reference period, copies of the accounts for the financial year together with the report of the Board.

**41 AUDITORS**

41.1 If the Institute is not required under the Act to appoint auditors from time to time, the Board will appoint auditors unless authorised by Special Resolution not to do so.

**42 MEANS OF COMMUNICATION TO BE USED**

42.1 Subject to these Articles, anything sent or supplied by or to the Institute under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Institute.

42.2 The Institute may send or supply documents or information to Members by making them available on a website.

42.3 Subject to these Articles, any notice or document or other information to be sent or supplied to a Board Director in connection with the taking of decisions by the Board may also be sent or supplied by the means by which that Board Director has asked to be sent or supplied with such notices or documents or other information for the time being.

42.4 A Board Director may agree with the Institute that notices or documents or other information sent to that Board Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

42.5 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five clear days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five clear days was guaranteed at the

time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, 24 hours after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, 24 hours after the time when the material is first made available on the website or (if later), 24 hours after the recipient receiving (or being deemed to have received) notice of the fact that the material is available on the website.

42.6 Any Member may having received a document from the Institute other than in hard copy format may by a notice in writing to the Institute request that a hard copy version of that document be sent to him or her and the Institute will (subject to Article 43) supply that hard copy within 21 clear days of receiving the written request.

### **43 NOTICES TO MEMBERS**

43.1 Notice of every general meeting shall be given in accordance with the preceding provisions of this Article to:

- (a) every Corporate Member except those who (having no registered address within the United Kingdom) have not supplied to the Institute an address within the United Kingdom for the giving of notices to them;
- (b) every Fellow;
- (c) every Board Director; and
- (d) the Auditors for the time being of the Institute.

No other person including Personal Members shall be entitled to receive notices of general meetings.

### **44 SERVICE OF NOTICES**

44.1 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

44.2 Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Act.

### **45 INDEMNITY**

45.1 Subject to Article 45.1(a), but without prejudice to any indemnity to which a relevant officer is otherwise entitled, each relevant officer may be indemnified out of the Institute's assets (including by funding any expenditure incurred or to be incurred by that officer) against all costs, charges, losses, expenses and liabilities incurred by that person as a relevant officer in connection with:

- (a) any negligence, default, breach of duty or breach of trust in relation to the Institute; and
- (b) the actual or purported execution and/or discharge of that officer's duties.

45.2 This Article 45 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

45.3 In this Article 45 a "relevant officer" means any Board Director or any other officer of the Institute but excluding any person engaged by the Institute as auditor.

#### **46 INSURANCE**

46.1 The Board may decide to purchase and maintain insurance, at the expense of the Institute, for the benefit of any relevant officer in respect of any relevant loss.

46.2 In this Article 46:

46.3 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Institute; and

46.4 a "**relevant officer**" means any current or former Board Director or other officer of the Institute (but excluding any person engaged as auditor).

## APPENDIX

### THE PURPOSE OF THE INSTITUTE

The Purpose for which the Institute is established is:

1. To promote, protect and develop the operation, techniques, growth, status, standards and image of the promotional marketing industry and to provide an organisation and forum for the benefit and service of all sections of the industry and the public generally, and to consider all questions connected with the operation of the industry;
2. To present, express and give effect to the views and opinions of the industry and any sections of it and to protect their interests, to provide representation on other organisations, and to participate and negotiate with Government, authorities, councils and regulatory and enforcement bodies of all kinds both in the UK and internationally;
3. To establish, support and enforce a credible and effective system of self-regulation that will meet the reasonable expectations of consumers and businesses regarding the conduct of the industry and Members;
4. To establish if appropriate codes of conduct of practice and standards for the proper regulation of the trading and business relationships of Members with each other, with persons in trade or business generally and with consumers;
5. To establish codes of conduct, practice and standards and to provide advisory services for the benefit of consumers and persons using or purchasing products or services through the industry;
6. To institute, promote, support or oppose bills of Parliament and legislative or other measures anywhere in the world affecting the industry or any sections of it, to co-operate with other associations in the United Kingdom or abroad to achieve such purposes and to take all such steps as may seem expedient for altering and improving any existing laws customs or usages affecting the industry;
7. To provide Members with a regular service of information and advice, determined by the Board from time to time on matters relating to the industry (which may include legal advice subject to compliance with any legislative or statutory requirements);
8. To print, publish and circulate any newspapers, magazines, periodicals, books, pamphlets or digital media and to procure and encourage articles and other contributions in journals and other periodicals that may further this Purpose;
9. To encourage and undertake education, training and the provision of professional qualifications for the industry and to grant diplomas, certificates or other awards when appropriate, to conduct or sponsor, either alone or in conjunction with others, investigations, enquiries or researches into any matters affecting the industry, to arrange and support lectures, courses, seminars, conferences, presentations, exhibitions and awards schemes, and generally to advance, promote and advertise the activities of the Institute;
10. To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which may be necessary for the promotion of the Purpose of the Institute, and to sell, improve manage, develop, lease, mortgage, turn to account or otherwise deal with all or any party, or dispose of the real or personal property of the Institute necessary to further the work of the Institute;

11. To borrow or raise money for the purposes of the Institute on such terms and on such security as may be determined from time to time;
12. To invest and deal with the monies of the Institute in such manner as may from time to time be determined by the Board of the Institute and within the terms prescribed by current law;
13. To lend money to any company, firm, charitable or benevolent fund or person and to give all kinds of indemnities and either with or without the Institute receiving any consideration or advantage, direct or indirect, for giving any such guarantee, and whether or not such guarantee is given in connection with or pursuant to the attainment of the Purpose;
14. To amalgamate with any companies, institutions, societies or associations having objects altogether or in part similar to the Purpose of the Institute;
15. To transfer all or any part of the property, assets, liabilities and engagements of the Institute to any one or more of the companies, institutions, societies or associations with which the Institute is authorised to amalgamate;
16. To purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any one or more of the companies, institutions, societies or associations with which the Institute is authorised to amalgamate;
17. To establish and support or aid in the establishment and support of any associations or institutions (including, without limitation any not-for-profit foreign company or association) in any way connected with the Purpose of the Institute or calculated to further its Purpose and to procure the registration or recognition of the Institute in any foreign country or place;
18. To provide or procure the provision of commercial benefits or discounts to Members;
19. To do all such other things as are incidental or conducive to the attainment of the above Purpose.